

Harland Clarke Webcast 10/06/16
Improving Performance with Customer Insights TRANSCRIPT

Presenter: Stephen Nikitas, Senior Strategy Director, Harland Clarke

Presenter: John Berigan, Executive Vice President, Customer Service Profiles

Jeb: Good day, and welcome to Harland Clarke's webinar. Today's topic is Improving Performance with Customer Insight. This webinar is being recorded and will be provided to you along with the presentation and deck next week. If you have questions, please use the chat box located in the webinar control panel on the right side of your screen. Your questions are private and are only seen by the presenters. You can send those questions at any time during the presentation. I would now like to turn the call over to Stephen Nikitas, Senior Strategy Director at Harland Clarke. Steve, you have the call.

Stephen: Great. Thank you very much, Jeb, and good afternoon, everybody. Welcome to yet another Harland Clarke webinar. As you heard, today we're going to talk about how to improve the performance of your financial institutions, whether you're a bank or a credit union, by gaining deeper insights into your customers' overall perceptions.

A little bit of background about me: I am a senior strategy director with Harland Clarke. I've been here for about six years now. I come out of the financial services industry, where in the past I was a marketing, retail, and operations executive at financial institutions in New York, California, and Massachusetts. My role here as a senior strategy director is to help financial institutions better understand how they can employ Harland Clarke Marketing Services programs in order to grow their loan and deposit portfolios.

My comrade in arms is John Berigan. John is the executive vice president of Customer Service Profiles. John is actually going to be the star of today's show. John, would you be kind enough to let today's attendees know a little bit about yourself?

John: Sure, Steve. Thank you, and I thank everybody for attending today. I'm very grateful for your time. Steve mentioned my name is John Berigan, and I am an EVP with Customer Service Profiles. I am a principal owner of our company and have had over 30 years of experience in the FI industry around customer experience. If interest is proceeding after the speaking today, I'll be the primary contact, along with your Harland Clarke representative, for any type of additional and ongoing conversations. We're excited to have this opportunity today.

Stephen: Thank you very much, John. Let's go to our next slide and go through our

agenda. Let me talk about what we're going to talk about today. I've got the easy part. I'm going to share with you some industry trends for a couple of minutes. Then, from there, I'm going to hand the reins over to John, where John will talk about the process for gaining knowledge and insights from accountholders. He'll talk about putting that information into play, if you will. From there, he'll move into a discussion about the reporting that CSP, John's organization, provides back to financial services outfits. Then John will refer to some case studies.

Throughout today's presentation, we will stop at certain points to address any questions that you all may have. As you heard Jeb say at the very outset, if you do have any questions, feel free to plug them into the chat panel on the webinar control panel, and I am actually going to be the moderator. At certain points during today's presentation, I will come in and out, and I will address the questions that are asked. John, it is more than likely that every question that is going to be asked is going to be directed to you today, so just want to give you a heads up as we get going.

John: All right. Thank you.

Stephen: You're welcome. With that, let's take a look at our first slide here and talk a bit about what the customer is saying, what the member is saying, but also on this particular slide, what is it that the bank or credit union CEO is saying when it comes to their financial institution's priority for 2016. At the top of this slide are responses among bank CEOs. At the bottom of the slide are responses among credit union CEOs. Credit union and bank CEOs were asked, "List your top priorities for 2016." The 2016 responses appear in the green bars; the 2015 responses appear in the blue bars.

As you can see, where the triangles or the pyramids are located, across the board, loan growth is key among financial institutions, regardless whether you're a bank, regardless whether you're a credit union, among all the other things that are happening out there. Financial institutions certainly want to grow the asset side of the balance sheet. That's what bank and credit union CEOs are saying.

Let's take a look at this next slide and take a look at how consumers on the next slide are interacting with their financial institutions. I really like this slide. Let me just very quickly orient you to what you're looking at here. This represents the average number of monthly transactions that a consumer conducts with his or her bank or credit union. If you go all the way over to the left-hand side, debit cards. On average, consumers their debit card 9.7, almost 10, times a month. You go left to right, you can see that consumers use their credit cards on average almost 6 times a month, 5.6 to be exact.

