

# PERSPECTIVE



**CHANGES EVERYTHING.**

Increase cross-selling and relationship building

On the front line using lean tools

**WIPFLI**

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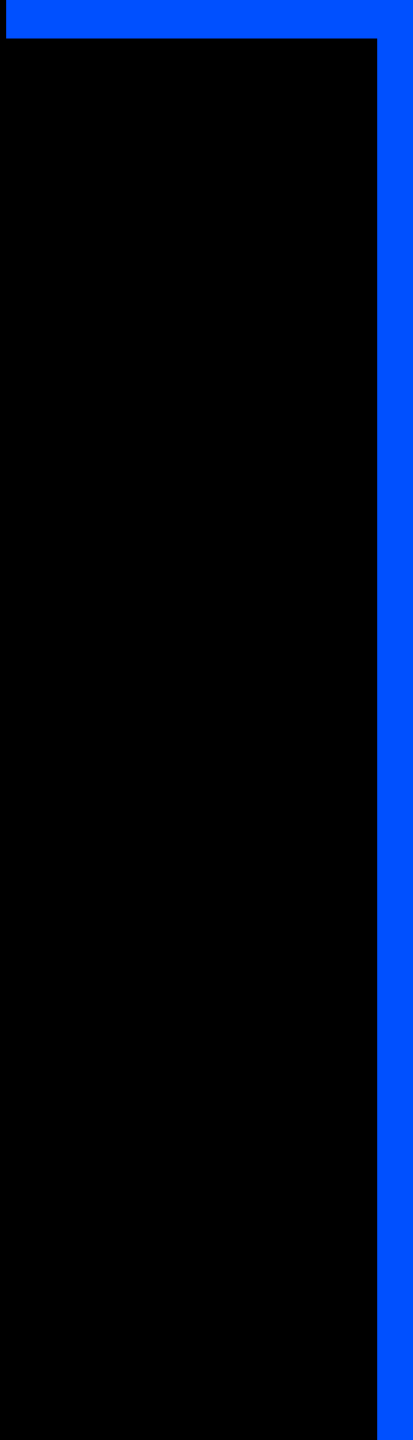
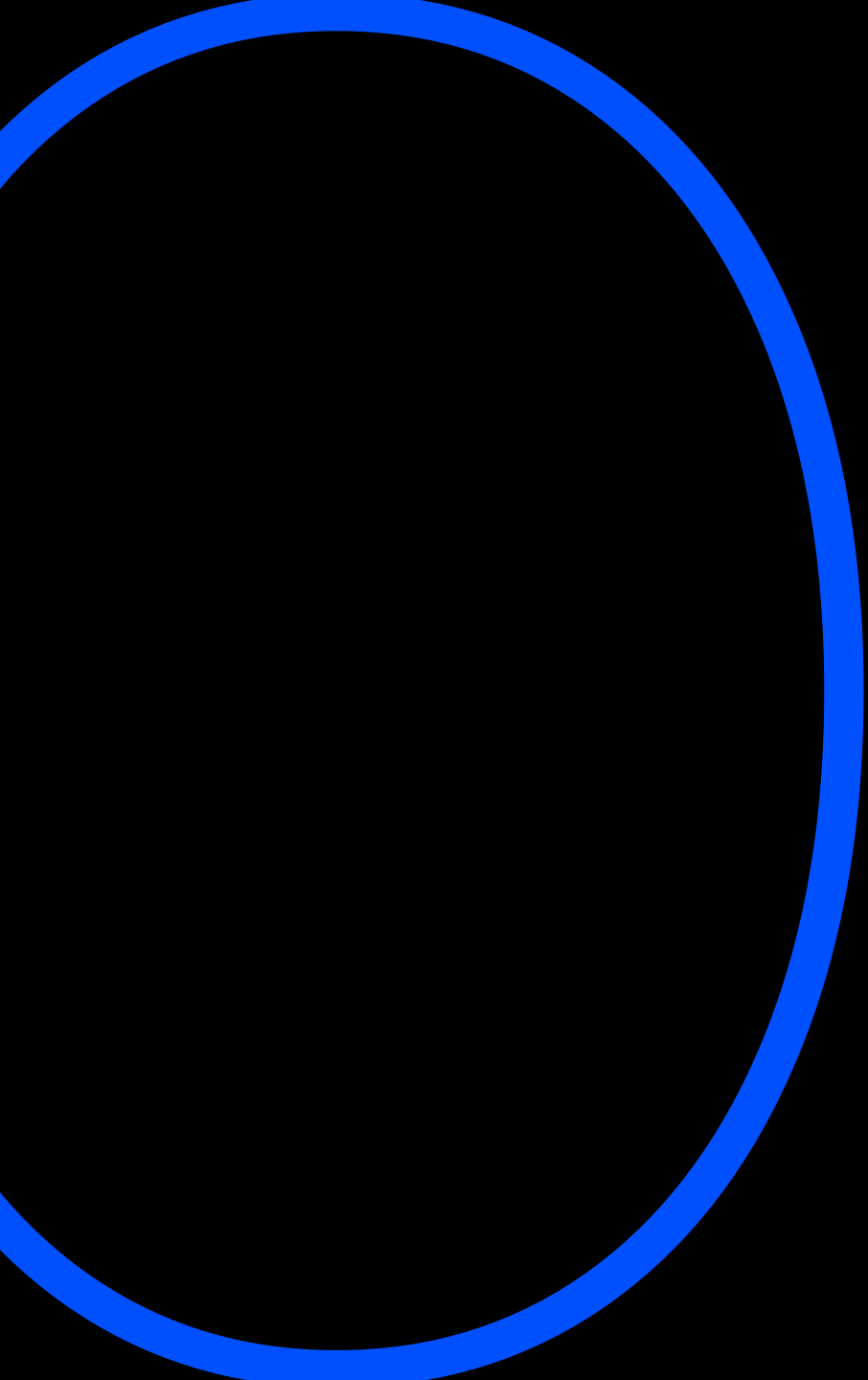
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Robert brings to his clients 25+ years of leadership experience as an entrepreneur and executive in financial services, private enterprise, and agriculture. His clients have included financial institutions, technology companies, corporations, municipalities, and government entities. Robert is passionate about bringing clarity to his clients when they face complex business issues and regulatory matters.

