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Delivering a Best-in-Class Digital Transition Experience to Bank Customers TRANSCRIPT

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Kate: The Consumer Bankers Association is pleased to welcome you to today's webinar best practices: Delivering a Best-in-Class Digital Transformation Experience to Consumer and Business Clients by Harland Clarke. My name is Kate and it is my pleasure to be the facilitator for today's event. I would like to formally welcome the participants joining us today. Please note today's call is being recorded and all participant lines will be muted during the broadcast. If your experience technical difficulties with the web portion of today's program, please email cba@compartners.com or send a message in the chat box. If you are listening to the program over the phone and need assistance at any time, please press *0 and an operator will assist you.

This presentation will last up to 60 minutes and will include question and answer opportunities at the end. You may submit a question at any time by typing into the chat box on the lower left corner of the screen and clicking the send button. Today's program also includes live polling questions. When the poll appears on your screen, simply click in the box next to the answer of your choice. Your answers are not viewable by the other attendees.

I would like to now direct your attention to the Links box located on the left of your screen where resources are located for you to view, save, or print. Simply click on a link of your choice and a separate web browser window will open. This will not interfere with your viewing of the program. As a reminder, the views expressed in this webinar are those of the presenters and do not represent the views of CBA or its members.

It's now my pleasure to introduce the speaker for today's webinar. Kevin Connelly is the President and Founder of Bancon Technologies, LLC and a value-added provider of client experience advisory services and innovative technology solutions to the Financial Services Industry. Bancon works closely with Harland Clarke in developing and delivering leading engagement solutions to commercial and community banks and credit unions nationwide. Previously, Kevin founded Treasury Technologies, LLC, an industry-leading provider of next-generation payment systems and was also Senior Vice President and Managing Director of the Financial Services Group at Trintech, a financial software solution company based in Dallas. Kevin has spent the last 35 years working in Financial Institution and Payment System Industries, including as Senior Vice President and Manager of the Treasury Services Division at Commerce Bank, Managing Principal and

Director of Business Development at Carreker Corporation, a Dallas based bank software and consulting firm (now Fiserv) and well as a variety of roles at Bank of California (now Union Bank), First Interstate Bank, Ltd (now Wells Fargo), Coast Savings (now JPMorgan Chase) and Glendale Federal Bank (now Citibank).

Kevin has presented at numerous BAI, AFP, NACHA and other industry conferences and was a presenter on corporate bank relations and cash forecasting for 10 years for American Management Association Corporate Cash Management course. He is the author of two chapters on Commercial Deposit Re-engineering in the Corporate Cash Management Handbook, and the definitive reference manual in the payment systems industry. He is also a co-patent holder of an innovative web-based payment system application, DTS Connex TM used by over 40,000 retail locations nationwide. Kevin earned his B.B.A in Finance at the R.O. Anderson School of Management at the University of New Mexico. At this point, I'd like to turn the presentation over to Kevin.

Kevin: Thank you, and good afternoon to everybody. That's a picture of me. That is a fairly recent picture unlike some pictures I've seen. Anyway, again, thanks for the long introduction. It does make me feel old, but I've been around for quite a long time. As I like to say, I've been probably – I stopped counting at about 1,000 conversions that I've been through either as a banker, as a FinTecher, or as a consultant from medium-small banks to large institutions to global institutions. There is one common theme throughout most conversions. They're absolutely a challenge whether it's an acquisitions conversion or whether it's a conversion from one platform to another.

What you're going to see today in terms of the agenda is really a high-level review **…** week with banks around the country and spending usually up to two half-day sessions and diving deeply into the process, the best practices with their client base whether it's consumers, small businesses, medium-sized businesses, or large corporations convert from one platform or from one financial institution to another. We'll start off talking about the conversion journey, **…** on some of these false perceptions, the best practices, as well as measuring success. Then, of course, as Kate mentioned, we'll have some time for questions toward the end. Again, this presentation is based upon the 1,000 conversions that I've done over the years, really for the last 35 years, and really focuses primarily on the digital banking area today which includes online banking, mobile banking, remote deposit capture, but certainly applies to any type of conversion including up to an acquisition conversion.

The conversion journey, really what is it? It is really a way of life in banking today. It's a cornerstone of the industry's transformation into the digital age. When I started back in the early '80s in banking, the cashless, checkless society was right around the corner. It's been a very long corner, but we've absolutely had a tipping point in the last five to seven years where the primary mechanism by which your customers interact with the back is really through the digital channel.

Upgrading of those channels, improving those channels through new and better technologies is really a way of life in banking today. We estimate that there's over 1,000 conversions with quiet impact every year in the banking industry. It's continuous change. It really impacts your customers in a much larger way then most bankers have ever realized. One of the things that is necessary in this ever-evolving, changing environment is that a proactive customer-centric approach to the client journey is essential. It's a best practice.