You can see if you go left to right on the X axis we're looking at mobile banking, 5.8 times a month. OLB, or online banking, 6.5 times per month. My key takeaway from this slide, obviously, and I'm sure it's no surprise, is that consumers would rather interact with their accounts electronically and really not have to deal with people. If you go left to right, almost all the way over to the right-hand side, you can see two interactions per month for consumers who will go to a branch; a little over one, people who will go to a drive-through window; live phone, not even one interaction a month. It's all about convenience, as we know, and increasingly consumers would rather access their accounts without the aid and abetment of any human interaction whatsoever on behalf of a financial institution. It's all about convenience when it comes to how consumers are accessing their accounts.

Now, on the next slide, let's take a look at perceptions among consumers relative to their financial institution. Again, let me orient you to what we're looking at here. If you look at the left-hand side, what do consumers think about how their bank or credit union is interacting with them? On the left-hand side, what do banks think about how they are portraying themselves to their accountholders? By the way, this is bank and credit union on both sides of this particular side.

Let's take a look at the blue part of this chart on the left-hand side. How do banks believe consumers view themselves, or how do consumers view the bank in the mind of a banker? Forty-five percent of the bankers believe that their customers, their members, believe that they are relationship focused. Twenty-seven percent believe that they are customer service or member service professionals. Twenty-one percent of bankers and credit unioners out there believe that their customers, their members, believe that they are acting as traditional and reliable bankers. Then only seven percent think that they are generalized in the service that they provide to their customers.

That's all well and good, but if you look at the right-hand side of the slide, this is how consumers view their bank or their credit union, and there are some real dichotomies here. Better than a third of consumers perceive their bank or credit union employees to be customer service pros. Thirty-four percent, or about a third, of consumers believe that that employee with whom they are interacting at their bank or their credit union is a traditional and reliable banker. Eighteen percent believe that their banker or their credit unioner are generalized providers of information and service.

To me, the real key takeaway here is that last item on the right-hand side in the green box. While bankers believe, or almost half of bankers believe, that they are coming across as being relationship focused, nothing could be further from

the truth in the mind of the consumer. Only 13% of the consumers believe that the employee with whom they are interacting at their financial institution is providing that relationship that the consumer is looking for. There are really sides to this particular coin when it comes to relationship. Bankers and credit unions think they are relationship focused, but unfortunately it's all about the consumer, as we all know, and unfortunately the consumer doesn't see things quite that way. Let's go to the next slide.

On our next slide, when it comes to perception, here are the trust levels among American consumers relative to the financial institutions with whom they may deal. Forty-five percent, all the way over to the right-hand side, of consumers in the United States trust large banks, Chase, Wells Fargo, Bank of America. Fifty-five percent have a level of trust in a regional bank. When you get to the smaller institutions like community banks at 73% and credit unions at 70%, the trust level among American consumers really goes up, and goes up pretty dramatically.

If you're a smaller financial institution, at least in the minds or the eyes of the consumer, there's a lot of trust and faith in the service, and the products, and the delivery that you're providing. If you're a larger financial institution, whether it's a regional institution or a national bank, you've got some work to do. Consumers just don't have that level of trust in you that, of course, we would like. Let's go to our next slide.

As I promised at the very outset, John Berigan is going to be the start of today's show, so, John, let me hand the reins of today's presentation over to you. John, do your thing.

John:

Thank you, Steve. Appreciate it. Again, thanks, everybody, for joining us. The topic of gaining knowledge and insight from actual customers is really more important than ever. Just a little background on the customer service industry: It's becoming more strategic and has really found itself at the executive level. It's the number two priority for CEOs, right behind revenue. Customer experience is going to be a \$4 billion investment in your industry by the year 2020.

What do your customers think about you? It's a simple but important question to ask yourselves, especially going back to the slide that Steve talked about on Slide 6 or 7, the bank versus consumer perception. That speaks volumes of why you need to measure because we need to have the actual data and the facts at hand. For years, institutions drove customer behavior, and there's been a paradigm shift in that particular model. The customers are now driving institutions' behavior, so you need to measure. If you don't know, you need to ask. To have a program in place or a solution in place that helps you understand

what service and sales behaviors are driving your business is crucial.

You can see in that caption where it states that customers are no longer buying products and services; they are really buying experiences delivered via the products and services, and there's a tremendous amount of wisdom there. I think we all know that service and sales are really one and the same. When a customer is engaging with your institution, regardless of channel, they have a need that they want met. If it's not being met, you run the risk of allowing them to move on to your competition. Unless you're measuring your customer experience, you really don't know.