# Increase cross selling and relationship building on the front line using lean tools

- Learning objectives
  - Outline common challenges related to effective cross-selling on the front line, regardless of whether in person or online
  - Effectively examine the new account opening process for customer value
  - Use lean tools for replacing waste with valuable cross selling opportunities



**The customer journey**

# A process for everything

Personal	Work	Social
Brushing your teeth	Walking to your desk	Meeting new people
Driving to Target	Logging into systems	Making a date
Mowing the yard	Dealing with email	Choosing a restaurant
Doing the dishes	Requesting vacation	Ordering a martini

# The customer journey is about process

- Often tied to the concept of customer experience or CX
- Customer journey mapping is the process of creating a customer journey map; a visual story of your customers' interactions with your bank
- This exercise helps the bank step into their customers' shoes and see the process from the customers' perspective

# What is the customer journey map

- Step one: Understand who your customers are
- Step two: Understand your customers' goals
- Step three: Map out the touchpoints (from prospect to closing out the relationship)
  - Through the mapping process, you identify customer pain points



# How do we choose what to map?

- Value stream
  - A concept developed in and borrowing from lean manufacturing
  - A visual guide of all the components (people, processes, and technology) necessary to deliver a product or service
  - In journey mapping of a value stream, the goal is to document the holistic product or service without being overconcerned about the individual details
  - Once documented visually, the organization can then analyze and optimize the entire process

# Why do we map?

- Value stream
  - Generally, an organization chooses the most **profitable value stream** to begin the mapping exercise to make the highest impact
  - Conversely, some organizations may choose to begin mapping a new or proposed value stream to understand the impact to the organization
  - A third option faced by some organizations is mapping for regulatory or litigation reasons

# Why do we map?

- Value stream
  - While personas and scenarios put a face to a name and can deliver vivid narratives that communicate a customer's overall needs, **journey maps break a customer's experience down into individual interactions**, making the needs and emotions easier to recognize and more digestible



**Defining the new  
accounts value  
stream map**

# The process of opening a new account

- Regulatory requirements and audit and exam feedback focuses on obtaining and documenting the required information
- There are penalties for noncompliance
- Front line platform systems focus on opening the account
- Customers have limited time and patience for the process
- New account opening processes can be clunky and redundant

# Value added

- Something a customer needs or wants enough to be willing to pay for it – whether with money, time, or sacrifice of other opportunities
  - Convenience
  - Perks
  - Options
  - Excellent service
  - Trusted advisor
  - Solutions to problem
  - What do your customers need or want?

