




Presentation materials and video replay will be provided within one week.

Have questions? Use the questions panel –  we'll field them as we go and during the Q&A recap at the end of the call.

Improving Performance With Account Holder Insight

DATE

Proprietary / Confidential

Today's Speakers



Stephen Nikitas

Senior Strategy Director, Harland Clarke

- 30 years experience, including senior executive at financial institutions in New York, California and Massachusetts
- Loan portfolio and account holder retention specialist



John Berigan

Executive Vice President, Customer Service Profiles (CSP)

- More than 30 years sales experience
- Primary contact for all sales and marketing inquiries, contract negotiations, and ongoing client projects

Agenda

State of the Market: Latest Trends

Gaining Knowledge and Insight From Actual Account Holders

Hearing the Voice of the Account Holder: All Channels, all Touchpoints

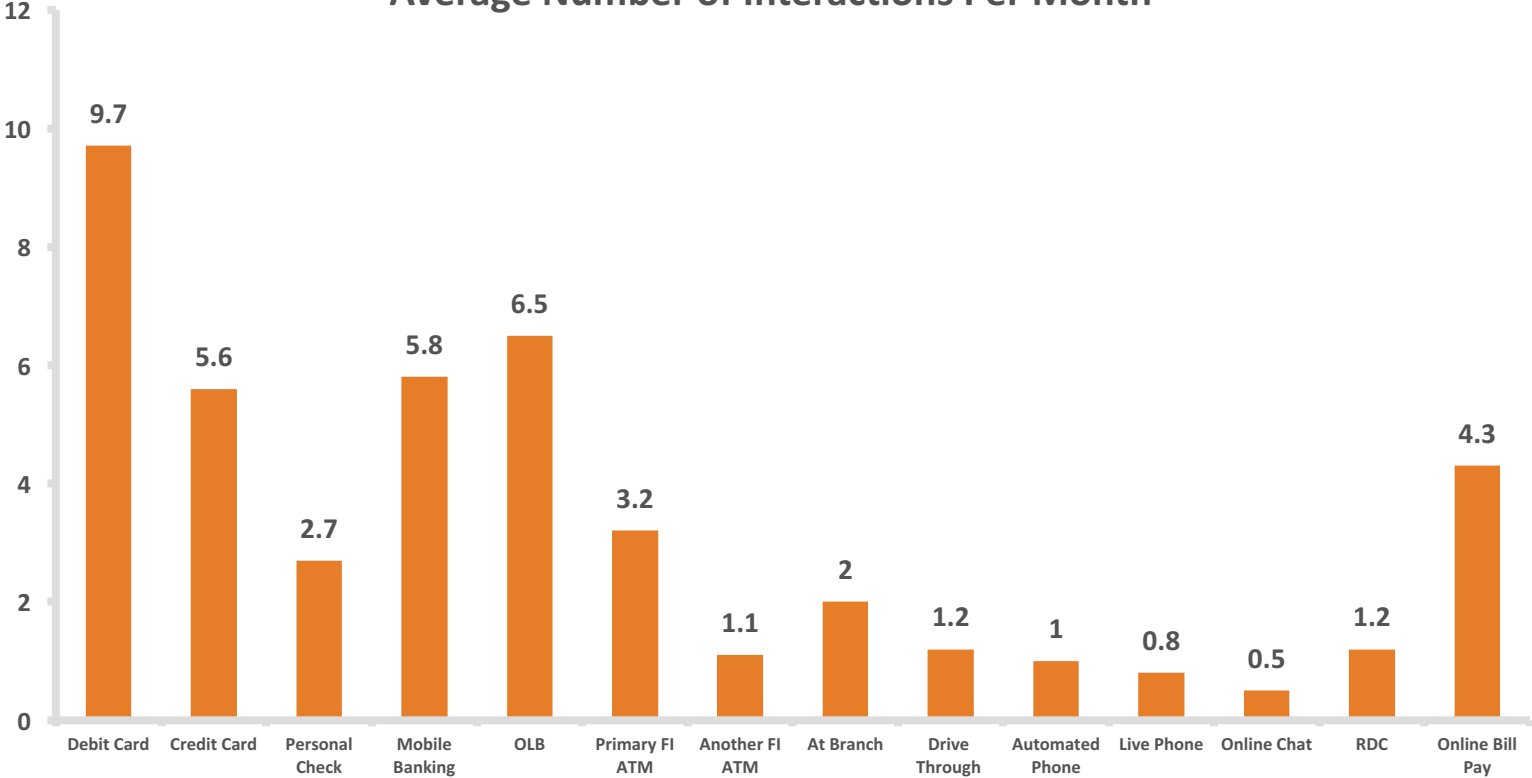
Reporting for Managers and Executives

Case Studies

Q&A

Consumer Interactions

Average Number of Interactions Per Month



Bank vs. Consumer Perceptions



How banks
view themselves

How consumers
view banks

Relationship Focused

45%

13%

Customer Service Pros

27%

35%

Traditional/Reliable Bankers

21%

34%

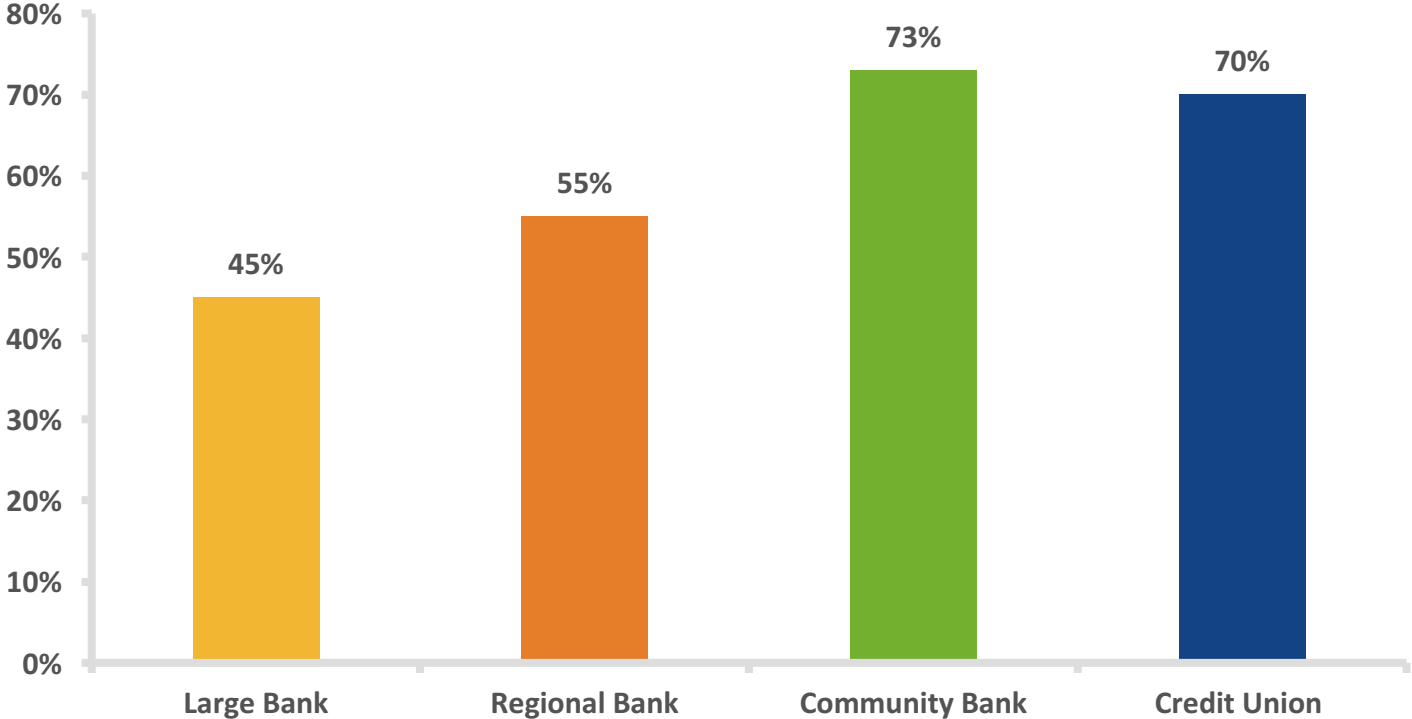
Generalized Providers

7%

18%

Where's the Trust?