If we could take a look at the next slide, Jeb, it asks the question of why it matters. The reason it matter is, again, referring back to that slide. One of the main things is that your customers are saying it matters. They have a variety of different options today that they have at their disposal of where to invest their money, and so the impact that a positive customer experience can have is really crucial. You can see the impact on the bottom line, where nearly four out of ten customers who opened a new account in 2014 did so because of that customer experience.

We know that satisfaction and loyalty are the really key ingredients that the customer experience is in driving those very important metrics. Being able to engage your employees' performance and evaluate that is one of the ways that the Harland Clarke CSP Voce of the Customer Program is so valuable because we're engaging your two most valuable assets in this program, your customers and your employees. The ability to have something in place to be able to help build and measure a consistent customer experience is going to be crucial. When that's done right, there are a tremendous amount of benefits.

Through our 30 years of customer experience in your FI space, we've seen these items occur when you have a Voice of the Customer, Voice of the Member program in place. There's a lot of thought leadership around the implementation of this. When it's done right, we see that it really promotes a culture of service from the top on down in being able to understand and improve customer knowledge, having the ability to have tools to expand throughout your network to help make accountable and empower your employees to really improve the customer experience and then the deliverable of actionable data. It's a way to understand what it is that your customer is saying is so crucial during the experience. It really drives business results.

Then it creates an endless loop. Our program will allow you to have the customization around this program. Once that's done, we design that program and implement. That really helps you understand what it is that's really driving performance and satisfaction at your enterprise. You can see that just a 5%

increase in customer satisfaction can increase profitability by a substantial amount. You see better retention, higher revenue, and ultimately better profits at your enterprise. Next slide, Jeb, please.

It begs the question of why the Harland Clarke Voice of the Customer. One is that Harland Clarke is a trendsetter in the marketplace and understands the value, and the approach, and the power behind the customer voice. We've designed a program that is very conscientious about the economic investment, and Harland Clarke is committed to working with you to have a program that is affordable versus the competition, but is delivering these insights and data which provide you statistically significant information throughout your enterprise and taking this holistic approach to the customer experience program which creates a consistent message across your entire enterprise and your entire footprint.

As we know, your customers are engaging with you at different channels at all different aspects of their business. Then the ability to provide you the experience – over 30 years of experience with over 1,000 different institutions, banks and institutions, a multiple of thousands of branches all the way down to one and two branches – our ability to customize and design a program that is specific to your institution is very critical. The ease of doing business and our flexibility is a differentiator in the marketplace.

We do so much more than just that. It's then taking the information and providing you that data in a format that becomes actionable, understanding through our experience that human resources are very thin at a lot of institutions. Our ability to consult on this information and to lay out the key points of action is really critical to the success of leveraging this data. Then providing you the peer benchmark, over 150 different institutions, banks, and credit unions, all across the country. Again, our experience of over 30 years exclusive to your industry is an important facet in us helping you design and understand what you're faced with on a day-to-day basis. Jeb, next slide, if you would.

Stephen: John, if I could, this is probably a good point to take a quick breather here and address one of the questions that have already come in from today's attendees. While I think you may have touched on some of these points, could you expound a little bit on how the program increases customer knowledge?

John: Sure. That's a great question. One of the things that happens during a Voice of the Customer program is that we're collecting information from your customers, a statistically significant number of those customers at different channels. Then we take that data and run it through our statistical modeling that provides you the key drivers of what it is that your customers are saying. It

really predicts whether or not they will be satisfied with your institution, whether they'll purchase more products from you, become more loyal, and then ultimately what are those behaviors that really drive them to, being unprompted into your footprint, go out and recommend you to a friend or relative. That's the type of data that is not really available today unless you are measuring and then taking that data and doing the appropriate measures around the information to create this action plan. Hopefully, that answered that question.

Stephen: Great. Thank you, John.

John: The next slide is really about how do we work with you to customize and design a customer experience solution that fits your specific needs. We've got an infrastructure built that really allows you to collect and report customer data at all the different channels. We're really agnostic to the types of methodology, so we use a variety of different survey methodologies that will help you understand the insight from your customers that is necessary to engage them and to build a consistent customer experience across the network. Whether it be online, in person, phone based, mail based, mobile based, we have the ability to capture that information, regardless of preferential choice by your customers or members. Go to the next slide, Jeb, please.