# What is a value stream?

- Value stream is a fancy word for process
- Flow of similar services – from the beginning to end from the customers' perspectives
- Value streams quietly evolve over time based on factors that were important along the way
- The historical focus of the new account opening was transactional
- The priority has shifted to cross selling; however, the process has not changed

# Create a new accounts value stream process flow

- Agree on the process to be mapped
  - Accounts for new customers are a different value stream than for existing customers
- Create a team of people who represent each part of the process
  - Receptionist, new accounts, BSA officer, deposit operations, etc.
- Determine the start and finish of the process
- List the 5-7 critical steps that must occur to accomplish the process

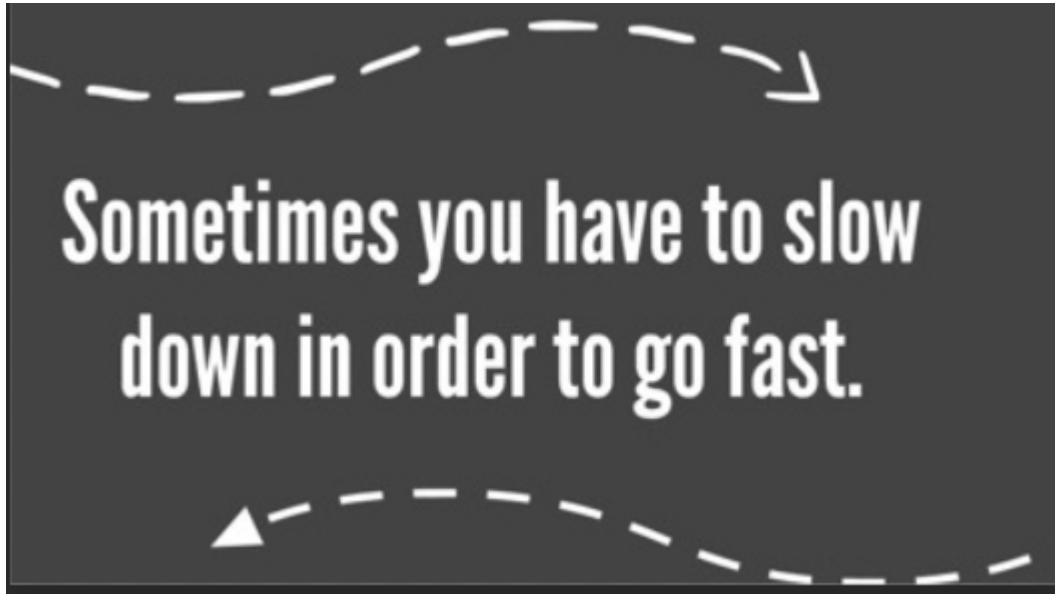


# Create a new accounts value stream process flow

- List the major activities, inputs, outputs, and decisions from the beginning of the process to the end
- If you are doing this with a group of people, you can document the steps in the order they occur:
  - On Post-it© notes and stick them to a table or wall
  - Use a dry erase board
  - Roll of paper spread over a table
  - Visio flowchart software

