

Stacking the Deck: Secrets of
High-Performing Banks


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accelerating growth

PURPOSE

Understand what it will take to stack the deck in your
bank's favor and succeed at the highest level regardless of
the economic or rate environment.

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Some Background for Context

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About Haberfeld

35+ YEARS Helping FIs grow profitably for over
7th largest FI in America
7.5 MILLION new core relationships
EMPLOYEE OWNED
DATA DRIVEN RESULTS Over 10MM products and services analyzed monthly
2,600+ Marketing campaigns for our clients annually

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Why Should You Care about Growing Core Customers?

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Many of you may aspire to greater roles and influence in your banks.

Understanding and supporting the success of *the entire organization* is crucial.

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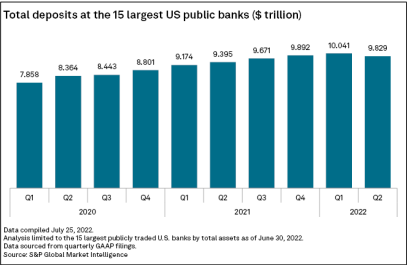
A Core Belief

We need as many
Primary Financial Institution (PFI)
customers as possible.

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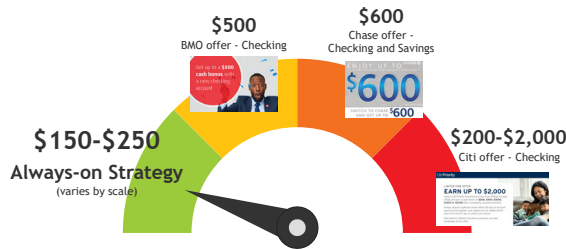
Macro Challenges Ahead—Deposits have “topped”

Outflows have commenced - deposits are down 2.1% for the “big” and 1.5% for the industry.

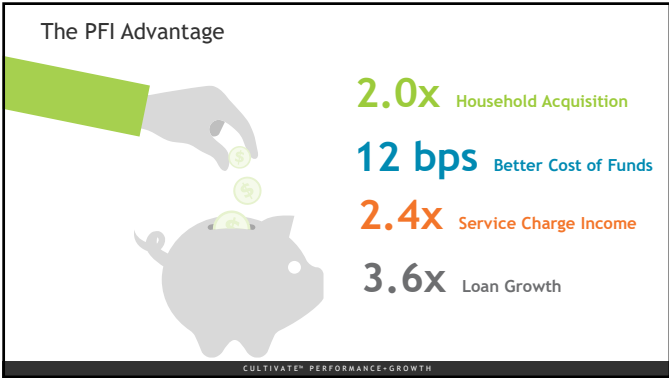


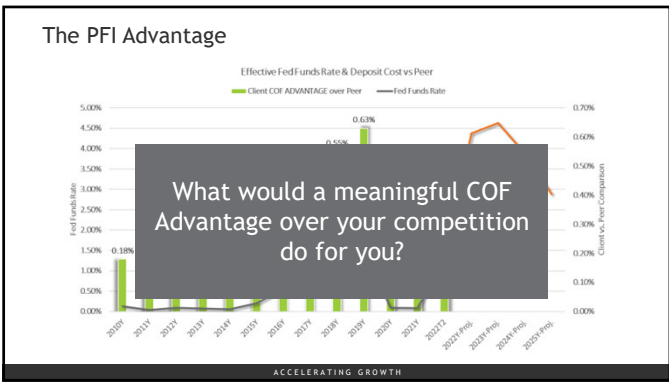
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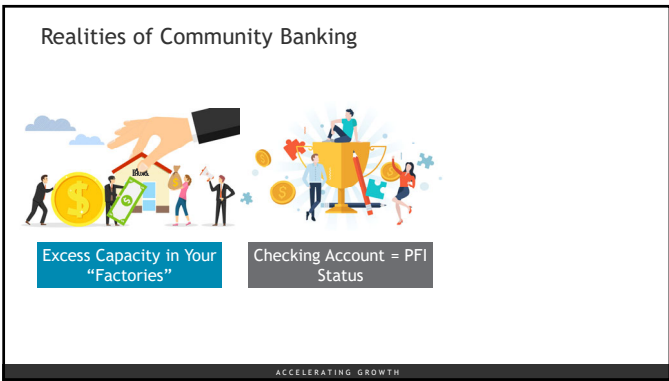
Competition is Heating Up



