



We are living in a Wal-Mart world—where personal, one-on-one interaction has taken a backseat to big business. This same idea holds true in the banking industry. While major national chain banks sprout locations, smaller community banks have had to successfully find their niche; for many, it is providing that attention to detail and personal service that is lost in the “checkout line” of the national chain banks.

This against-the-grain movement has found huge success in cities of all size, all across the country. Contributing to the success of relationship banking are people like Brian Townley. Senior Vice President of The National Banks of Central Texas, Townley quickly zeroed in on his bank’s strong points, and is now making them work for his customers.

Relationship Banking

by Brian Townley

“The National’s most valuable asset has been, and continues to be its strong team of dedicated staff,” said Townley during a recent interview. “Together, this team has worked toward finding solutions to problems that keep our clients from living the lives they want to live, and knowing that help is just a phone call or mouse click away.”

It is a strategy that has paid off in leaps and bounds for Townley and the entire staff at The National. In the first eight months of 2005, National Bank has seen a dramatic increase in the number of new accounts, amounting to nearly 85 million dollars worth of new deposits for this community bank. Now Townley is taking his winning message on the road, and making his strategy work for community banks across America. Townley has created this kind of success using five key points:

- 1) Knowing your customer
- 2) Expanding existing customer relationships
- 3) Yielding new business
- 4) Teamwork
- 5) Provide outstanding customer service.

KNOWING YOUR CUSTOMER

While finding and building an impressive roster of customers is important to any business—from banking to bakeries—it is incredibly important to foster and grow *established* relationships. It costs roughly ten times more money to acquire a new customer than it does to retain existing clients; but before you can expand on your existing customer relationships, it is critical to know whom, exactly, you are dealing with.

“Knowing your customers can be as simple as taking the time to observe their behavior, putting yourself in their shoes, or going out and asking them about their experiences,” said Townley. While the term “Profiling” is often said with a negative connotation—in the world of relationship banking, it can be an invaluable tool. “Profiling is an excellent way to uncover the hidden needs of a customer,” said Townley. Asking simple questions, and learning more about whom you are dealing with can often learn these needs. It puts the teller in the shoes of the customer, and gives the customer a feeling that the bank employee knows (and sympathizes) with many of the financial and personal going-ons in his or her life. This is also a great opportunity for the bank employee to connect and share experiences with the customer—even further developing a relationship.

When a customer walks through the door, he or she needs to feel an immediate level of trust in not only the bank employee, but also the bank as a whole. The employee studying and understanding why that particular customer is using this community bank, and not the national chain branch down the street creates that need.

Another great way to learn about the customers is to gather together a group of customers together to participate in a focus group. “There is nothing quite as powerful as actually seeing and hearing what someone else truly thinks about your product or service,” says Townley. This same strategy can be put into place by distributing surveys to your customers. Surveys will not only provide inside knowledge about what is going through the minds of a customer, but will make the customer feel that his or her opinion really *does* matter, and that the bank truly cares about making them happy. Common questions appearing on these surveys should focus on both learning the customer’s perception on both strengths and weaknesses of the bank, and also give the customer an opportunity to express suggestions to make the bank more user-friendly.

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Another great way for banks to foster a solid relationship with its customers, and to determine if the services they offer are meeting customers’ needs is the use of Marketing Customer Information Files (also known as MCIF). These files show banks if the programs they are offering will actually make money, and also if these

programs are meeting the needs of customers. For instance, a bank can offer great mortgage rates, but if the majority of the bank customers are renters, then this moneymaker will most likely go unutilized.

As simple as it sounds, a truly great bank will learn the names of its customers. This basic ideal will not only further develop a solid working relationship, but also perhaps (and even more importantly) further develop a personal relationship.

EXPANDING EXISTING CUSTOMER RELATIONSHIPS

With good news or bad, we all like to have someone that will listen to what we have to say. This is especially true when dealing with a customer that is entrusting a bank with his or her financial future.

