

Designed for Results

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A Bank Executive Survey undertaken by Grant Thornton LLP, in association with Bank Director magazine, revealed 56% responding indicated they were pessimistic about the state of the national economy in 2008 compared to 13% the year before. Furthermore, 54% said they were pessimistic about the general business outlook for banking in 2009. The survey continues that “92% said they anticipate using core deposits to fund their bank’s growth in 2008”.

The Community Banker knows the financial services market continues to grow increasingly competitive. Banking and non-banking entities contend to provide financial services to your customer. GM to Wal-Mart to major insurance and finance companies aggressively market to provide your customer a menu of financial services. Those companies are master retailers and marketers who spend millions of dollars vying for your customer’s attention... and money. The Survey indicated that 65% of the respondents expressed concern about the number of retail customers they were losing to Credit Unions.

The Community Bank has many advantages over those competitors....if only they maximized them. By definition, a customer is “someone who buys a product or uses a service from a business”. The Community Bank already has the customer. The customer comes into the Bank to avail themselves of one or more services. They have established a relationship of confidence and trust in their Bank. The Community Bank’s customer likely resides in the community and has extended relationships with some of the

Bank’s employees and other customers. To the competition fighting for your customer’s business, your relationship with your customer is priceless!!

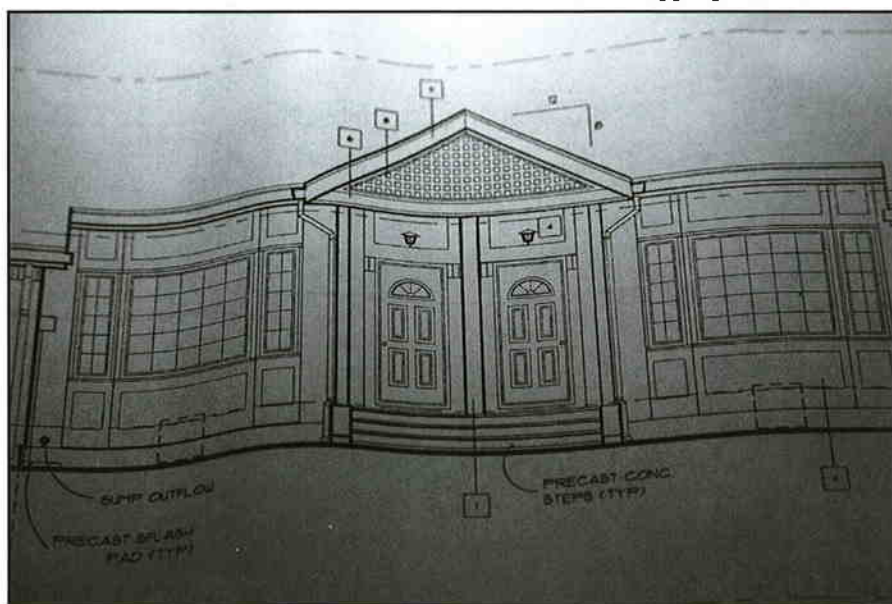
The Survey asked the question “how the banker will compete profitably in the next three years”; 91% responded they will increase their cross-selling efforts to current customers. It’s known that it is easier and less costly to sell new services to an existing customer than it is to compete for and obtain a new customer. It’s also known the more services a customer has with their Bank; the less likely the Bank will lose its relationship with that customer. Most Community Banks offer 15, 20 or more services. What if your Bank could provide your customer one, two or three additional services? What impact would that have on your Bank’s ROA?

What lessons can be learned from the retail sector? Successful retailers, such as Best Buy, Bloomingdales, Staples, and Home

Depot, design their “stores” to communicate their brand. Floor plans direct customer traffic past the products and services being promoted. This is accomplished by intended department adjacencies, careful product placement and positioning of dynamic and graphic point-of-sale materials. The sales staff practices Consultative Selling; educating the customer while offering information, products or services that solve their problem. The “sales consultant” is the “go-to” authority, assisting the customer in evaluating which products or services best meet their need. This is Value Added service. How this is provided determines the customer’s experience doing business with your bank and solidifies your relationship with that customer.

DEVELOP A SUCCESSFUL SELLING ENVIRONMENT

- *Know your target:*
Know the demographic of your targeted customer.
Provide the appropriate level



of service, customer convenience and technology that's comfortable for that customer. Develop appropriate product packaging and marketing events. Conduct educational seminars and in-lobby presentations. Develop informative marketing displays, resource libraries and investment centers that educate your customer and will prompt inquires.

• *Branch Design:*

Design the branch to project the desired image. "One size does not fit all". The design should be appropriate for the targeted customer. Orchestrate traffic flow. Position merchandising and promotional displays / kiosks for maximum effectiveness. Design the branch to engage the customer, encourage interaction

and promote rapport between the customer and the bank's employees.

• *Knowledge is Power:*

Train your staff in basic rapport building skills and knowledge of the benefits of the products and services offered by the bank.

• *Be Proactive:*

Don't wait for the customers to find you; greet them first. Ask how their bank can be of service.

• *Become a Resource :*


When a customer's looking at a display or graphic, ask how you can provide additional information. Become the "go-to" person for your customer's financial needs.

• *Little things count:*

Let the customer know they are important. Send "thank you"

notes. Make "thank you" phone calls. It takes a minute. The cost is minimal. The impression is long lasting! The value... priceless!

• *Added Value of a Good Banking Experience:*


People do business with people they like; who care about their needs and solve their problems. This is added value. Added value often trumps lower rates and more convenient locations. It helps resolve issues between a bank and a customer. It solidifies your relationship making it easier to cross-sell services and more difficult to lose your customer to a competitor. It contributes to a positive impact on your bottom line. 

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