Trust by Banking Category



Gaining Knowledge and Insight From Actual Account Holders > > >

What Do Your Account Holders Think About You?

You don't know unless you ask them

Sales and service excellence depends upon their perceptions and feedback

How they feel about their **experience** is how they feel about your **brand**

“Customers are no longer buying products and services – they are buying experiences delivered via the products and services.”

– **Gregory Yankelovich**, *Customer Experience IQ*

"Q&A with Gregory Yankelovich," InsideCXM, June 16, 2014, <http://www.insidecxm.com/qa-with-gregory-yankelovich/>

Why It Matters

Account Holder Experience Impacts

The bottom line

41% of customers who opened a new account in 2014 did so because of the customer experience¹

Satisfaction & loyalty

Customer experience is the most critical driver in increasing customer loyalty²

Employee performance

“Optimizing incentive structures to prioritize customer service, investing in training programs and highlighting service advantages” is a Top 10 Trend in 2016 reported by BAI Banking Strategies

1. Ernst & Young 2014 Global Consumer Banking Survey
2. Ibid.
3. American Customer Satisfaction Index, Fornell et al, 1996

Why It Matters

When Done Right

- ✓ Promotes a culture of service
- ✓ Increases account holder knowledge
- ✓ Provides tools to improve the account holder experience
- ✓ Drives results via actionable data
- ✓ Ensures cultural alignment throughout the institution
- ✓ Offers insight into market position
- ✓ Creates endless improvement loop
- ✓ 5% increase in customer satisfaction can increase profitability by 25% to 125%¹
 - Lower attrition
 - More products
 - More referrals

¹ Harvard Business Review

Why Harland Clarke Voice of the Customer?

- Value delivered at affordable price versus competition
- Insight and data representative of your account holders and branch network
- Holistic approach to account holder experience management
- Financial institution experience and exclusivity
- Solution customization and flexibility
- Analytics and consultation
- Peer group benchmarking by asset size, region and state
- Customer Service Profiles (CSP) — 30 years of thought leadership in customer experience management (CEM)

“70% of buying experiences are based on how the customer feels they are being treated.”

– McKinsey

"The 'moment of truth' in customer service," by Marc Beaujean, John Davidson, and Stacey Madge, McKinsey & Company, <http://www.mckinsey.com/business-functions/organization/our-insights/the-moment-of-truth-in-customer-service>

Hearing the Voice of the Account Holder > > >

All Channels, All Touchpoints

Voice of the Customer

Voice of the Customer, Powered by CSP, delivers actionable intelligence to improve performance, directly from the source that matters most – your account holders

Using a variety of survey methodologies, we provide insight necessary to engage account holders and build a consistent experience



Our Omni-channel Approach

All Experiences, All Channels

- Branch
- Call center
- New account opening
- Lending
- Business banking
- Daily/regular interactions



"89% of consumers have stopped doing business with a company after experiencing poor customer service."

– RightNow Customer Experience Impact Report

2011 Customer Experience Impact (CEI) Report commissioned by RightNow (acquired by Oracle(R)), "Customer Experience: Empowering People. Powering Brands. With Oracle Service Solutions." 2012, <http://www.oracle.com/us/solutions/customer-experience/cx-service-exec-strategy-brief-1730729.pdf>

How It Works

Account Holder Panels

- Statistically significant number of evaluators reflecting account holder demographics
- Objective, unbiased responses
- Entire footprint is represented at all channels
- Verbatim comments
- Identifies employee

Peer Benchmarking

- All channels
- Individual criteria and key metrics
- Robust peer database
- Ability to self-direct peer comparison

Analysis & Consultation

- Key drivers identified at each touchpoint
- Executive OnReview analysis
- Coaching/training resources
- Strategic and comprehensive recommendations