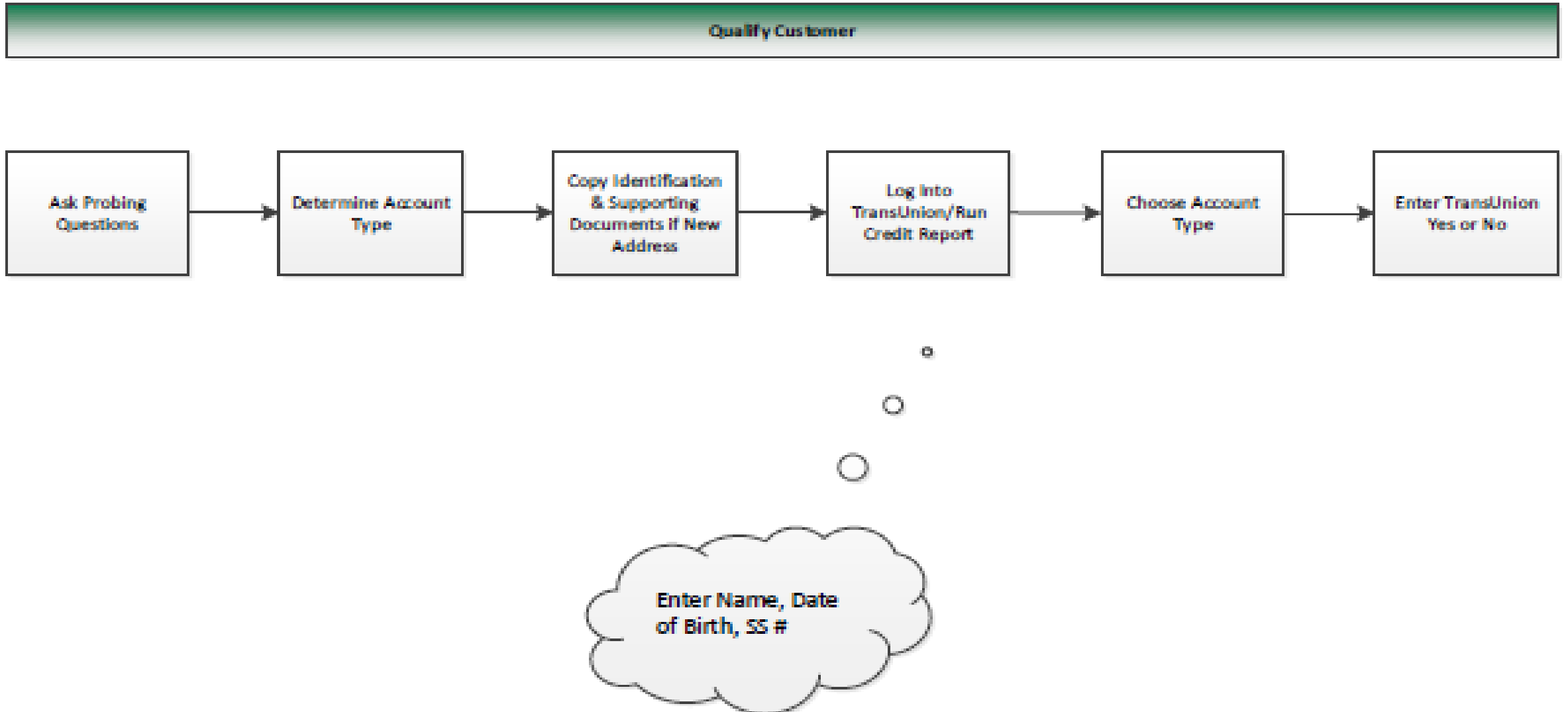


# Walking the process



- A process walk is moving through a process, step by step, from start to finish
- Derived from the lean term “Gemba” walk, which is Japanese for “the real place”
- Observing the process, as it actually occurs, provides the foundation to create a current state value stream map

# Current state – new account value stream process flow



# Art versus science

Standardize repeatable tasks to maximize time for cross selling and relationship building

## Art

- Customer service and effective cross selling
- Developed by individuals based on knowledge and experience
- Difficult to replicate
- Adds value to process

## Science

- Collecting information and completing forms
- Required by regulations, recordkeeping, or safety and soundness
- Can be standardized
- Typically, does not add value to process

OS

**Integrating cross-selling  
into the process**

# Cross selling as a tool to improve the customer journey


- Benefit – cost = customer value
- Customer perceptions influence definition of value
- Use time gained from eliminating waste to build relationships
- Use information learned about the customer to offer targeted helpful solutions