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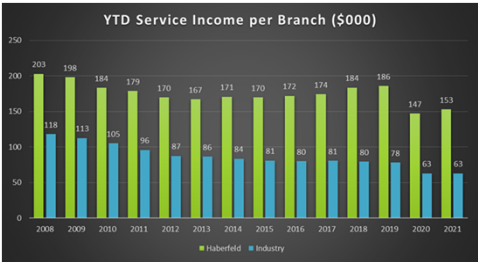








Customer Growth - Service Charge Income



Overall Impact

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Profitable Customers

\$150 - \$250

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seidftcxhkhkhghj(wErvhfcvexp hu

\$300 - \$500

Dp rxcqkscubj/ndj)hEchq#qzrvw#

seidftcxhkhkhghj(wErvhfcvexp hu

10+ years

Dp rxcqkscubj/ndj)hEchq#qzrvw#

seidftcxhkhkhghj(wErvhfcvexp hu

\$4,800+

Dp rxcqkscubj/ndj)hEchq#qzrvw#

seidftcxhkhkhghj(wErvhfcvexp hu

\$16,000+

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How Do You Significantly Increase Core
Customer Acquisition - Marketing?

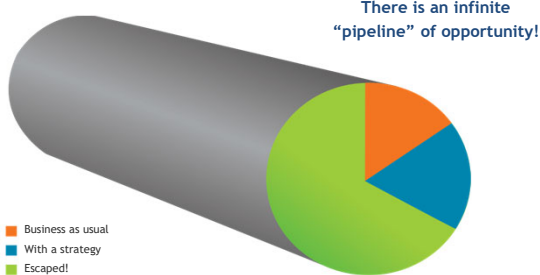
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The Market . . . conventional wisdom



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The Good News!



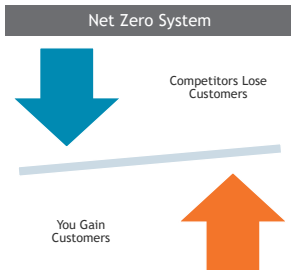
There is an infinite
“pipeline” of opportunity!

- Business as usual
- With a strategy
- Escaped!

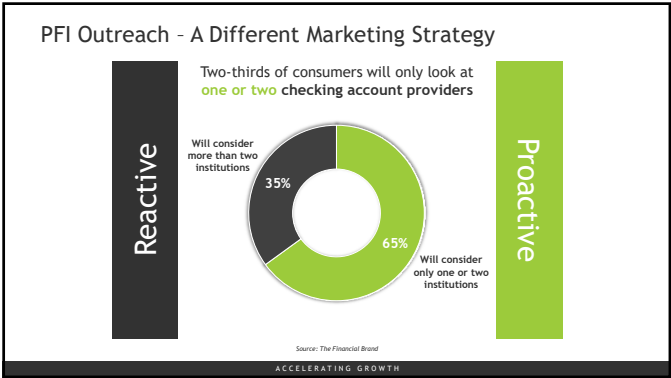
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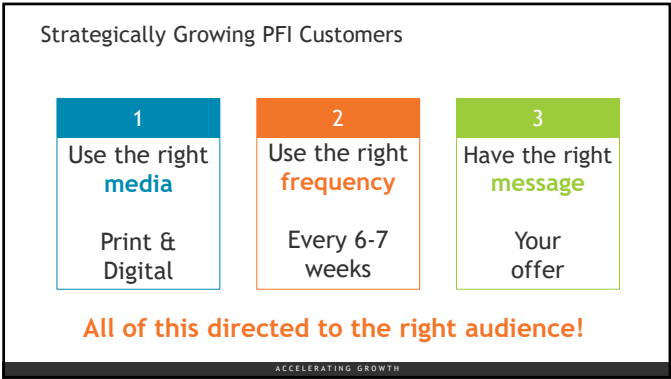
No One Wants To Switch, BUT...