Identification of Key Drivers

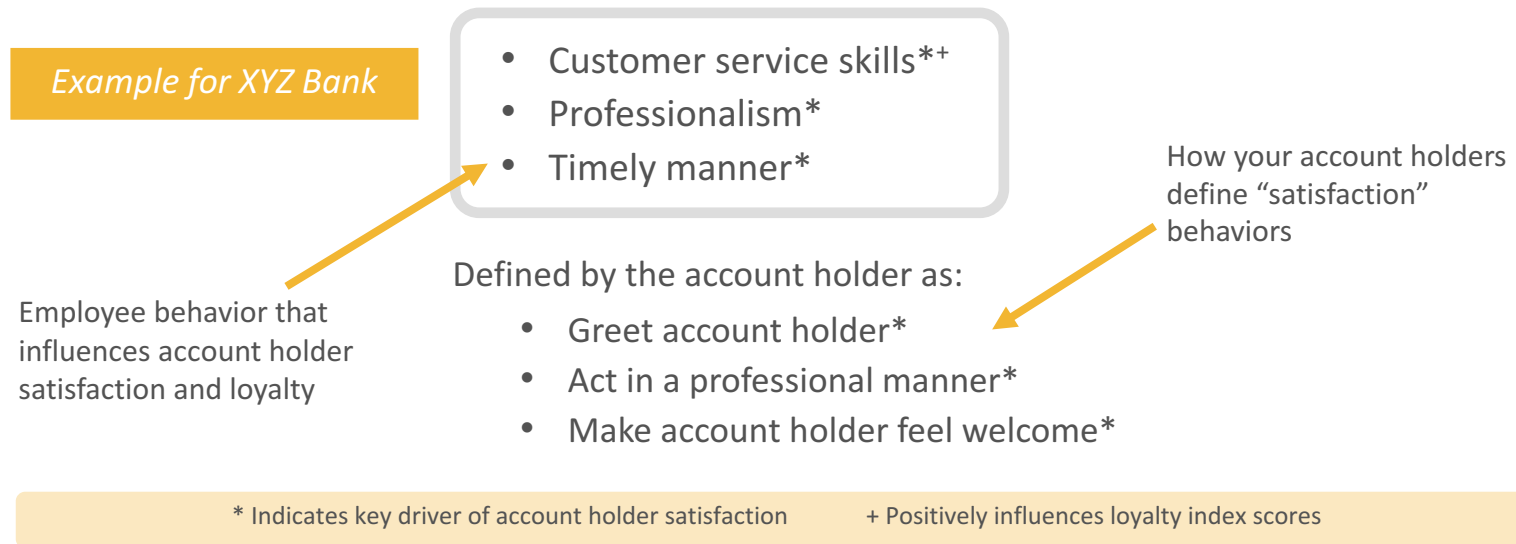
We run several statistical and diagnostic tests on your account holder data

- Academically rigorous, valid, and reliable
- Stable way to compare the importance of all satisfaction criteria

We identify the key drivers of your account holders' experience

We use your data to identify the employee behaviors that have the most impact on satisfaction and loyalty scores

- Plus, analyze which transaction behaviors are connected to overall satisfaction



Coaching and Training

Resources and expertise to improve frontline training

- Activities, articles and exercises deliver coaching and training specific to evaluation criteria
- Topics include service attributes, sales behavior, telephone etiquette and more
- New materials and topics added quarterly
- Unlimited access to STARS coaching and training resources

STARS Approach

Service & sales
Teamwork
Attitude
Recognition
Success

The image shows a page from the STARS program titled "How Do You Spell L-O-Y-A-L-T-Y?". It includes a "Discussion Guidelines" section with four steps: 1. Split into small groups of 3-5 people. 2. Distribute the L-O-Y-A-L-T-Y card and the Brainstorming Worksheet. 3. Explain the objective of the activity. 4. Facilitate the Brainstorming Worksheet time. A "Reviewing the Activity" section asks each team to choose a spokesperson. A "Materials Needed" section lists the L-O-Y-A-L-T-Y Card and the Brainstorming Worksheet. The page is numbered "Page 1 of 3" and has a footer with "Service & sales Teamwork Attitude Recognition Success 800-821-1500".

