

Harland Clarke Webcast 08/29/17**The Cycle of Success****TRANSCRIPT**

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Presenter Jeff Dahms, Vice President of Research and Development, CSP

Nathan: Good day, and welcome to Harland Clarke's webcast, The Cycle of Success. This webcast is being recorded and a replay will be provided to you within a few days. If you have any questions, please use the chat box located in the control panel. Your questions are private and will only be seen by the presenters. I will now turn the call over to Stephen Nikitas of Harland Clarke. Stephen, you have the call.

Stephen: Outstanding. Thank you very much and good afternoon, everybody. Welcome to our presentation titled Cycle of Success. We are fortunate enough today to have two great presenters, Brittani Redding and Jeff Dahms, who I'm going to ask to introduce themselves in a moment, but before I do, lots of great information is going to be shared with you over the course of the next 30 minutes. If you have any questions, feel free to type them in the chat box that you see on your go to meeting screen, and at the end of the presentation, we will make sure that we address any questions you may have.

With that, let's start out with Brittani. Brittani, welcome, and please tell our guests a little bit about yourself.

Brittani: Thank you, Stephen. As mentioned, my name is Brittani Redding and I'm a former banker and branch manager who eventually landed in the learning and development space at both a retail banking division as well as a total organization level up until today where I am now the director of client education here at CSP. In looking at our bios, you can see that Jeff has very strong analytics background. He knows how to really dig into some of the data that we look at from a customer experience perspective where then I am passionate about being able to turn that into some really memorable coaching moments for teams so we have that enhanced customer experience. With that, I'm going to it over to Jeff to let him tell you more about himself.

Jeff: Thank you very much, Brittani. I'm Jeff Dahms. I'm the vice president of research and development at CSP. It's my job to make sure that all the data that comes in is usable on the back end so that way we can make useful reports and useful tools for everybody to actually take action and implement the strategies that are needed for a great customer experience. A little bit about it today and we're going to be talking about what we consider our cycle of success, which is

the main ingredients to have a successful Voice of the Customer program. With that, I'm going to turn it back over to Brittani to get you started with explaining the key components of that cycle of success.

Brittani:

Our session today is really about how to get the most out of your customer experience program, specifically a Voice of the Customer program where we are soliciting that feedback from our customers via a survey process and then receiving that invaluable data that we can use towards crafting the future of our products, services, processes, and even enhancing the people skills at your bank or credit union. We'll talk directly about the impact of training and coaching on the success of these initiatives and explore how the Harland Clarke Voice of The Customer solution partners to ensure that you maximize the investment that you put forth into some of these strategies.

What you see here – what we've found is that organizations need to develop a more integrated model to really be able to realize the benefits from a Voice of the Customer and member program. That requires not only some solid customer experience data where we're using appropriate methodologies, question design, and sample sizes but also we have to take action on that data after it's collected. That's a key word, that action. We have to take action. It just doesn't do the work by itself.

Looking at this incomplete cycle of success through the lens of a customer feedback program at a bank or credit union, we can see at the beginning of that cycle the customers are having valuable interactions every day through a variety of channels, whether it be the branch, the call center, digital avenues. Banks are asking customers for their thoughts on those interactions via surveys which provide that wealth of data. After we receive all that data, that's when the work really begins because now we have to do something with that information.

At this point, all kinds of questions arise: what do we do with this data? What is the story it's telling us? How do I start to analyze it? What reports should I be looking at, and what time frame should I be comparing? What should our focus be? Should I be paying attention to satisfaction levels or net promoter score? How do I communicate or coach to this information, or even how do we incorporate this into scorecards or start to hold individuals accountable? Overall, this is where these well-intentioned programs begin to lose effectiveness, and the cycle stalls because we can oversimplify not only the nuances of collecting the data but also what it takes to put it to use in the organization when we go it alone.

On the next slide, this complete cycle of success really represents the Harland Clarke Voice of the Customer philosophy that when this is continually moving and there's no gaps in the cycle of success, you really maximize your return on your investments. Closing any gaps between these key quadrants ensures that we are having that integrated model where the cycle comes full circle and the customer experience is enhanced through better conversations that grow customer relationships or even improved products and services. We're using that data and taking action.

With the Voice of the Customer solution, your customers are having interactions with your bank or credit union. The Harland Clarke Voice of the Customer solution is managing survey designs, sampling, and the evaluation process. Then, we're providing realtime results from those customer surveys to an online portal. The most important part is there's consistent touch points, which is important in a success customer experience program, to help you analyze this data and answer all those questions we saw on the previous slide, which, without the answer to those questions, it's really hard for us to make it usable for the business line and have the ability to focus and deliver back to frontline employees for coaching and training. Our goal is really to help navigate this data and partner to keep this cycle moving and continuing. I'm going to turn it over to Jeff to discuss the various levels of data that is returned from that Voice of the Customer evaluation process.