# Cross selling to add value

- Once we know the journey, providing solutions becomes easy:
  - Customer is on their lunch break?
    - **Quick and easy new account opening process**
  - Customer has a teenager learning to drive?
    - **Car loan or car insurance**
  - Customer is new to the area?
    - **Convenient mortgage preapproval**
  - Customer is about to retire?
    - **CDs or annuities**
    - **Introduction to wealth management**

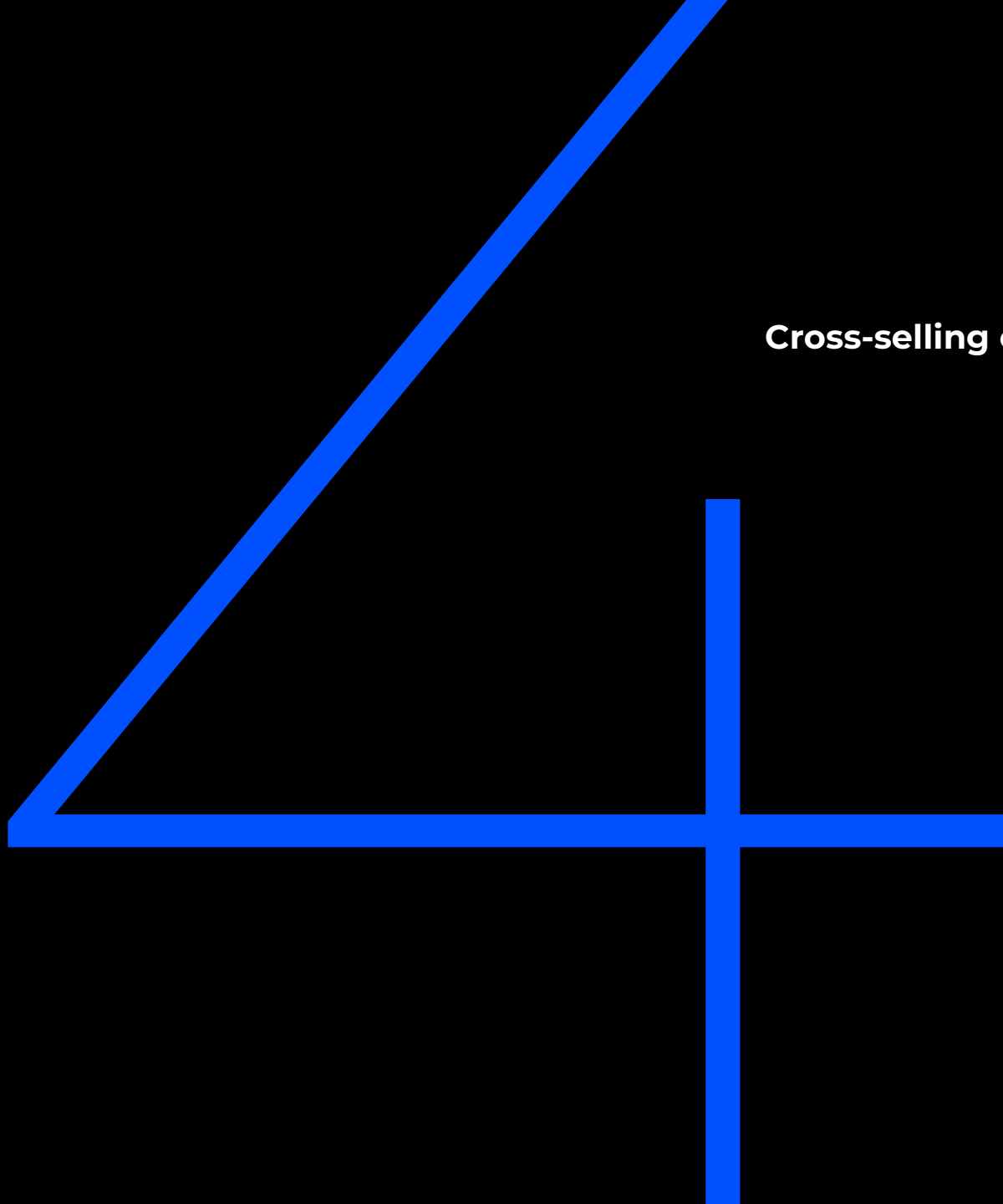
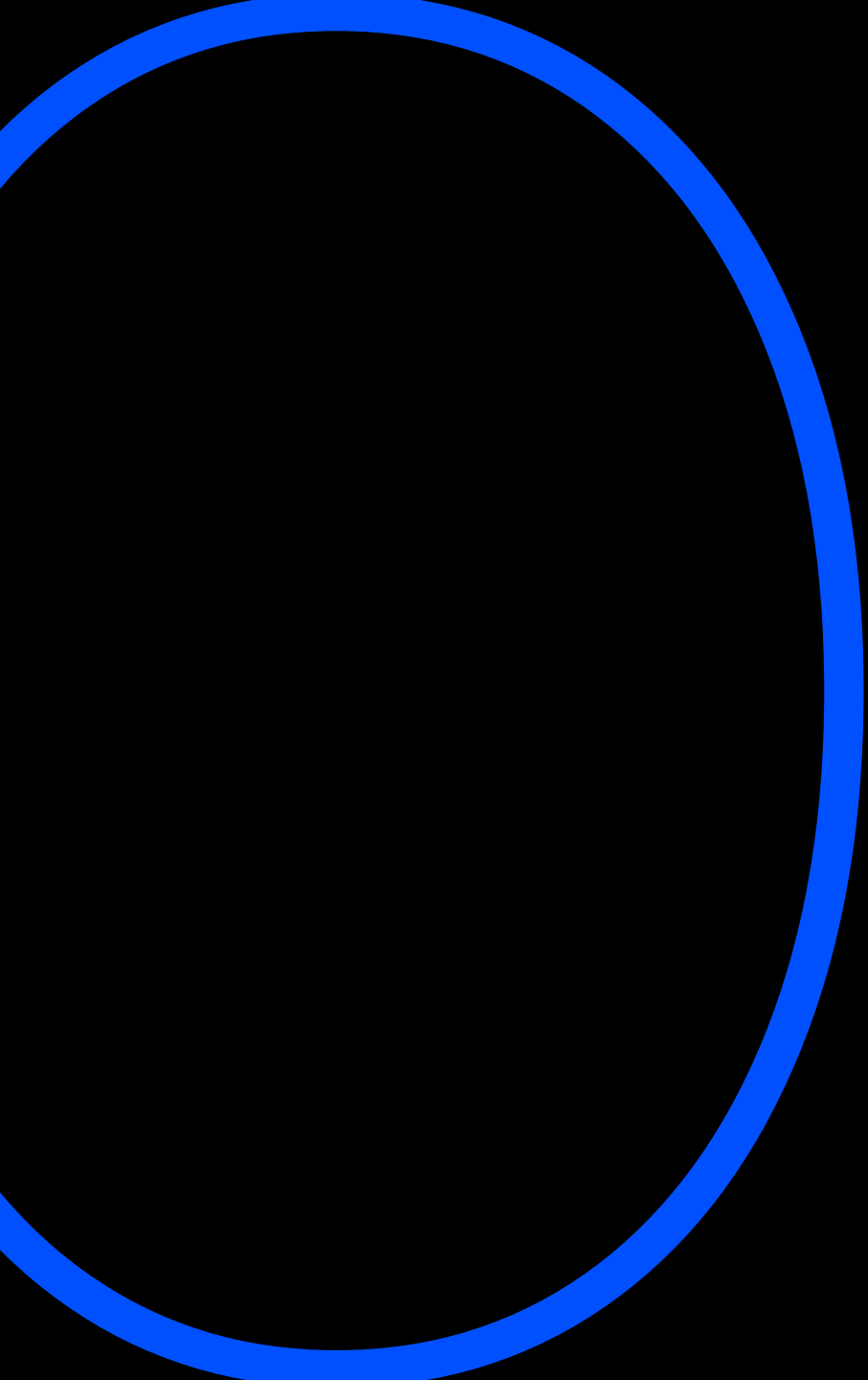
# Adding value



Upselling –  
Would you like to  
supersize that?