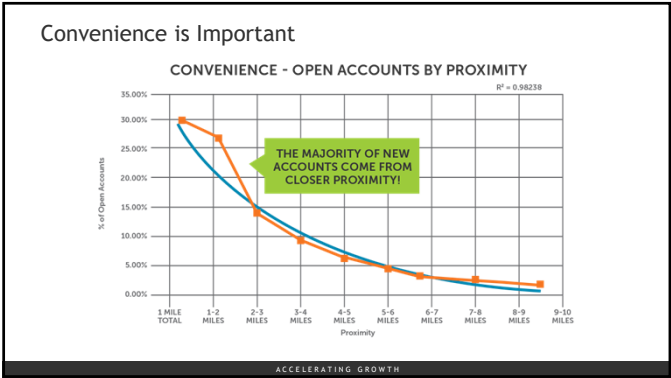
In a given year, about
8% - 12%
of the households and
businesses “change
banks.”



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Defining Convenience

Demonstrated Convenience

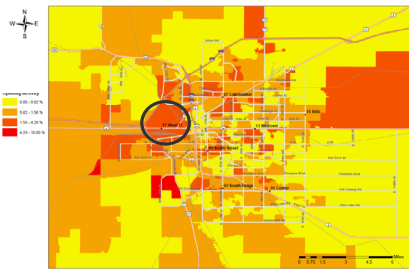
- They are the neighbors or businesses next to the customers you already have
- They live around your branches




NeighborCustomerNeighbor

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Driving More Traffic: Demonstrated Convenience





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Defining Convenience

Demonstrated Convenience


- They are the neighbors or businesses next to the customers you already have
- They live around your branches

Predicted Convenience

- They work around your branches
- They walk, shop or eat nearby your branches with regularity
- They drive by your branches