Townley offered up a great example where a teller listened to what a customer had to say, that not only ended with a great solution for the customer, but also expanded business for The National. Recently a customer walked in to make a withdrawal. The teller asked how he was doing, and the customer told her he was having a rough day. The teller went on to engage the customer, and found out that his car was in the shop for the third time in just a few weeks. The teller asked him if he had ever considered a new vehicle. The customer said while he would love a new car, he didn’t think he would ever be able to afford the payments. Having kept up-to-date on the great new car loan rates The National Bank was offering, the teller was able to inform the customer how, with payment plans that stretch as far as 72 months, he would easily be able to afford the new vehicle he desperately needed.

The customer followed the teller's advice, took out a loan, rid himself of his clunker, and slid behind the wheel of a new car. Just by going one step further and listening to the customer's response, this teller was able to make a big difference in his life. Not only did she strengthen her personal bond with him, she strengthened his relationship with the bank, and provided him a solution to a major obstacle he was facing.

Most likely, this customer told his friends about the bank's great interest rates, told the dealer about the great interest rates, and now that word-of-mouth will create generous amounts of new business for National Bank. Keep in mind, all this was born out of a teller just asking a customer how his day was going. "Just by listening, profiling and offering a product or service that better first the customer's specific need, you can resolve 95% of customer complaints," said Townley. "A satisfied customer will enthusiastically refer the bank to other, making that referred prospect among the easier and least expensive in the market," he added.

YIELDING NEW BUSINESS

The above scenario was a perfect example of a win-win situation. The customer left happy and the bank gained new business. This was made possible not only by the teller listening to what the customer had to say, but by knowing about the interest rates offered by National Bank. "Being educated on what products and services the bank offers will empower employees to solicit new business in the market from competitors through day-to-day contact," says Townley.

Let's face it, all these tellers lead full lives outside of work. This knowledge doesn't leave their heads when they leave the bank. In much the same way a savvy journalist is always looking for a good story, a savvy bank employee is always looking for ways to grow and expand their business through relationships they have outside of work. Friends, neighbors, and maybe people the tellers know from church, or their children's school—all of these are viewed as customers in the making. A good bank will also realize that a successful sales campaign to motivate employees to start their customer-search is also essential for success.

Townley has found success by offering fun, themed contests to motivate his employees to seek out new business. A good example of this was a campaign where National Bank was looking to expand the number of households opening new accounts. The incentive for employees was that their house payment would be paid for one month. The campaign ran for six weeks, and to say that it was a success is a gross understatement. In a given six-week span, National Bank brings in 200 new households; during the campaign, that number nearly doubled, with the bank yielding 360 new households.

TEAMWORK

Even though these great incentive campaigns encourage employees to try their hardest, no company is ever going to meet with success if the employees are not working together as a team with their employer's best interest and success at heart. "When we work as a team, we win as a team," said Townley. With that focus in mind, Townley points out the love of friendly competition—one branch versus another to see who can meet a certain goal for a given month.

Internally, it is a wonderful way for employees to express their own ideas on how to better the bank, and be able to share their recipe for success with their coworkers. By building this stronger relationship for the bank, in turn, a stronger foundation of customer support and service is also created.

Each week at National Bank, all employees are required to turn in a success story that highlights how he or she went above and beyond the call of duty to make a customer's life easier in one way, shape, or form. This is a prime opportunity for the employees to find what they did right, so they can turn around and share it with their co-workers.

"One of the most valuable assets to teamwork is the willingness of each and every team member to pitch in whenever they are needed—with ideas, research and with just plain old hard work and a good attitude," said Townley.

Each morning, National Bank gathers employees to hold a meeting that is known as the "Morning Huddle." This is a short, five-minute meeting right before the doors open. At this mini-meeting, the goal for the day is discussed, and provides all the employees with the focus for that banking day. It further shows they are all part of a team that is working together to make this focus happen for the bank.

Teamwork is encouraged, and further rewarded when co-workers join together to provide a service to a customer. National Bank has a firm policy in place that if it takes two employees to close a deal, both employees will be rewarded 100% percent of the incentive value. In the process, the customer also comes out a big winner, because he or she has now been able to further develop that personal relationship with two bank employees instead of just one.