This slide talks about a philosophy that we have around our omni-channel approach. It's a proven approach that really evaluates the customer experience at all channels. If you think about all the different ways that your customer interacts with you on a daily basis, whether it's still the in-person, in-branch experience, or the call center, or those digital experiences online or mobile phone based, it's a different way of doing business today than we were used to years ago.

Building this approach allows you to have a 360-degree view of your entire enterprise. The strength and benefits of this approach is the ability to customize and design a program that fits your individual needs, so your accountholders are engaging in doing business with you in multiple channels. It's important to have access to that information. Within each channel, you have the ability to utilize different methodologies to capture that customer experience.

There are ways to look at this. It's the in-branch, and the call center, that new account opening, what is happening at the bank or desk, or the FSR desk, lending channels, the mortgage consumer, small business. We have the ability to measure the business banking experience and gather some very in-depth information from those decision-makers on what they think about your institution, your products, your people, your competition, really helping you to spot money in motion. Then, obviously, those daily, regular routine interactions

that are so critical in understanding the behaviors that are driving that customer experience.

The next slide, Jeb, will really allow us to look at how it works. As we stated previously, but it's a point worth reiterating, is that we work with you to design a customized Voice of the Customer solution. We implement our best practices here. We have a tremendous amount of experience with over 1,000 institutions, but one of the things that's worth noting is we don't come to you with an off-the-shelf Harland Clarke product. Harland Clarke is going to be working with you to help understand what your needs are because even though you're in a commoditized industry, there are differences that set you apart from your competition.

We feel that one of these is how you value and how you implement service and sales standards within your institution. One of the ways that we work and the key ingredient to all of these different channels is that we're providing you quantitative data, so statistically significant data that allows you to gather information about that particular channel. If we take a look at the accountholder panels, we've literally done over 2.5 million different customers and members that have participated in our program throughout the 20 years. This is a unique differentiator in the marketplace because what we do is we collaborate with you to see whom you would like to have participate. It can be based on a number of different demographics of those accountholders by profitability, by age, by income, account size, number of accounts, etc.

What we want to do is create this customer or member panel that is statistically significant. One of the beauties of that is that it provides you a true representation of that accountholder across your different institution. Because it's such a broad base of different participants, you get objective, unbiased responses. It ensures that the entire footprint in your FI is represented at every channel. We also on 92% of the evaluations gather verbatim comments, qualitative data, so we go through a great amount of work to code and categorize those for you, as well as doing additional text analytics that can share with you customer or member sentiment and help validate the key drivers within those particular channels.

One of the biggest benefits is that we are able to drill down to the individual employee. If you think about what we've talked about so far, it's more at the bank level. As you drill down, our programs allow you to be very granular. We're able to identify that individual employee to be able to reward, recognize, and to coach and train. This is really where change management occurs because at the individual employee level you're able to help your employees across your enterprise understand why your customers are saying something is important and that when your employees are engaged in an experience with

those accountholders and they say that these behaviors predict whether I'll be satisfied with your institution, whether I'm going to consider buying more products, become more loyal, or to go out into the marketplace and recommend you, it's very important information that creates a culture around those behaviors. There's a shift from just managing to a score to understanding the behaviors that really are driving and having an impact on the process.

Then we get into peer benchmarking, the ability to compare yourself to a large, robust portfolio of banks and credit unions is important. You're able to compare yourself at all individual channels, whether that's the in-branch, or the call center, or the digital, etc. You have the ability to compare yourself. We allow you to benchmark yourself on each individual question as well as those important key metrics, and you have the ability to self-direct those comparisons. What we mean by that through our real-time web-based reporting portal, you can choose what level that you want to benchmark yourself. You can compare yourself to the overall Harland Clarke CSP portfolio, institutions your asset size, at the regional level, and then, again, that granularity of being able to drill down to the individual state level and to see how you compare.

This is an important attribute that is part of the value-add that we put into the program. Then we get into the analysis and consultation. You can see how we've created in the infrastructure the ability to get information through the accountholder panels and the post-episodic transacting. You're able to get that information, compare yourself to it, but then it's the consultative piece that becomes important. We don't just slide the data across the table to you and, number one, hope you can interpret it and understand it and, number two, that you have a plan to communicate it throughout the enterprise. We run it through our statistical modeling to provide you the key drivers.