Too often I've seen even as a banker where we focus on the technology. We focused on the testing. We focused on the functionality, the features, but we lost our way as it related to the client journey. I think we've all read about those lost conversions in the past six months to a year where there's been in the news where we know they're difficult. The last thing you want to do is to risk getting in the news about one of your conversions. Really the customer on the right-hand side of this chart needs to be the focus of the conversion from not only awareness but through implementation and adoption but also optimization of the new platform.

Having said that and knowing that conversions are a way of life, the next slide is a poll asking the attendees on the phone today what conversions to you have planned? Please take a look at the poll as it initializes. I'll wait here for about 30 seconds. Go ahead and please start making your choices. As Kate mentioned, you just click the box next to the letter. I think we'll probably see some patterns evolving. We continue to get updates here. I think we can see some of those changes.

The choices again: online banking conversion or upgrade; merger or acquisition; branch closing or expansion; account conversion; or other; or in the case of apathy is no conversion at all. This is typical of what I see is that at this point, some 83% of you are planning some kind of a conversion which is fairly typical. I'll wait a little bit longer here. It's actually increasing.

As I expected, conversions are absolutely a way of life. For many of us on the phone today, conversions have been a challenge in many ways as we all know. Again, what we see here is 33% or a third are absolutely planning an online banking conversion; 13% are involved in a merger or acquisition; 13% are a branch closing or expansion which indeed is a conversion; account conversion;

or other. The majority of us, the clear majority of us up to 83% are planning a conversion.

In many cases, every customer is affected whether you're converting consumers, small businesses, medium-sized business, or large corporations. Those conversions, as we all know, impact your customers, and in many ways, that many bankers that I deal with don't understand until after the impact. There's a day to day disruption whether it's their bill pay, whether it's their upload to QuickBooks, whether it's their download of their ACH activity, or it's their upload of their payroll files. It is absolutely an impact to your clients.

The objectives I talked about, why is that important? It's the future of banking. It is here today and it affects all of your customers. In many cases, that conversion only happens especially with online banking or some of these primary systems, they only happen every three, five, six years. I've dealt with banks that their online banking conversion, the last one was seven or eight years ago. Then the longer the time between one client impacting conversion and the next, the greater the impact because the technology has changed, the ergonomics of the screen flows have changed dramatically. Even where there's a column change in a set of data, that can absolutely upset your clients in a much larger way than you can expect.

One premise and one tenet that if you left today with was – the last bullet point on this slide is that your customer's experience during these conversions, a positive one, one that leaves that client with a very positive feeling about your institution and how you handle that conversion whether it was an acquisition, a branch closing, an online banking upgrade, that is absolutely competitive advantage today. Conversely, a poor client experience during a conversion can be certainly a negative. Again, as I mentioned earlier, we've all read about that in the *American Banker* or *The Wall Street Journal*. In some cases, those have been fairly significant impacts where online banking conversions may have been out for a day or longer.

Customers clearly as they go through this process, and it's not done well, it's a negative frustration. They may not know what's going on. They may not be reading the emails or the mailings that you're sending to them. In I think probably about a third of the surveys I see, especially with small business and consumers, they didn't even know the conversion was happening. Even though you've sent many communications to them, they just disregarded them.

Another activity that happens during these conversions is diminishment or ghosting where clients are converted, but they don't actually convert. Their accounts are converted. Their activities are converted, but you realize attrition.

In fact over the last couple of years, there was one fairly significant conversion where the institution measured this fairly carefully. They lost over a third, 30% of their client base within a year after the conversion – it was an acquisition – after the acquisition of that institution. The primary reason of which was a poor client experience to the process.

In today's environment whether again it's consumers, small businesses, or even large corporations, the amplification of the issues and the client experience, especially a negative one, can rapidly impact your institution's reputation in the marketplace. That's social amplification: Facebook, Twitter, and a variety of things we're all very familiar with. That can get out fairly quickly. In fact, earlier this year, there was one institution where they had over 10,000 negative posts in the first day on a conversion. As this graphic on the right depicts is that many bank conversions result in experience satisfaction ratings less than 24%. Historically, they have not been done very well.

The initial impact is that it doesn't just go away within a couple of weeks or even a couple of months. The impact of a digital banking experience to a client base can actually take quite a long time to recover. The satisfaction can be immediate, but it takes up to a year and even longer when the clients can recover from that either from a negative perception, or even when it was a fairly positive experience, but they did not know how to use the new system very effectively. Much like I say when I had my iPhone, I hate changing it because it usually takes me a month or two to figure out all the new features. For the first couple of months, I don't like it at all. I usually have to go to one of my sons to learn all the new shortcuts. Absolutely, the recovery time out of a conversion is something to think about as we talk about the client experience.