It is imperative that when a customer walks through the door, he or she feels an air of professionalism and competence exists among the employees. Developing strong interpersonal relationships will help to create that sense, and provide the bank with continued success. "Staff members never feel alone in finding these solutions. A willing and extremely knowledgeable team at National Bank stands ready and able to assist each other," explained Townley. "This makes National Bank an

incredible place to work—a place where staff can leave each day knowing they have made a difference and that they have helped someone find a solution.”

Even with these great ideas converging together to create one amazing system to encourage and support relationship banking, the foundation to any strong relationship is trust. In banking that is achieved by providing customers with an unparalleled level of customer service and support.

PROVIDE OUTSTANDING CUSTOMER SERVICE

To say that outstanding customer service is just a goal is to grossly underestimate the need to effectively provide customers with the best experience possible. Outstanding customer service needs to be much more than just a goal; it needs to be a way of life for a bank to survive. But how does a bank create an atmosphere of trust and service that best suits the needs of its customers? Although it may seem trite, always remember the Golden Rule...“Treat others as you would like to be treated.” Simple things like saying “Thank you,” or promptly returning a phone call may not seem like giant steps forward in customer service, but it makes the customer feel appreciated, and hopefully John Q. Customer will leave the building with a sense of accomplishment and trust in their bank and the people they have entrusted with the care of their financial future.

A major thing to keep in mind with relationship banking and customer service—many people use a community bank because they feel like they are a standout individual. At a major chain bank, they are just another account. Customers have come to expect individualized attention from their neighborhood bank; a place where they know the people that are making financial decisions that can and will have a major impact on their lives. A good employee will take every opportunity to reiterate their personal relationship with their customer.

APPLYING THE “KEY TO” STRATEGIES

Sometimes, teaching an employee the importance of this attention to detail can prove to be a challenge. An effective employer will structure a user-friendly plan to teach their employees how to provide the utmost level of customer service. For starters, employees are going to learn by example. National Bank has established a rigorous employee-coaching program that requires a one-on-one coaching session at least once a quarter between an employee and their supervisor.

National Bank is also using a computer-based training program that all officers and supervisors must use once a year as part of their annual evaluation. A score of 93% or higher is necessary to receive a “satisfactory” in the Bank Product and Service portion of their evaluation.

National Bank is one of a growing number of businesses utilizing a “mystery shopper.” A mystery shopper is a ringer of sorts, who enters a bank to monitor the performance of an employee during an everyday transaction. The employee has no idea who the mystery shopper is, so the shopper is vital in determining if the employee is using all the customer service requirements required of him or her.

Another tactic that has proved successful is lobby management. “Lobby management tactic is where employees have lobby floor duty to meet, greet and direct customers,” says Townley. “It’s an opportunity to share bank product and service information with our customers.” It also again conveys to the customer a sense that the bank is doing all things, at all times possible for his or her best interest.

It is also very important for the bank employees to understand that their performance doesn’t go unnoticed by management. Each National Bank location must have an employee brag board. The board is updated weekly to include success stories, pictures, the campaign focus and other items where employees can realize their efforts aren’t in vain. Any effective leader knows they must lead through example; employees should be aware that the supervisors at his or her bank are also held accountable for the overall performance of the bank. There is a saying that says, “You can’t care more than your bosses do,” so it is imperative that employees realize that their bosses *do* care, that customer service and caring about the needs of a customer aren’t a suggestion, and that they are part of the job and are necessary for all people affiliated with the bank to succeed.

Brian Townley has been in the banking industry since 1987. As Senior Vice President of The National Banks of Central Texas, he is currently the Director of Marketing, Human Resources and Employee Development. He is a graduate of Texas A&M Bank Operations Institute, Texas Bankers Operations School, Graduate School of Banking’s Human Resources Management School and American Bankers Association’s School



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of Bank Marketing and Management. Since 2005, Brian has been a keynote speaker across the U.S. for over 40 bank associations and schools. He has taught bank marketing Texas Tech’s School of Banking and American Bankers Association’s School of Bank Marketing and Management. With over 20 years as a successful banker, teacher, speaker, author and TV personality, Brian Townley brings his world of enthusiasm by sharing his creative leadership programs—demonstrating creative, innovative techniques that will allow bankers to lead the way in a radically changing environment by using their existing resources.