Jeff:

Thank you very much, Brittani. On the next slide here, right here, what you're looking at is this is how data really should be organized as it's coming in from your Voice of the Customer program. What this allows us to do is really look at all of the individual levels, both together and separately, from individual employee scores all the way to the total organizational snapshot. Because it's organized this way, if you put this into the concept of coaching and development, now you can use information to take action at the right place and at the right time.

For example, since we do evaluations that are tied to specific employees, branch managers can go and coach those individual employees on that feedback that they're getting from their customers or from their members, which is very key in holding somebody accountable. They can also look at their branch as a whole. They can go up to the next level and say how are we doing collectively, holistically? Where are some of the areas, the channels that might need a little bit more attention based on this feedback that we're receiving?

As you continue to go up, you could have VPs, or directors, or whoever's responsible for the branches look at all of the branches that they're responsible for and say okay, collectively how are we performing as a region but also who

are my top performing branches? If I can identify my high performers and I can also identify my low performers, I can go to both of them and say what are you doing that no one else is doing? Do you have any best practices that works for this area, this demographic, this customer base that we can then synthesize and spread across the rest of the branches so that way we all could be top performers?

Then it just continues to aggregate up to that total organizational level. Whether it's the CEO, or the president, or the board, or whoever can take that 30,000- foot look at how are we performing as an organization? Where are we trending? What are our strengths? What is the strengths of our culture? What are the weaknesses? What do we need to shore up, and where are we lacking?

How the data comes in is very important. One of the things we do here with Harland Clarke's VOC Program is we make sure that it's organized so, again, we can get information for action delivered to the right place at the right time. On the next slide, here, Brittani's going to show you a little bit about how we make sure that this information comes to us in a very clean and usable format.

Brittani:

We've heard about all the actual data that is provided as feedback from some of those surveys. We're going to move into the routines that this solution has in place to keep that cycle of success moving all the way from an initial kickoff, and launch, and starting that program and continuing to make that effective throughout the lifetime of this solution.

Clients are walked through the process of starting the Voice of the Customer, and Harland Clarke handles the majority of program implementation. I haven't met a banker that didn't have a full plate, so it's always nice to be able to put these kinds of logistics, and starting this program, and handling a lot of the ins and outs of that on an experts plate to get something like this started. You receive a dedicated client service manager familiar with the specific nuances of your program to not only help with initial training, and taking a look at our website and navigation, how to view results but also just day-to-day questions. You're really paired with that individual who knows everything about your unique Voice of the Customer or voice of the member strategy. In addition to that, the client education team, which is Jeff and myself, will provide analysis and consultation every six months, helping you understand the strengths and improvement opportunities as well as recommendations for action. That's critical, again, as we think of closing those gaps on that cycle of success.

On the next slide, an important element of using customer experience data is not just what to coach on but also how to coach effectively. We love to work with managers on developing their ability to motivate and manage employees

through the lens of this data beyond the normal routines that we just saw on the previous slide. When we think back to the visual of that cycle of success and we think back to the left side of that circle that includes the business line, which we can think of as represented by our branch or call center managers in one example, and the employee, that's where we have a unique ability to influence this service climate of each branch and location. Jeff is going to talk more about that as we move forward in the presentation.

This concept is a focal point of our manager development and training, which is a solution that can educate your managers around understanding and driving this important concept through the use of this data. You can see here information about a credit union that had success implementing these not only group sessions and best practice sharing but one-on-one coaching with some success. You can see that our service levels to our customers were consistently lower than our peers until CSP implemented their Manager Development Training process. Thanks to the expertise and approach, our managers embraced the training process, and the results have exceeded our expectations. Let's talk a little bit more and get deeper on this topic of service climate. Jeff, I'll turn it over to you.

Jeff:

Okay, thank you very much. Before we talk about service climates, I want to talk a little bit about work climate and what this really means. As I work through these explanations, just keep in your head the left side of that cycle of success, which is the business line or the manager in that lower left-hand quadrant and then the employees in the upper left-hand quadrant because that's really the climate that we're talking about. We all have our own work environment. What climate is is it refers to that meaningful interpretation of our work environment. It can be anything from are we taking pride in excellence, or are we focused on service? In other areas, it could be are we focused on safety? Are we focused on ethics? Are we focused on compliance? Whatever the focus is, that's what the climate is.

Climates are created by employees. It's really about that shared perception. If I'm a manager, and I think that I'm communicating very well to my employees but that communication is not being received. Then the reality of it is that the employees are really determining what is happening, and the employees are perceiving that the manager's not doing their job. Even though those climates are created by employees, a manager can influence that climate by demonstrating not only what it should look like but holding them accountable, setting goals, using information to coach and set those expectations.