On the flip side of the coin so to speak, a positive client experience can absolutely impact your client loyalty to your institution, can increase your retention rates, absolutely can impact your referrals. When a client goes through an experience – and I've seen this in direct surveys. I've probably been purview to data around a million surveys over the last five years. When we see a correlation between that client experience being positive and questions around loyalty, around propensity to buy, around longevity with that bank, they go up exponentially.

It's around the client experience much more so than around the functionality of the new system or around the new features. It ties directly to the client's experience. It ties to how you're dealing with that client, how you help them, how you service them throughout the conversion. That's the most important thing which is directly related to the client's experience rather than the functionality or the technical aspect of the conversion.

Obviously, high-impact becomes high-value. Some of the tenets that we follow that I've followed for years is that in order to make sure that the client is ready and feels good about the change, it takes a lot of effort before, during, and after the conversion. In many cases, the before starts up to 90 days or even longer before that conversion even begins to affect your clients. It's not just mailing four letters or six emails and expecting the client to open them, and read them, and react to them. You've probably seen studies before that the opening of emails from institutions or mail can be quite dismal. In many cases where I've talked to institutions where they've said, well, we mailed and email about 14 touch points, but our clients still have flooded our inbound call lines and shut us down for a couple of days. That's because they in many cases didn't even know the conversion was happening because they didn't read the communications.

One important thing obviously of a high-impact becoming high-value is that one thing we measure is return on customer relationship. It's not necessarily all a lie. It's not specific to the individual conversion. It's over the lifetime of that client with you. Positive client experiences, positive conversion experiences absolutely increase the return on customer relationship over many years.

We're now coming up to another poll. In terms of some of your quick feedback around how well you think your institution is prepared to deliver an optimal customer experience solution during a change event from very well prepared to somewhat prepared to not applicable. Again, I've seen results of this survey really span across many of those answers. I'll wait here a second as we're getting some of that feedback in. Again, 83 % of you said that you were planning some kind of conversion, some kind of transition whether it was an acquisition, or whether it was a branch closing, or whether it was an online banking conversion or not. Again, I'll wait here for a few more seconds.

We have about, well, over 50% of you believe that you're very well prepared. None of you think you're unprepared which is a very good result. I'll just wait for one more second here. I think we've got the results in. Again, a lot of confidence in the preparation of your upcoming conversion either somewhat prepared or very prepared. Twenty percent do admit you're somewhat unprepared. Maybe some of the items that we'll talk about next will help you move up into the A and B category.

That poll speaks to a couple of things. Again, this is based upon my experience having been involved in about 1,000 or little more than 1,000 conversions over the years. I think all of us realize that the stakes are high. If your executives haven't asked you more than once about the upcoming conversion and the plan, they've probably asked you a hundred times. The stakes are high. Many of us do feel that we have it under control.

Again, we've seen this in the news on many institutions over the last year. I think they felt that they had it under control as well, but a variety of resources really can result in a fragmented approach. What I mean by that is that in many cases, there's not one central tenet, not one central centralized process to engage in a unified, consistent conversion experience across all of your channels during an upgrade whether it's again small business, large corporate, or consumer who are actively involved. Today, with many banks, they're involved in bank lot acquisitions. We find is a decentralized approach gets very varied results.

One area may be very well prepared, but another area is not well prepared at all. Or one area is doing a lot of outgoing communications to the clients and hoping that they read them all, but the inbound side or inbound calling as a result from an acquisition, or conversation, or upgrade is not prepared at all for any influx of inbound calls. What we find is that there's a lot of confidence or denial in the scope of the potential impact, so that we believe an integrated approach certainly provides productivity, efficiency, and customer experience benefits. In order to get consistent client experience across multiple channels, this is one certain thing to address during your planning process.

I read again many things in the news lately. I've met with many bankers where the expectation in terms of their confidence level is quite high. I think we've seen that in the survey just now. The disruption should not be underestimated. What I mean by that is that in many of the conversions that I've been purview to over the years is that the impact to the client isn't in many cases really known until after the conversion.

There's a couple of good examples that I've seen where in one conversion, there was a change to a report for small businesses. It was only one column change. The expectation was that was not very disruptive at all. It ended up disrupting about half of the client base because that interfaced into their QuickBooks. Every one of their QuickBooks data could not be uploaded correctly. That was a major underestimation of what happened which resulted in – what could be expected is a big influx in phone calls after that first wave of conversions. They corrected it after the first wave, but they had several hundred calls a day more than they expected because of that disruption.

In many cases, again, customers don't read the material that you're sending. The way they actually react to your conversion is again after they've been converted where they call in and it's not your average call time. Maybe your average call time is two or three minutes or a minute or less on your consumer side, and maybe four, or five, six minutes on your commercial/small business side. These questions that do come in, these calls that do come in after a conversion either a big bang conversion or a waved conversion, those tend to be three to four to five times longer. Again, that means that your cue can grow. Then when your cue grows, your client experience goes down.