Cross-selling –  
Would you like fries  
with your  
cheeseburger?





**Cross-selling challenges**

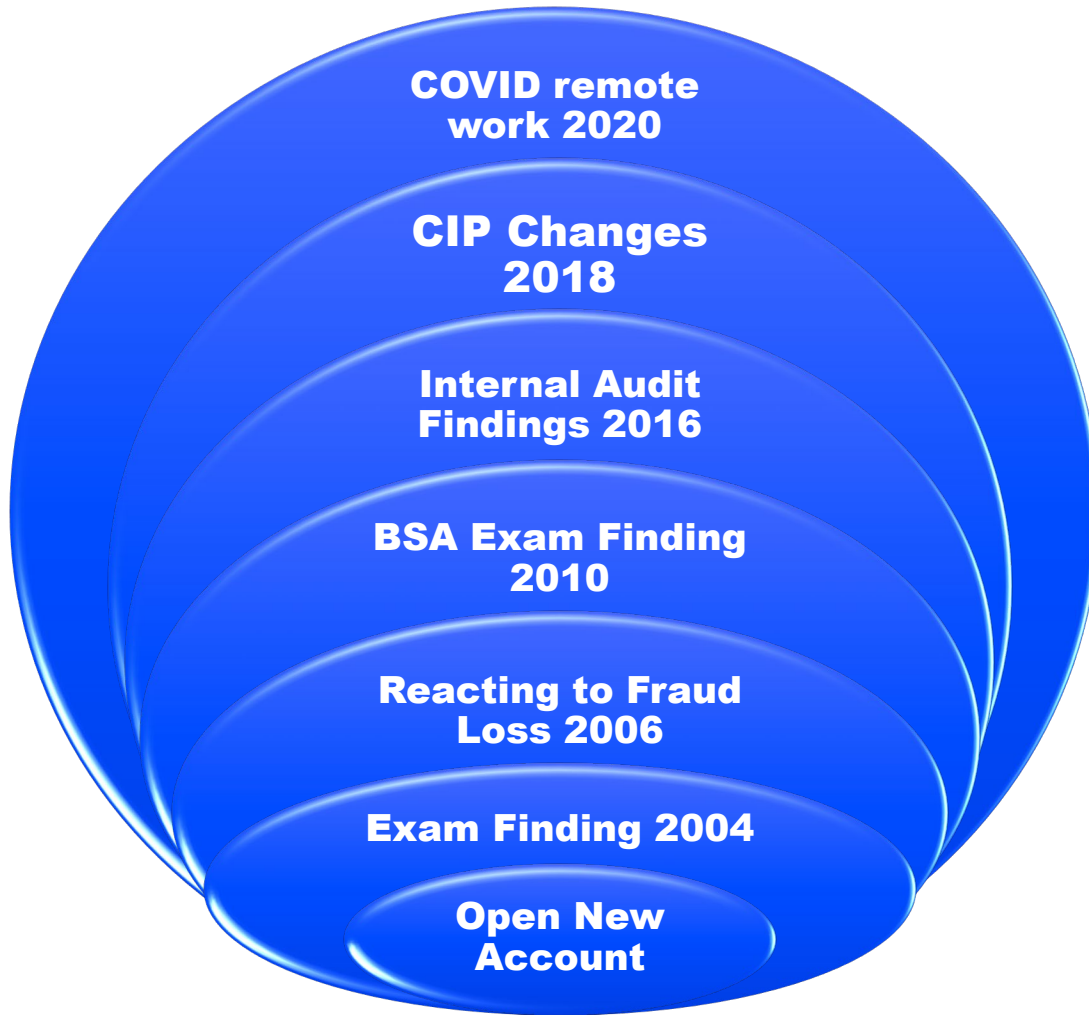
# Change the perception of the process



# No value added

- Examples of activities that may not add value but are required:
  - Collecting CIP and other required BSA information
  - Providing Truth in Savings Disclosure
  - Red flag identification and documentation
  - Other customer verifications such as credit reports or Chex Systems
- These activities do not directly benefit the customer; they are essential to ensure safe and sound banking and compliance with regulations intended to protect the customer