Then once those have been identified, our research team, every six months, in addition to the web-based reporting portal, provides written analysis that we sit down with the stakeholders and the executives of your FI to really lay out all of those key findings and attributes in benchmarking, and then we have an action plan of how to leverage this data to continue to improve. We have 30 years' worth of historical data that shows when these key metrics are improved you see an increase in retention, revenue, and ultimately profits. That's a very crucial point that, again, is a big differentiator in the Harland Clarke CSP offering is around the consultation and approach that we have with the data.

Jeb, if we could go to the next slide, which is really going to show a little bit more in-depth about how we identify the key drivers because we feel that this is an important aspect of the Voice of the Customer program. It's part of the deliverable. It's how Harland Clarke CSP is going to help you continue to get

better year after year. Once those evaluations come in through either the accountholder panel or the variety of different methodologies that we have, we take those evaluations and run it through our statistical modeling to provide you the diagnostics and information based on those key drivers.

We identify the key drivers of your customer experience at every individual channel. Within the branch, for example, you're going to have an individual key driver at the banker or FSR level, the teller, the drive-up, the call center, etc. It becomes very specific, which allows you to, again, be very detailed and focused on what behaviors your accountholders are saying drives their overall satisfaction, loyalty, and advocacy. Then we use that data to help you have an impact on those scores. We do different types of testing that gives us this analysis, but one of the key attributes is that it's specific to your institution because we are engaging your customers or members with your employees. Nobody else has that data, and that's part of the power of the program.

If you look at the example of a banker, one of the things that came across from the analysis and from the customer interaction was that every time that that employee had those behaviors around customer service skills and demonstrated professionalism and timely manner, that is what your customers or accountholders said really drove their propensity to want to do more business with you. That's very detailed, focused information that you can begin to understand what it is that's driving change management. We see an increase in those numbers, which ultimately is driving business results, so each individual owner of those business lines have access to this data so that they can coach, and train, and reward, and recognize. Again, this data gets very granular, all the way down to the specific channel and the different employees or lines of business within those channels.

Jeb, if we could go to the next slide, what we also have built in to help the employees within the enterprise is to have access to this information. We mirror your hierarchy, but there's a real-time web-based reporting portal that is housing all this information on a real-time basis. As the evaluations are completed, it comes into our quality control and goes on to the online site later that evening for you to have access to. One of the things that we've added to is a valued benefit to the Voice of the Customer, Voice of the Member program is a library of activities and articles that are there to assist you, the FI, to be able to help empower your leaders within those branches, and regions, and districts to coach and train on specific behaviors that your members or customers are saying are so important during an experience. We have a team of client educators that are providing you this feedback and take time to be able to illustrate that and communicate it to your stakeholders within the FI.

If we could go to the next slide, Jeb, please, now we're looking at manager

development and training component. This is becoming a critical component to the Voice of the Customer strategy. Years ago, it was just a nice-to-have program, where institutions measured just to have a score, but it's so much different now. We're understanding through analysis and advanced technology around what it is that those behaviors are really saying around customer interactions and experiences that are driving business. It's documented that it improves profitability, so one of the key things is insuring that the data gets leveraged across your enterprise.

What we've done is, also, as part of our program, we have a customized manager development and training area, which allows you to use the data to help within your institution to coach, and motivate, and manage employees to understand your unique service climate and what it is that's specific to your enterprise. Not every institution has the same key drivers. As a matter of fact, the science shows that there are very few that have exactly the same key drivers, so it's important to understand what those are. Then incorporate those into the communication and how it's articulated and leveraged across the enterprise.

The training is a customized piece that incorporates all the data around your metrics, customer service data, how we can help you help others in your institution become empowered through some leadership and development plans, and then to help them understand what it is that's really driving your accountholders' activity. What is it that's going to create a more satisfied accountholder? Why are they going to buy more and go out and recommend you to a friend or relative? There are a lot of different ways that we can assist you in the articulating of the data throughout the enterprise. Jeb, if we could go to the next slide, I'd appreciate it.

Stephen: John, if I could, it's Steve again. As I threatened at the very outset, I was going to come in periodically with questions. This is probably a good point to take a quick little break for some questions that I see coming in from our teleconference attendees. The first one, John, is asking does Voice of the Customer capture feedback from mobile users.