There's two tenets that I firmly believe in there. Number one is every inbound phone call that comes in after a conversion is a degradation of the client's experience. The more work you do up front, the more proactive you are at reaching those clients and ensuring that not only they're aware of the conversion, but they're also trained and understand the conversion well enough that they don't have to call you. That's where you want to be. They're not calling you after a conversion because they're telling you how great the weather is here in Chicago where I'm sitting right now. They're calling because something's not working.

One of their bill pays didn't get converted correctly. Their QuickBooks file broke. Their entitlements were incorrect. They're calling you because something's not working or they didn't go to your eLearning site. They didn't read the material. They're asking your contact center for help now, which again takes much longer than your normal call.

Even then, successful conversions do lose customers. The more proactive you are, the earlier you reach out, the better off you are. Because as you know, when a conversion happens, and it's disruptive, especially in acquisitions, many clients think, well, if I'm going to have to convert my system, I might as well look at other banks. That's certainly well known in the marketplace. Everyone on the phone, your best customers are your competition's best prospects. Really in this process, outbound, inbound, and ongoing communications, and training are all required to maximize that client experience.

One thing also as I mentioned earlier as we talked about the recovery period is that conversions are only temporary. I've heard many times when especially from the non-contact areas of the bank, the strategy is – this is the old adage of let's just rip the band-aid off. There will be a lot of pain. I will get over it and we'll move on. I've seen that time and time again. We'll survive and then we'll move on.

That's absolutely shortsighted. The short-term challenge is really the long-term consequences where clients may not move the day after the conversion or the month after, but you'll see attrition later. It could be up to six months or seven months later where the clients have moved away from the bank or their propensity to buy additional services from you really drops to zero. Again, I've talked with executives that have actually measured that when they had a poor conversion experience or a problem during a conversion. They absolutely saw the inability to really get their prospects and their clients to buy more from your institution. Of course, the return on your customer relationship is certainly at stake.

Okay, so I'll talk about a couple best practices what I think we talked about here in a little bit in terms of some of the conversation. Again, at the onset, I think awareness is key. The first thing I think during the conversion that we work with the clients on really ends up looking at the clients that you're converting. In most cases, the data you have around either the bank you're acquiring or your existing customers you're converting to a new platform, the data is anywhere between 30 and 60% incorrect. In some cases, it can be higher, some cases lower.

In many cases, the customer's email address, their phone number, their cell number, even the services they are using may not be correct, or they're in multiple locations. One of the first steps is really understanding what customer's contact information is and what services they use. That does take some time to clean up. There's a lot of different steps to get there. That's one thing I've seen very common is that the data around your existing customers is less than accurate I guess is the best way to say it. In many cases, more than half of the information is inaccurate.

Once we work with a client in helping them validate their data, we help the institution really tier your customers. What I mean by that you guys may know is that really understanding the selectivity criteria during the conversion. Really ranking customers from really a Tier One, which is typically your most complex customers, your highest value customers, your preferred customers on the consumer side. They may be your treasury management, or large corporate customers, or your very important small business customers. In setting a level of criteria that says in Tier One, customers that have file uploads, are on QuickBooks, or they're doing payroll, or they have bill pay, where they have some kind of complex activity, we're going to put them into that Tier One bucket.

Tier Two might be middle market customers that have certain criteria less than Tier One, but they're still important customers. We're going to design a client journey around that client. Tier Three typically is your smaller customer, smaller consumer customers. They may be only accessing online banking once a month. They may have low-level balances. They may not be doing much with the institution, but you still want to convert them and convert them well. Or there's small businesses that are very active and don't have very complex services.

The importance out of the tiering process is designing a journey, a conversion journey for each of those tiers. Really again, looking at a level of number of touch points with a Tier One client. Again, whether it's a preferred consumer client or whether it's a large corporation, you may design into that client journey somewhere between four and six touch points that already includes email and mail, but also includes an outbound phone call to that client to actually introduce yourself as: hi, I'm Kevin from ABC Bank. I'm your conversion specialist. I'm going to step you through a process as follows. We're going to validate your user entitlements and make sure your users are set up correctly on their system. We're going validate your templates, your files, whether they're QuickBooks, or whether they're bill pay, or ACH templates. Then I'm going to actually do a one-on-one training with you on the new system. Again, that's typically reserved for your Tier One consumer clients and Tier One commercial clients.

A Tier Two journey might be a little bit different. A Tier Three journey might be just a series of communications and at least one outbound phone call to get the client to one, make sure they're aware of the conversion or the change and the timing thereof. Also, very importantly to make sure they're pointed to self-help: to your landing page, to your microsite, to your eLearning, to all the material that you've done such a great job in creating, but make sure they get access to it; they know where to go to get it. Designing out of those validated client data, the client tiers, and the journeys, and then we're going to begin to modeling. What does it take?