# Focus on gathering data



- Add approvals, verifications, and checkbacks to process to resolve findings or protect from fraud
- Reduces time to build customer relationships

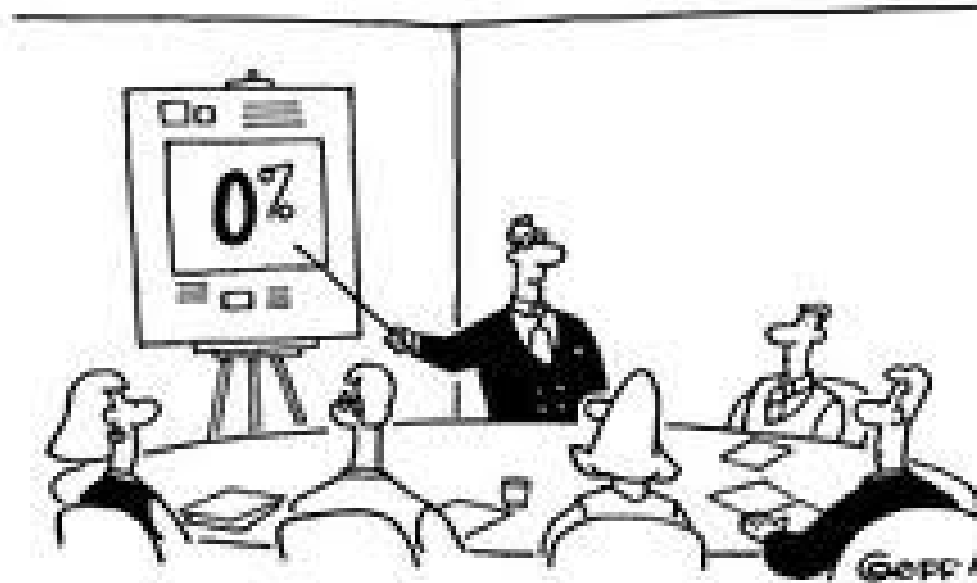
# Waste

- Anything other than the minimum amount of equipment, materials, space, and employees' time that is essential to add customer value to the service
  - Redundancies
  - Waiting
  - Errors
  - Excess movement
  - Interruptions



# Service and selling in banking

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"Our study concludes that this is the percentage of our customers who will buy from us without any effort whatsoever on our part."

# 5

**Strategies for change**

# Change is hard

- Moving from where we are now and how we have always done it is not easy





# Change the process

- Look at the current process through the customers' eyes
  - How long does it take?
  - Are excessive documents required?
  - Are we asking for the same information more than once?
  - Is the customer sitting with a person who is primarily focused on a computer screen?
  - Would you be happy with the new account opening experience if you were the customer?

# Change the process

- Standardize
  - Identify tasks that require the same process for every account opened
    - **BSA/CIP information**
  - Create templates

# Change the process – eliminate waste

- Identify and eliminate waste
  - Count the number of other steps, checkpoints, documents, requests, or wait periods that take time
  - Look for activities that are duplicated, such as entering identification
  - Select one or two of these nonvalue-adds
  - Ask why – up to five times if necessary – until you get to a real reason it's being done
  - Ask how could the overall activity be improved if this one “reason why” is changed?

# Change the process – add solutions

- Using the time gained by eliminating waste makes cross-selling part of the process
  - Develop probing questions to get to know the customer better
  - Add process steps that shift the focus back to the customer's needs and building the relationship

# Change the process

- Use workflow technology
  - Obtain required information
    - **Create dedicated workflows to ensure required forms and information are obtained**
    - **Move documents directly to optical storage system**



# Change the process



"I can't help you with that. You'll have to speak to one of our ATMs."

- Use workflow technology
  - Customer convenience
    - **Focus on necessary information**
    - **Reduce time commitment to open a new account**
    - **Eliminate need for paper or wet signatures**
    - **Reduce duplication**

# Change the process

- Use workflow technology
  - Cross sell opportunities
    - **Integrate marketing information and account options to assist decision making**
    - **Set up question prompts based on customer profiles**
    - **Build in opportunities to start discussions**



Thank you!