Manager Development and Training

Use data to help financial institutions coach, motivate and manage employees within their unique service climate

Incorporates all data including:

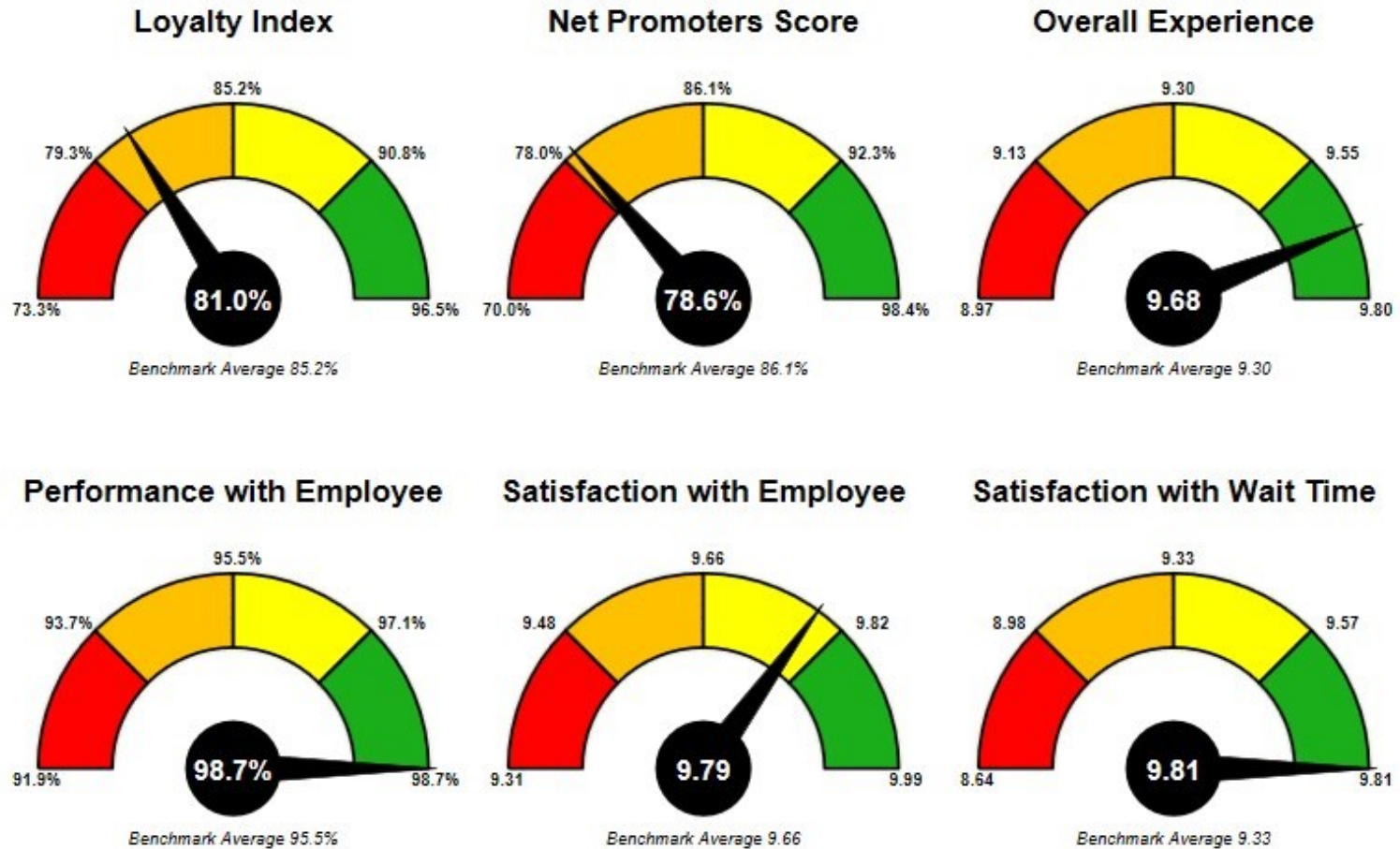
- Bank metrics
- Customer service data
- Leadership development plans
- Employee engagement/satisfaction survey

Several customizable delivery options:

- Certifications
- Coaching/mentoring
- Workshops
- Online/webcasts

Reporting for Managers and Executives > > >

Benchmark Analysis Reporting (BAR)