What does it take to make that kind of client journey a reality? Some banks have set forth a strategy where they're going to use their existing resources to make that happen. That's certainly doable, but at the same time, they also have a full-time job. They've got things to do on a regular basis and not just spending the time to convert. We also find is that there's a special quality in the types of resources that are good at converting customers and training them. Where many of the resources your branch network, your account officers, your relationship managers on the commercial side, they're good at selling and doing normal service, but they're not so good at converting.

That's important to not only understand the tiers, and the journeys, and the roadmaps, but also understand the modeling of type of resources and tools you need in order to maximize that client journey. That includes, of course, the messaging. What type of messaging do you send? When do you send it? Once you send a message out to the marketplace, to your customers, when should you start expecting inbound inquiries on those outbound messagings? What kind of training do you need to deploy? Training can happen at different levels whether it's eLearning, self-help training, or it's one-on-one training or webinars. Webinars can be successful and a very powerful tool to get groups of customers trained on the new application, but they've got to be designed well.

At the same time as I mentioned before on the conversion modeling, really, I think one of the best practices in the pre-implementation process is really to form a dedicated team that's focused on the conversion, focused on the client experience. That's their full-time job from the initial communication through the last customer being converted. That's really based upon the proactive outreach in communications. The more proactive you are, the more proactive your process, the more likely that you're going to have little or no incremental increase on your inbound phone calls which is as we mentioned before, the objective of what you're trying to get to is that you don't have an increase in inbound calls because every inbound call is going to get degradation of that client experience.

Again, during the adoption stage, that's when you're actually talking with the clients, when you're actually communicating with the clients. Again, these conversions happen with different designs. Some of the designs deal with an acquisition which in some cases tend to be more of what I call a big bang where every client converts over a long weekend which is the highest risk type of conversions. Whereas many of the conversions I've been involved over the last decade are really more waved conversions. Which really set out if you have 10,000 clients or we'll say 1,000 clients you want to convert, you might design a conversion process that converts 250 clients once a month. Each wave being a month to can proactive or reach out to other clients and manage that client experience throughout the process more effectively and more efficiently. Typically, I'm seeing more and more institutions doing wave conversions where ever they can.

Obviously, during that process, you need to use omnichannel communications; one channel's not good enough. Whether it's post-its in the branch, or table tents and posters in the branch, or whether it's interstitials on your website, whether it's microsite landing pages, email, mail, smoke signals, whatever it is to get that message out. That of course, customizing that message as we talked about earlier to assist in the client journeys. Really ensuring that it's well documented, well understood. It's a step-by-step customer process and support staff that's ready to handle those step-by-step processes. Of course, if there is inbound – there's always the unexpected that happens during these processes whether it's a technical glitch or something happens that's unexpected. You will get the increase in inbound calls, but you've got to be ready for that.

I was talking with a client a couple months ago. They had a conversion. Their customers were calling them. They had a very good IVR that was responding, thanks for your call. Your business is important. You're number 119 in line. Many customers did not take that very well, so they had customers calling back in. Really, it took about three weeks for that volume to tail off. That was really due to a technical glitch in the process. That's what again we were trying to avoid here.

Of course, obviously, trying to align the levels of engagement. How much money do you invest? That's a key term here. How much money does your institution invest in the client experience or to optimize the ROI of the dollars you spent on that new technology, on that new online banking system, RDC application, mobile payment, or through the acquisition? The investment is not only in the technology, but you've got to think about the investment into client experience because that is an incremental investment. Time and time again, I come across institutions that have really budgeted nothing for the client experience which I believe is the most important thing to invest in throughout this process.

Okay, again, once we've converted a client, again, it doesn't stop there. A digital client's experience is a never-ending journey so to speak. Is that once the client's converted, it's a powerful outreach to touch base with those clients. Again, whether it's email, whether it's mail, whether it's a survey, or whether it's a phone call, is really follow up communications. How's it going? Was the conversion well done? Any questions you may have?

Again, as we all know as consumer or as business individuals, if a business that we're dealing with calls us before we call them, that's a positive experience. That makes you feel good that your bank, your financial institution cares about you. They're calling you before you call them and asking you after conversions, how did it go. Surveys via an email link is good because you want to know obviously the good; you also want to know the bad. You want to know the ugly. You want to be able to correct that certainly in a wave conversion.

I've seen this time and time again is where between the first wave and the second wave, you learn the most. You adjust. You might find that there's been more of an unexpected inbound phone calls around a specific application or area of the online banking system so that in subsequent waves you tune that up. You tune the training up to really focus on that more. Again, going through the analytics, that's also important. Once customers convert, I know there's a collective sigh of relief when a conversion project is done at a bank. We all just want to take a long nap and do something else for a while.