John: Yes, it does, Steve. As we mentioned earlier, our ability to create that omni-channel approach, the Harland Clarke offering is able to capture any experience that your accountholders would have via a mobile experience. We call that the digital channel. We're capturing data from the mobile user and the online user and being able to provide you that important feedback based on that individual experience.

Stephen: John, can you survey only certain branches for certain accountholders?

- John:** Yes. Again, being specific to how we can customize programs, there are ways that we can be very diagnostic into certain demographics, certain segments, profitability, and then also down to those individual branches or channels within the FI.
- Stephen:** John, a handful of clients heard you talk about peer benchmarking. How many financial institutions are available for peer comparisons?
- John:** About 150 right now, Steve. We expect that it will be more like 250 in 2017. The portfolio continues to grow. Again, the ability to drill down all the way to the state level is an added bonus to the robustness of the size of the portfolio of institutions.
- Stephen:** Great. John, how are the key drivers determined?
- John:** The key drivers are determined, Steve, through our proprietary statistical modeling. Because we engage a statistically significant number of the FI's accountholders at all those individual channels, we take those data points and those evaluations and we run it through the modeling to determine a key driver to satisfaction. It's based on the questionnaire that we have expertise in designing. What can come out of that could be – the science could determine for that banker or FSR position that a key driver for that banker could be making that account value.
- We know that a statistically significant number of those accountholders are saying every time I have an experience with that banker or FSR, and they make me feel valued, it predicts I'll be more satisfied. I'll buy more, and I'll recommend them to a friend or relative. Then we do an additional analysis on that key driver that allows us to identify the performance criteria that have the greatest impact on that satisfaction driver. It could be, for example, doing a needs analysis or asking the accountholder to take action, or thanking them, or recommending the right product and service. What we've been able to do right there then, Steve, is design a very detailed, focused plan around that position and that criteria, which we know in turn drives business results.
- Stephen:** Great. John, that addresses another question that came in asking how the results will help a financial institution to grow market shares. I think a lot of what you just said addresses that particular question. John, that's it for me for the time being. I'll let you get back to your presentation.
- John:** All right, thanks, Steve. Appreciate the questions, everybody. If we go to the next slide, we want to talk a little bit about the reporting and what you as an enterprise have access to. This slide right here goes a little bit back to Steve's question about our web-based reporting portal that is available to you as an

enterprise. You determine who would have access and at what level. We would marry your hierarchy of your FI.

Assuming you had total FI access, we have the ability to on a daily basis provide you this benchmark analysis reporting. You can see the six key areas that we're measuring and benchmarking you against, so you see those speedometers that show the loyalty and the advocacy, the net promoters score, the overall experience, and where that enterprise compares to their peers. In some instances, you can see that they are below the benchmark average, in some areas substantially below. We've also showed you examples of an enterprise being in the top 25% quartile. You get an immediate access to where you stand versus your competitors.

If interested, you can actually click on the portal on one of those speedometers, Jeb, if you would go to the next slide, which allows you to drill down into a little bit more detailed reporting components of the specific criteria. One of the gauges was the performance with the individual employee. Now I can compare myself to the actual benchmark and then see where I rank in my state or my asset size, for example, over to the right. Again, the ability to be very granular in the reporting is one of the things that we're trying to illustrate here. You can continue to drill down to get information at a very specific level to be able to take action. Next slide, Jeb, if you would.

Finally, it's the executive analysis that is part of our reporting deliverable. Again, if you think about the entire approach that Harland Clarke is bringing to the market, it's having that initial infrastructure built to collect your accountholder information, which includes information on your employees, as well. We build it. We execute on it. We evaluate it. We report it on that real-time web-based reporting portal. Then we deliver to you and to your executives or the stakeholders this written analysis.

This gives you a quick snippet of 1 page of usually a 30-page document that allows you to capture the customer experience at your enterprise and how you compare from year to year, how you compare to your peers, and then an action plan behind what that is going to be. The consultative approach, again, is one of the differentiators in the marketplace, not only from an interpretive standpoint but also from a resource standpoint. This is a very important piece in our mind because a gap can be if you are measuring, and then you don't understand the information or you don't have the resources in place to communicate the information. The data is not nearly as valuable and, more importantly, as powerful as it can be for your institution.