I think we've all been there where you walk into a retail store, or maybe even a bank branch, or hospital, or whatever it is and you just can tell what it feels like.

It either feels like people are energetic, and active, and they want to help you, and they're really falling all over themselves to make sure you have a good experience or their eyes are down, or they're hiding, or it just feels tense, or something along those lines. That's what the climate is: what's actually happening, what's the environment, what's the weather and the temperature within those areas.

Some of the factors that can really influence climate are the practices that we have, the procedures that we have, really the cohesion around certain things, for example a Voice of the Customer program. Are we all focused on a common goal? Are we all using it the same way? Do we have support for the goals that we're supposed to be managing? Are we clear on expectations? Am I empowered to really take action and build my own climate and my own environment?

On the next slide, we have two pictures that really are going to show two different climates. If you've ever read a book about organizational development or if you've listened to other webinars about leadership or anything like that, I'm sure you've heard the word culture. I'm sure you've probably heard people say you have to get the culture right. You have to build your culture around customer service, and that's the best way to make sure that you can succeed on your goals. We certainly don't disagree. However, the only problem with working on culture is it takes a really long time, it's hard to move everybody in the same direction, and it can be challenging, and it can be a drain on resources and support. We tend to look at climate as the best way and the quickest way to use our program and our time.

What you see here is two visuals of climate. We would consider the culture the ground, the soil. My yard typically looks like the one on the right. I've got a couple of kids running around with school and sports, so we just don't have the time to give it the attention that it deserves. I've got too much on my plate. Now, the picture on the top left, that is the lawn of the retired gentleman who lives right next door who gives it the time and attention it deserves, who has a plan and a focus of what this should look like, where everything should go, how much sunlight, where to put the plants, and he's really giving it the time and attention it deserves. Even though we both have the same culture, we both have the same foundation, we're both operating from the same space, our focus is different. Where we spend our time and our energy is different, and our expectations are different. That's not unlike the climate that is created within your bank branches, within your call center, and within any of your intact teams.

Connection to the cycle of success, think about what your managers are doing with your employees, what your managers' managers are doing with their

branches and their responsibility. Are they giving it the time and attention it deserves? Are they more like the climate on the top left that has focus and has a strategy or is it more on the bottom right where it's not getting any attention at all?

Looking at the next slide, we're going to talk now about how we turn this into service climate. What the managers can do is they can give it focus. They can give the climate focus. Every work environment has a climate. What the manager can do is take that energy and say we're going to focus all this on service. We're going to encourage, and we're going to reinforce this delivery of high-quality customer service. What I'm going to do is I'm going to set service-related goals. I'm going to use the information from the Voice of the Customer program to provide recognition, rewards, hold people accountable, let them know what is good service so they can repeat it, and then let them know what is behaviors that need to be changed. Then, I'm going to remove the obstacles that really prevent employees from effectively servicing their customers or their members.

In order for managers to do this, they need the skills to understand how do I take this data, how do I take these observations and translate it into those coaching opportunities for those employees so that we can build up the service climate. That's where that manager development and training really can come into play because otherwise we're just giving reports to people who are just passing those numbers on to somebody else. What we need to do is have our managers become engaged leaders where they are conscientious. They've got some good self esteem. They are emotionally stable, and we work with them so that they believe that their fate is dependent upon what they do. It's not luck. We give them the information and the empowerment to do those things.

A couple of examples here on the next slide to just run through your head. Think about the managers that work with you or work under you, and ask yourself a question: do they demonstrate these behaviors? If the answer is yes, then you probably have a high-performing manager. If the answer is no, then you probably have a low-performing manager.

This is where that cycle of success, that bottom left quadrant with the manager, is so critical because if it's not right, then all we're doing is just passing notes from one side to the other. When we do get it right, then those managers are becoming positive conduits of the culture that we want, and it's being displayed through positive customer service. They've built that positive service climate.

I'm going to turn it back over to Brittani, who's going to talk a little bit about how we can build this positive service climate from the ground up.

Brittani:

As you can see on the slide, a strong service climate is really based on employee shared perception that excellent customer experiences or member experiences are modeled, expected, supported, and rewarded or recognized within the organization. What can you take away from this webinar to help create this in your organization, and how can we help leaders and managers support this because that really is that critical role for being a conduit and demonstrating what positive and strong service climate looks like.

We can model excellent service internally and externally. Always remember if we say one thing and do another, then the rest of the steps that we see here just won't be effective. I always think of this with my kids when we talk about it because they have that built in radar to notice when I'm talking the talk but maybe I'm not walking the walk. Our employees are the same. We need to model that.