It's also important to look at the customer experience analytics not only in the surveys you get back but also the usage. Are the clients you converted using the system number one? Are they using it correctly? You might find that they're just falling back to maybe some of the older modules or they're not using the new module as you expected. I think some of that follow-up campaign is important. It's not necessarily to sell them anything; it's to make sure that they're using the system correctly because you want your customers to be using that new technology you invested in the best possible way. Follow-up post-implementation is obviously a very important step throughout this process.

Step Five is one of my favorite. It's a little bit busy, but I'll let you guys observe this for a second. Again, this varies widely by institution, and by type of acquisition, or type of conversion. Typically, what I see is that in working with the institutions, you lay out the timeline up top. Usually, I certainly advise your beta and or pilot. That's with friends and family whether it's internal units or whether it's just a small group of customers, that they're piloted for a period of time. Then I typically advise up to a three-month pilot only because it may be only a month or so where you're actually piloting, but you need time to react to the pilot either from a customer experience standpoint or from a technical standpoint to be able to react to that before you start the larger waves.

Again, some institutions may have three or four waves; some may have eight or nine waves; some may have longer waves. You can see here wave six actually spans three months because you're actually during that wave, you've got another code drop. You're implementing a new capability in the system at that point and all of the customers are using that. For example, wire customers, that's going to be where you're going to give three months of that wave. Typically, I advise that a wave is about 30 days. You do have a tail off of a wave. You want to give enough time to end that wave and then begin the next wave and not overlap them. I've seen institutions try to overlap waves and that can be problematic.

Once you design the timeline where you want to begin and end the entire conversion – and again, this can be as short as 3 or 4 months, or as in this case, as long as a 12-month period. You then want to understand in the design the individual waves themselves. This is much of what we talked about before on the lower half of this graphic. You have the pre-conversion, which is the introductory letter or email that goes out 65 days before the conversion. You may have the emails. You may have specific targeted emails of communications for only customers using bill pay or only customers using mobile. You can dissect that to get very specific messaging into a particular client segment.

It all leads up to in the middle, in the orange if you have the same color as my screen, we're actually making those outbound calls. Now realizing that more and more institutions that I deal with are contemplating or implementing 100% of their customers getting an outbound phone call. Much more so on the business and small business side, commercial side, but also looking at a subset of their preferred clients. They're product banking wealth management clients where they may have out of 100,000 consumers, they may have 10 or 15,000 they actually want to make a phone call to and schedule an appointment with a private banker, or a wealth banker, or a preferred client banker. If that proactive reach out to make sure that they're well trained and they understand the conversion. Not only for business but also certainly applies to the consumer side.

There's a series of steps here. That client journey that we talked about: introductory phone call, setting up a training session, setting up a follow-up meeting, and of course, going through the end of it with surveys and service optimization. Each of the waves at the top repeats this process albeit from Wave One, Two, Three, some adjustments. Typically, by the third or fourth wave, you've got a pretty good cadence going. Quite a bit of information here. These are all tailored by banks, and by timelines, and type of conversions.

Here's one more further breakdown on this next chart. It really speaks to within the outbound calls. For example, if you have conversion specialist calling a client whether again it's a preferred client on the consumer side, or small business, or large corporate. This again, it can be drawn in many different ways. Client journeys, I think anyone who's on the phone today are familiar with that. It's really stepping them through the process of understanding what your design is.

This is titled Tier X Client Journey. This might be a Tier One client journey. You may have a Tier Three client journey that's only two boxes. Make sure you get ahold of somebody. Make sure they know about the conversion. Make sure you direct them to self-learning. Then that's it. It may take two or three phone calls to get them, but it's basically one box just to make sure they're aware of it and where they can get self-help. Once again, a Tier One might be a much more elaborate type of client journey.

As you look through this process whether you're partnered, or your internal partners, or whether they're an external partner, they can help you build this conversion experience plan and implement it. I think what you want to look for is a series of things. One is where can you get end-to-end or point solutions? Can you find somebody that can help you create the documentation from the library of communications over hundreds of conversions or information that's been sent out? There's certainly customizable, but that it's already set and ready to go and that can be printed and mailed or emailed. Emailed specifically to certain client segments. Can do the outbound and inbound calling support and the follow-up or can provide a menu selection of those kinds of activities where you can say, well, we've got the marketing down, but we really need some help on the contact center to do the outbound and certainly help us with any influx of inbound.

They collaborate with you. Design this specifically to what you're trying to accomplish throughout this process. Of course, industry best practices. Every bank I talk to is different and they tell me so. Absolutely want to be able to customize these types of engagements as you go through the process. Again, one of the key tenets, absolutely one of the key tenets is a proactive process; that you design it with the client in mind.

It's the client journey that's going to make this thing a success. I've seen it time and time again where the upgrade or the technology is okay; it's not fabulous; it's not wow. What made the difference was that client experience, how you handled the client throughout the process. Obviously, you want to pick a partner that has infrastructure, has know-how, has the ability to bring this to there.