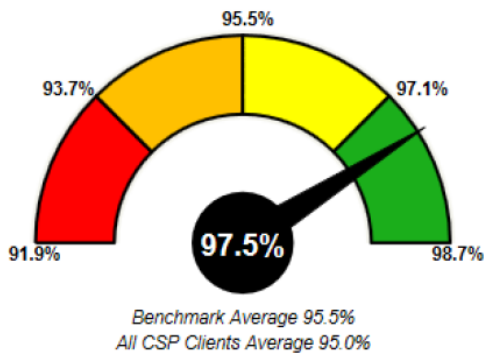
Comparisons for illustration only. These are fictitious branch names with fictitious scores.

BAR Drill-Down Reporting

Key Metric Gauge, Trendline Graph and Rank show how your financial institution compares to others in your peer group

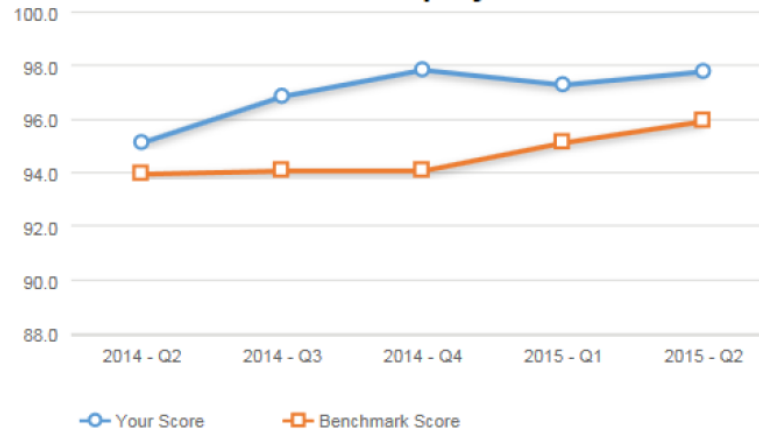
Key Metric Gauge

Performance with Employee

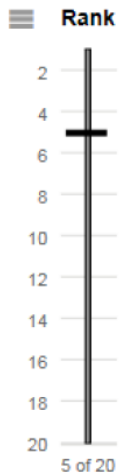


Trendline Graph

Performance with Employee vs Benchmark



Rank



Comparisons for illustration only. These are fictitious branch names with fictitious scores.

Executive Analysis

OnReview:

High-level overviews for high-level executives

Total Organization Key Metrics			
Performance Score	96.64%	+0.42	↑
Satisfaction Score	9.66	-0.3	↓
Loyalty Index	87.54%	+2.51%	↑
Net Promoter Score	88.40%	+8.02%	↑
Overall Experience	9.12	+0.10	↑
Digital	9.58	-0.16	↓

Channel 2015 Metrics and Changes in Scores

Satisfaction			Performance		
Change +/-	2015 Score	Channel	2015 Score	Change +/-	
+0.24	9.70	Personal Banker	98.21%	+0.35%	↑
-0.3	9.66	Lobby Teller	95.30%	-0.31%	↓
+0.24	9.52	Drive Up Teller	97.21%	+0.45%	↑
+0.05	9.31	Call Center	96.32%	+0.01%	↑
-0.03	9.01	Online	NA		
+0.02	8.88	Mobile	NA		

Branch Comparisons

Highest Scoring Branches	CSP Normalized Index Score	Lowest Scoring Branches	CSP Normalized Index Score
(08) Prescott Valley Branch	+6.30	(03) Avondale Branch	-7.12
(09) Cottonwood Branch	+3.27	LSI Overflow	-3.40
(01) Luke AFB Branch	+1.27	(06) Surprise Branch	-2.42

“If you can improve your level of customer retention by just 5%, and sustain that improvement over five years, you can improve operating earnings by as much as 100%”

> > >

- American Banker

"A High-Profit Strategy for Banks: Find the Top Customers and Keep Them," American Banker, July 21, 1993

Q&A Wrap Up

Type your question in the questions panel 

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Senior Strategy Director, Harland Clarke

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www.harlandclarke.com/webcasts



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Presentation materials and video replay
will be provided within one week.

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and previous events.

Thank You