Set expectations through smart goal setting and incorporate some of the service behaviors you can glean from that customer experience program or the Voice of the Customer solution. Incorporate those into scorecards. In part, just actually asking for this feedback and asking customers what they think of those behaviors is already setting an expectation for employees that these are important as part of service. Support these efforts through coaching. Use customer experience data and your own observations on a day-to-day basis of the customer experience to have timely and two-way dialogue with your employees to enhance your skills.

Also, reward and recognize those that are doing this well. Find a way to share those best practices. As Jeff spoke about earlier, if we can find someone doing something well and share it amongst the team, the branch, the organization, that's starting to build that shared perception of service climate.

The Harland Clarke Voice of the Customer solution is here to partner with you to accomplish these, which really keeps that cycle of success moving and ultimately fosters that strong service climate. At this point, I'll turn it back over to our moderators for Q&A.

Stephen:

Great. Thank you very much, Brittani. Thank you very much, Jeff. Let me take a look at our chat screen, here. Low and behold, we do have some questions that have come in. Jeff, Brittani, let me through these out to both of you, and I'll let you guys decide who wants to answer. Here's our first question: can you explain a little bit more about how the cycle of success relates to our ROI?

Jeff: Certainly, yes. That's the ultimate payoff, right? We're all looking for something that can say if I do X then I will get a return up to Y in dollars in cents. There is a lot of research out there that will tell you that increasing customer experience, increasing their loyalty metrics will certainly translate into higher profits and things like that. In terms of the cycle of success, what we're looking to do is you take that left side there with the managers and the employees, that's the engine that drives the return. Otherwise, you're just investing. You're just investing in the software, in the product, in the numbers, and all you're doing is getting back exactly what you paid for.

How you turn that into something and you turn it into action is by making sure that what is produced is being used for action. Once that's done and you see those numbers increase because of the action that you took, then you should see the return on that, whether it be not only in purchasing more products, or having a larger number of deposits, or becoming the customer's primary financial institution, but also in other things like trust and forgiveness when we make mistakes, which is a huge one given the type of employees that might be on the front lines of your institutions.

Stephen: Alright, thank you, Jeff. Next question that I see hear: can you share some examples of a branch with good service climate versus a branch with bad service climate?

Brittani: Sure. I'll start here. I like to think of this from the consumer's view and just as myself as a customer. When I think of a strong service climate, when I walk in that branch, not just one employee but all the employees are looking up from their computers. They're making sure that someone's greeting me. Once I come up to the door, they're eager, and anxious, and welcome me up to that teller line to process my transaction. When we're in the midst of that conversation, the feeling is very genuine and authentic. While we are using my name and asking me good questions to determine my needs, but we're doing that in a very genuine and authentic manner.

What we see when we do not have a strong service climate, and especially if we are measuring some of these behaviors, then we see rifling through some of them without being genuine, or authentic, or present in the conversation. That's a result of checking the box versus truly focusing on the customer, and being customer-centric, and wanting to provide a very engaging and trusted advisor-like interaction.

Jeff: I would just add to that. If you're looking at it from what are my managers doing, what are some good managers doing versus maybe ones that aren't so good, it really comes down to how are they using the surveys and the

evaluation. Are they just taking the feedback from one survey, bringing it to one employee, and saying we need to make sure that we get these scores up, we need to make sure that you're doing these actions, or are they taking a more collective look and saying where are we trending in our numbers and how do we as a group collectively work together to get this up.

If we are missing authenticity, for example, maybe we are hitting all the marks and checking all the boxes but the ultimate outcome of loyalty and satisfaction is waning a bit. How do we ensure that we are all being authentic and genuine? How do we hold each other accountable for that? It's more of a group effort. It's more of a collective effort versus just one survey, one conversation. That's one of the ways you can tell if your managers are working towards a good service climate, which I would say is the more collective view, versus maybe a bad service climate, which is more focused on the individual level as well as just the numbers and scores.

Brittani: We always like to say that – I'm sorry. I just was going to add on that. We always like to say that a strong service climate is one where the service does not change. It remains consistently positive even in the absence of, say, a branch manager because it's owned at that employee level. It's just what they do there.

Stephen: Thank you very much. Jeff, Brittani, thank you. Great information. That brings us to the bottom of the hour and the conclusion of today's webinar. Just a couple of reminders for everybody: a recording will be sent to all of you on the phone along with the slides, so you will get a chance to go through this presentation once again at your leisure. A survey also will be sent to you. We at Harland Clarke would greatly appreciate you completing that survey because we want to make sure we get better and better at doing these webinars.

Brittani Redding, Jeff Dahms, thank you very much. Folks on the phone, thank you and have a great rest of the day. Bye-bye.