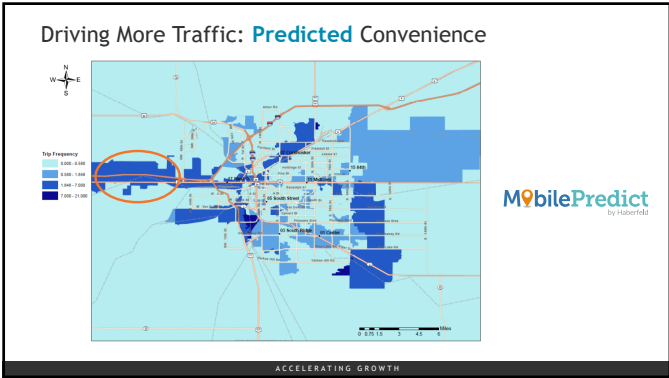
NeighborCustomerNeighbor

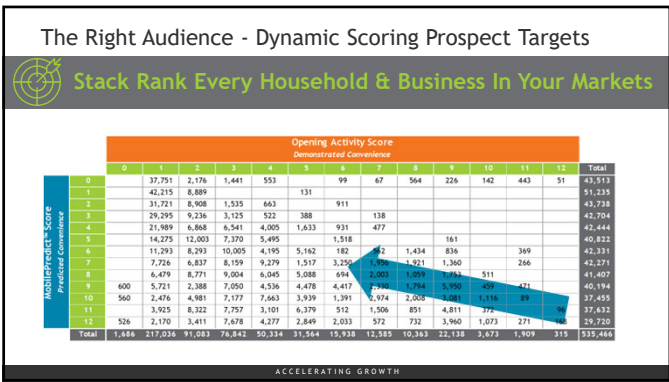


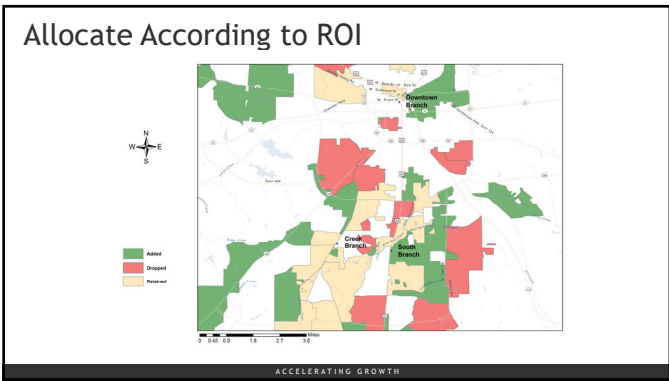
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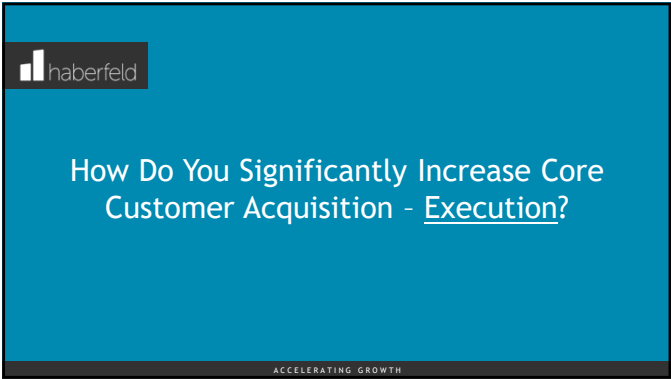
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Talent In Banking

Traditionally:

- Stability
- Predictable career path
- Respected industry



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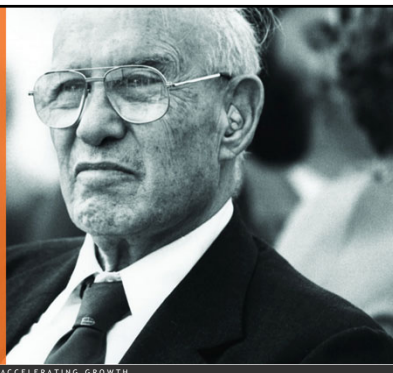
Currently:

- Flexibility
- Happy to change jobs to find growth
- Questionable reputation

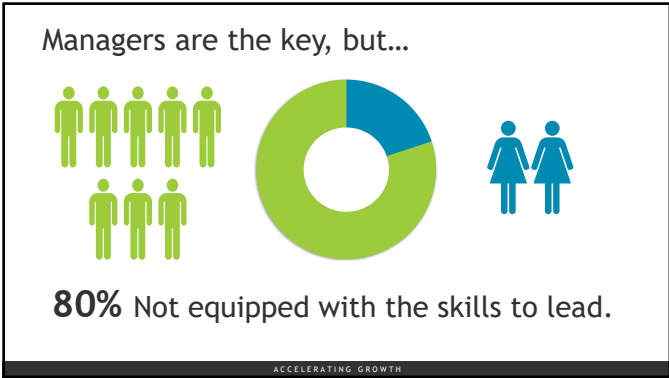
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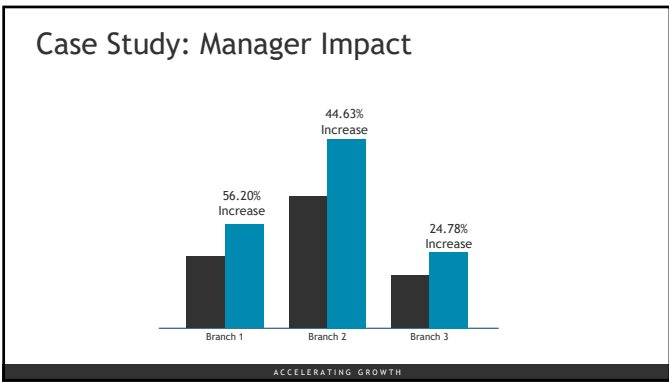
"Culture eats strategy
for breakfast."