How do you measure success as we wrap up toward the end here? It's a lot of variables, a lot of models that can be used, a lot of designs, a lot of expertise that goes into this process whether designing the pre-conversion activities. What's the optimum number of messages that go out? What type of messaging via which channel? Whether it's that type of conversion activity, post-conversion activities. Measure the overall readiness of the institution, the survey results. What do you do with the survey results, how to use them in the process?

Of course, although I've downplayed it a bit, understanding the product functionality. What are the biggest changes? What are the biggest areas of change for your client? Is it on the single sign-on screen or is it a new way to access mobile? Is it a new app to download? Understanding the ease of use and the functionality, that's where you typically have – the biggest change means the biggest impact to the customers that are understanding that out of the gate is critical in the process. Obviously, this is not last; it's probably first is the quality of the service throughout the process. Not having customers be 119 in line to get ahold of somebody to solve a problem.

A lot of these variables are really baked into a series of models that I've been using for a few years. Of course, what you're trying to get to is the left side of this next chart which is 90%. I've seen this result that 90% of your surveys come back with highly satisfied overall. You've got a big win. It's a long-term, positive impact to not only the institution, it's market reputation, but it's a positive impact to your revenues, to many of your objectives.

Somewhere between there and the satisfied net promoter, propensity to buy is where you want to be. Down in the orange and the blues at the bottom there, that's what you really absolutely need to stay away from. Again, we've read about it time and time again. There's a real dollar hard cost to this stuff. You really want to get to a point where you're on the left side of this graphic, which I think is obvious, but it's not always achieved.

Again, in summary, superior conversion experience results in a higher retention, longer and deeper relationships. Absolutely an increased propensity to buy all the next things you're introducing to your clients. They've got a good client experience through a conversion. They're going to say, yeah, come on in. I want to hear more about what you're doing. The opposite occurs if they didn't. You're going to get a longer high return on those customer relationships.

It doesn't stop here. Does not stop with a conversion. As we all know on the phone, it's very rare that a year passes by and the work you do with your institution that there's not some sort of conversion going on. It may not be in your particular division, but it's happening next door. It's going to impact your clients. Most banks run hundreds of systems and they're being upgraded all the time. It's a never-ending journey.

If you get a cadence down, if you get a process down where it becomes automatic, it says okay, we've got another conversion. We know what to do. We've got this down. We've got it. We've got our teams. We've got our process because we know what works, but it's always updated with a new technology.

It's absolutely a competitive advantage at the end of the day. Customers remember this regardless of the industry. Whether it's banking or the 75 flights I take a year, I remember the client experience. I use those companies that give me a positive client experience much more so than necessarily the technology or the functionality.

Having said that, we've got three minutes – well, we're right up around 1:50, which gives us about 10 minutes for questioning. I'll take a deep breath here for a second. I will expand my questioning area here. There is a bunch of questions here. I'm going to start with the first one.

It says: what are the key strategies for a successful digital conversion? I think we talked about some of those. I think if I were to say the primary in one word, proactive; the more proactive you are. The second would be focus. Focus means focus on the client, focus on the tier, and what the client is doing, so you have a specific focus on the client journey for that client. Focus the resources. Meaning have dedicated resources on that client experience throughout the process.

What are the primary – second question: what are the primary failure points and how do you mitigate? Again, a good question. There's a lot of failure points throughout the process. Some of them really deal with more of the technical side. I always say there's two sides to the conversion experience coin so to speak. One is the system has absolutely got to be ready for prime-time. The UAT, the testing has to be spot on. It has to include not just test data; it has to use fully migrated client data number one.

Number two, I always advise using outside evaluations of the test process. Too often I've seen where you could have the perfect conversion experience design that we talked about today. It could walk on water. If there's technical glitches in the system, it's hard to – it becomes much more problematic to get a good client experience. Absolutely one of the failure points that we've seen is that banks have said, well, we tested this for – we had 100,000 hours testing. We had 5,000 test scripts, but the system still crashed on day one. I do advise looking at third-party certification on the UAT process, but also using migrated data. Also, testing from end to end. I've seen testing processes that only tested parts of the transaction, but not all the way through.

Certainly, on the client experience side, assuming a well-tested ready for prime-time system, the failure points really are assuming that you've got it. Assuming you know exactly what your clients are doing today with your applications, and assuming that your communications, your email will be read. That's I think a failure point in many of the conversions. Those are a couple things.

How do you mitigate them? Again, it's being proactive. It's also taking it to another level. It's saying, well, we're going to definitely communicate with our clients as much as we think is optimal. We're also going to leverage that with outbound calling, with webinars, with one-on-one sessions, certainly with your Tier One and certainly well down into your Tier Two clients.

