



**The Informed Banker
Speaker Series**



The Informed Banker: Competing in a Land of Giants

Jon Jeffreys, Callahan & Associates

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The content for this presentation was created by Jon Jeffreys.
The views and opinions expressed herein are those of the author, Jon Jeffreys
and do not necessarily reflect those of Harland Clarke.

Presenters



Presenter

Jon Jeffreys

Partner
Callahan & Associates



Moderator

Christine Ahlgren

Director, Strategic Business Alliances
Harland Clarke

Competing in a Land of Giants

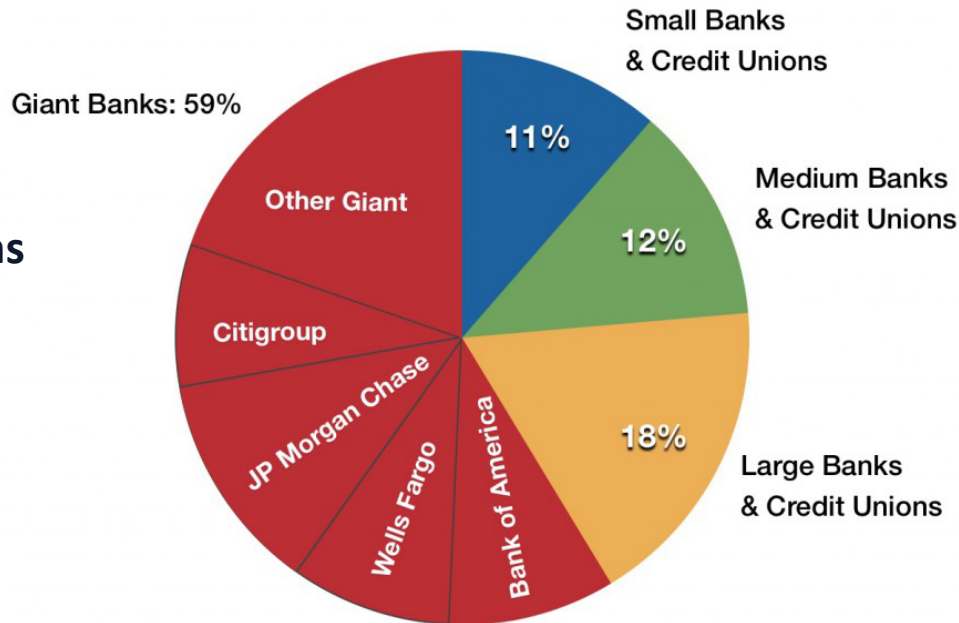


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Bank Market Share, 2014

**14 institutions
with over
\$100B**



**~12,000 institutions hold
41% of market...**

Source: Federal Deposit Insurance Corporation and National Credit Union Administration

Notes: Market share is defined as the share of assets held by U.S. banks and credit unions. Small banks and credit unions are defined as those with \$1 billion in assets or less in 2010 dollars. Medium-sized banks and credit unions are those between \$1 billion and \$10 billion in assets. Large banks and credit unions are \$10 billion to \$100 billion in assets. Giant banks are those with more than \$100 billion in assets.

Goal of large banks

- Drive consumer market towards commoditization
 - More cost effective to serve when no differentiation is needed
 - Competition is expensive and shareholders don't have long patience...



Slaying Giants is hard work!

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What if you thought of your business as a monopoly?



Wait, what?

- It's a framework...
 - Monopolies have
 - No competition
 - Start off narrow and scope and scale
 - Are highly profitable...
- What business would you rather own?

Google



Think about your organization....

- Where can you build monopolies?
 - Demographic
 - Geographic
 - Job to be Done
 - Product
- Where have your competitors built monopolies you cherish?



The essence of strategy is choosing
what not to do.

— *Michael Porter* —

What types of choices do we have to make?

- In football
 - You have to play offense, defense and special teams
 - If you were the coach or General Manager you have some choice to make
- How do you invest and for what?

What this looks like...

1970's



What this looks like...

1970's



2000's



What this looks like...

1970's



2000's



2010's



Companies That Want to Make Us Irrelevant...



What do these have in common?

- They started small with a laser focus
- They have a monopoly mindset

You need to make some choices...

- Questions to help frame those choices
 - What does success look like?
 - What are you already good at? Is this enough?
 - How are you seen in your community
 - What can't you do?- what do you need to stay away from?
 - What resources do you have available?
 - What makes you different in your customers eyes?
 - Can you leverage these differences?

What to do next

- In your planning process:
 - What are the segments of the market you want to “own”
 - How do you own that market and create a basis of performance that has no competitors
 - Be explicit:
 - Do you want to focus on “offense/ defense/ run/ pass”
- Perhaps more important
 - What segments do you not want to focus on
 - What are you saying no to





Jon Jeffreys

Managing Partner
Callahan & Associates
jjeffreys@Callahan.com

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Q&A Wrap UP



The Informed Banker Speaker Series

Jon Jeffreys, Managing Partner
Callahan & Associates
jjeffreys@Callahan.com

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Type your question in the chat panel 



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

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Thank You