Peter Drucker



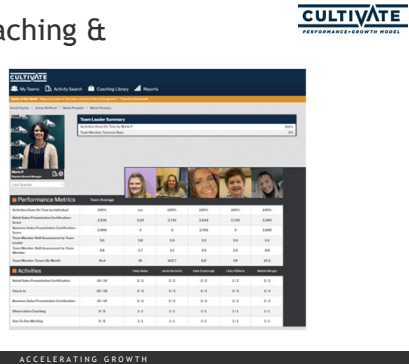
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A System for Coaching & Development

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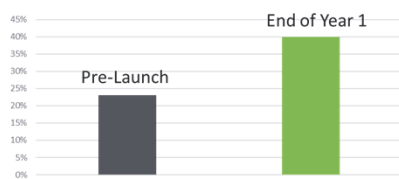
Case Study

- 24 offices
- Mostly in small cities and rural communities in Georgia
- Strong growth and accountability culture
- Implemented these high-payoff activities in 2018

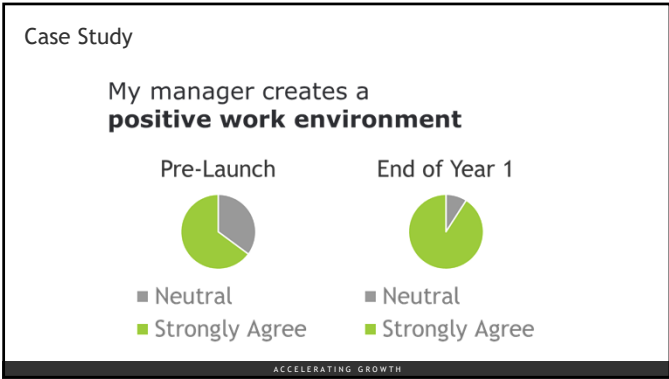
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Case Study

My manager is effective at motivating me to greater performance: *Strongly Agree*

[illegible]





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How Do You Significantly Increase Core Customer Acquisition - Product & Process?

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Keys to Good Product



Simple

One Pricing
Variable per
product
—easy to
understand,
easy to sell



Targeted

Accounts
designed to
meet the
needs of all
customer
types



Brand Name

Account
names that
identify the
target
audience and
describe the
account



Sales Process

Efficient and
simple
roadmap to
identify what
is best for the
customer




Price
Indifference

Do what's
right for the
customer and
the bank will
be just fine—
no product-
pushing


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The best test for your products?
Go home and ask your front line
team members

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Operations & Compliance

Do your Operations and
Compliance rules help you get
more customers or repel them?

Do your written rules match your
frontline practices?



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Operations & Compliance

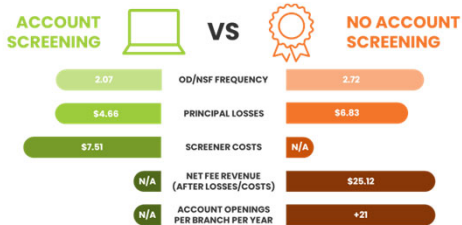
How easy is it to become your customer?

- How many and what forms of ID?
- What if the second signer isn't present?
- Proof of address?
- Credit score?
- Business documentation?

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Account Screening

Risk Management or Profit Prevention?



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Account Screening

A Recent Client Experience

Flagged as "Would not have been opened with eFunds"			Fee Income Analysis 7 Months	
Accounts opened	202		Gross OD Income	\$15,600
Accounts still active	157	78%	Debit Card Interchange	\$4,100
Accounts with chargeoff	21	10%	Chargeoff	(\$4,612)
			Net Impact	\$15,088

* Before the cost savings from not screening

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Conclusions

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Growing core customers is the key to stacking the deck in your bank's favor. You need more core customers!

More customers = more options and more opportunities.



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Parting Questions

Are you strategically deploying your marketing resources for maximum ROI?

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Parting Questions

Are you providing your leaders and team members with a meaningful experience?

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Parting Questions

Are your products and processes truly designed so *everyone* wins?

Pro tip:
ask your employees

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Reach out any time:
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