Another question I have here: how should you provide effective training on the new platform for online banking customers? Again, I think we touched on that a little bit. How they fill the accommodation. I think with your Tier One clients, I think one-on-one is very effective. In a small business or little-sized businesses, or large corporations, you're not necessarily training every user individually; you may get a group together.

Training them is essential because that's where again some of the failure points are is that customers weren't trained enough. They end up again calling you in waited lines to get ahold of somebody. I think one-on-one is good. I think webinars should be scheduled fairly frequently. They should be modular in nature so that clients don't have to sit through an entire process when maybe only somebody who's dealing with the payroll wants to get in and understand how to upload a payroll file, an ACH file. Or on the consumer side, somebody just wants a webinar on bill pay.

The more you can do proactively to convert data well. That's the other big piece that we didn't talk about too much. Data conversion's also a failure point. Is that where ever you can where you can ensure high-quality data conversions, so clients aren't having to rekey or re-setup their templates, their bill pays, their user entitlements. The more you can proactively convert that data so when the client moves to the new application, they don't have to reset everything else up because that's also a big pain point, a bad client experience.

I'm going down through some more questions here. On the modeling, there's a question about: can you elaborate more on the conversion modeling? Yes, I can. I don't really have time today but would be glad to do a follow-up. It really looks at a series of things within the model. It looks at things like the client tiering. How many clients in each of the tiers? It looks at the client journey for that tier.

Then we actually measure the time it will take for a conversion specialist to step a client through that journey. That journey could take from 15 minutes to in some cases six or eight hours to the large corporation. We look at the number of waves. There's probably a good half-dozen to 10 different variables we look at on the inbound side. We also look at historically using different well-known models combined with our models. We look at how to model? When do communications comes in? How many days off are communications sent? When do they come in: day zero of conversion system, day one?

How many come in on day zero, one, two, three, four, five? When do they tail off? When do they re-spike? For example, there's always a re-spiking when the conversion date is a Monday, and Wednesday is a payroll initiation day, and Friday's a payroll day. We also model for that. There's a lot of different variables within the model that we fine-tune throughout the process to come up with the right capacity. Again, whether it's capacity bring in from a partner or whether it's capacity that you try to build internally.

There's a question down below on what's a good example on investing in a client experience? What I'm assuming is the dollar amount. That's a very good question. That's something that I think points to a really good disposition of what I've been talking about in investing in that client experience. How much do you invest per client? How much are you investing per client in this client experience?

Again, on the small business side, that could be $50, $60, up to large corporate could be $800 per client. Realizing that large corporate clients for your institution or bigger small business, they need to be generating 10, 50, a million dollars a year in profitability. Is it worth it to spend $800 converting that client? Absolutely. Small business, costs you $50 to convert that client? Again, if they've been generating a couple hundred, $500,000 a year.

What I find in most surveys is probably your top 20% of your small business clients, the old 80/20 Rule, they represent 80% of your profitability in that market segment. On the consumer side, again, it ranges from preferred clients. A preferred client might be somebody with $100,000 in balance or above, or a million, or certain types of services. It really ranges. From on the consumer side, it could $50, $25 per consumer to convert them. It could range all the way up to potentially into hundreds of dollars for corporations.

Another question here as we wrap up toward the end: how do Millennials tend to handle digital conversions versus non-Millennials? I have no idea; no. My two sons are Millennials. Much of the data I've seen is that they're much more willing to flight I guess is the right word. They're much more willing to convert to another bank with a bad client experience. Some of us old-timers are maybe a little less willing to make that change.

Millennials I think are good at technology. We always think of Millennials just using the digital chat. Which again is another thing that we didn't talk about too much today is enabling chat, enabling not only voice but also video in these conversions. There's also a propensity for a Millennial when they get through a couple of chats, they'll pick up the phone. They'll tap that phone icon on their app and want to talk to somebody.

I guess they're more technology savvy, but they're also much more willing to switch a bank with a bad conversion. Probably because they don't have much money in their accounts; no. They're much more willing to convert to another bank. That's a good question. There are some differences on the consumer side with Millennials. I think that how you get to them whether it's through your app in notifications through the app, and stepping them through the process there, and developing self-conversion apps to do that process.

We're wrapping up. I think we've got a couple minutes here. I think I've got – it's hard to tell. I'm just trying to look here. I've got to get this a little bit larger. Let's see, any more questions. I think I got most of them. There were good questions. I'll go ahead and – Kate, I will turn it back to you at this point. Is that okay?

Kate: Great, thank you. With that, we must conclude today's program. The session has been recorded and will be available within three to five business days. You may access the recorded archives by using the same login information you used for today's live webinar. Feel free to share the recording link with your colleagues. On behalf of the Consumer Bankers Association, thank you to our speaker, and of course, to all of today's participants. Have a good afternoon. You may now disconnect.