Jeb, if you'd go to the next slide, please, again we conclude with a little quote from American Banker that shows the importance of measuring. When you can

improve retention by just 5% and if you can continue to sustain that over a period of time, you can eventually see earnings improve up to nearly 100%. It does have a very financially significant impact on your enterprise.

Going back to one of our initial statements, this is not a nice-to-have anymore; it's becoming a critical component of FI strategy led by the CEOs in the industry. It's really becoming a need and must-have as part of your overall strategy. That's where Harland Clarke would love to be able to have further conversations with you and to be able to help you. Again, we have a 30-year track record exclusively with your industry and would appreciate any opportunity for follow-up.

Stephen: John, all great stuff. Thank you very much. We do have a very inquisitive group on the phone today, so I've got a handful of questions that have come in. I know we've got about ten minutes left on today's presentation, so if you don't mind, here we go. John, who gets access to the reporting?

John: That's really, Steve, going to be determined by the individual FI. Our experience in best practices is that you obviously want the executives and owners of the program to have total access at the FI level, but we really want to share the best practice around getting it all the way down to the individual branch level or the individual owner of that particular line of business because that's where change can be impacted. It's up to the FI, but to us, the more the merrier.

Stephen: John, can you talk a little bit about how the reporting helps to improve the performance of the program?

John: Sure. Because you're measuring, what you're able to do is track on an ongoing basis what it is that's important to your customer. With that customer knowledge of what's happening during an experience and then having access to that data to be able to coach and to train to see if you're improving is a critical component. The reporting gives you that access to information on a daily basis so that you can begin to see what is working and what is not.

Stephen: John, based on your experience with CSP and the many financial institutions with whom you've worked, what are some best practices for frontline staff that comes out of the overall results of the program?

John: There are a couple things, Steve, that are important. One is that it's really communicated from the executive level that this is an important part of the overall FI strategy and that your belief in them, your belief in the power and the need to measure, but also that it has a financial impact. Being able to have access to information is going to be a crucial point of this whole exercise because we're now enabling them to understand what it is from the

accountholder's perspective that really drives business. We're giving everybody within the institution knowledge that they may not have had before.

- Stephen:** John, does the reporting identify individual employees?
- John:** Yes. We touched on that earlier. The ability to be very granular and drill down to identify the individual employee is a key aspect of the program, again, to be able to reward and recognize and to coach and train. We've seen through our 30 years that when institutions tie some type of incentive or reward program to a Voice of the Customer program, it really separates them and distinguishes them versus their competition.
- Stephen:** John, when is the reporting tool updated?
- John:** It's updated every day, Steve. Every day, there is new activity that comes in. It is real-time activity that sees the performance and all the different scores change on a daily basis.
- Stephen:** John, that exhausts all of the questions that have come in today from our attendees on the phone. Let me just take a quick peek here at the webinar control panel and make sure I've addressed everything that has come in. It looks like I have. Wait a minute. Let me see if I've found another one here, John. Hold on, I think I did. Bear with me one moment. John, is it possible to present the reports on the Voice of the Customer results not just by organization and channel but by product?
- John:** Can you ask that question, Steve, one more time, please?
- Stephen:** Sure. Is it possible to present the reports on the Voice of the Customer results not just by organization or channel but by product?
- John:** Yes, it is. We can show you a demonstration of the web-based reporting portal if the questioner would like to see that. It's a table to designate out by all those different areas that they just inquired about.
- Stephen:** Great. John, I think that's it for our questions. That brings us to a couple of minutes before the top of the hour. Any final words that you'd like to convey to everybody on the phone today about Voice of the Customer and CSP?
- John:** I'm just very thankful for everybody's participation, and time, and questions. We're eager to help out in any way that we can.
- Stephen:** Great. John, before we wrap up, I want to thank you very much for a wonderful presentation, lots of good information. Always imperative and important for



financial institutions to fully understand that customer or that member perspective as they continue to strive for continued growth and prosperity within their organizations. As a reminder to everybody on the phone, a video replay of today's presentation will be provided next week to all of you on the phone. If you're curious about following up on something that may have been said or one of the slides that you saw, rest assured you'll get everything next week. With that, on behalf of Harland Clarke, on behalf of John Berigan, I want to thank everybody for attending. We look forward to your attendance on an upcoming webinar. Thanks, everybody.

John: Thanks, Steve.

Jeb: This concludes today's webcast. Thank you for attending.