

# BRANCH SMALL TALK TRANSLATES TO LARGE REFERRALS

Washington Trust Bank, looking for a way to grow its retail banking business, saw sales referrals leap by 620 percent in one month, after installing Fincentric's Wealthview Leadbuilder and training its branch staff in sales.

"The results were so dramatic that we hadn't quite thought through how to manage all these referrals," said Jim Brockett, chief information officer at the bank. The bank ran a controlled test using two similar branches. Results using Leadbuilder were double the referrals at a second branch where staff received the sales training but not the technology. Washington Trust's sharp increase came from a relatively low base, he added, and other banks with an existing sales culture might not see such strong gains. The bank was averaging about 8-10 referrals per branch each month.

For Washington Trust, improving retail sales is a key part of the bank's overall business strategy.

"Retail banking continues to be a critical funding mechanism for us," explained Brockett. "We are in the top 10 percent in non-interest bearing deposits. Our challenge is to continue improving how we use our retail branches." Headquartered in Spokane, WA, the bank has branches throughout western Washington and northern Idaho.

In its aggressive pursuit of low-cost funding, the bank was looking for ways to increase the number of households making up its client base and to get a larger share of wallet from each household.

"Our business challenge was to find more sales opportunities and increase referrals," Brockett said. The bank needed a way to get appointments for its sales people in an era of laws prohibiting cold calling. The marketing department had been doing a good job of developing propensity-to-buy information and conducting targeted direct mailing.

"Our information is good, but getting people to act is always a challenge. We run into resistance to phone solicitation, both internally and from customers."

Building a sales culture has been a mantra in retail banking for the last 25 years, said Kathleen Khirallah, a banking analyst at TowerGroup. It requires a

combination of people, process and technology. The people need the skills to have effective interaction with the customer. The process requires that they have collateral material to back up sales interactions, and the technology must support referrals and compensation.

"A sales culture is vitally important as banking becomes more competitive," Khirallah said. "Technology has only recently started to become the chief component of a sales culture. Organizations are acquiring technology for lead generation. They need implementation that can be done quickly with low risk and show a rapid return on investment."

At Washington Trust, bank executives concluded the front line – tellers and platform officers – was critical to growth, so it looked for ways to provide

better support. The tellers, after all, have the most interaction with bank customers. But generally the people working with the customers don't know what to offer them, even though the bank has extensive information in its marketing customer information file (MCIF) linking specific products to potential customer needs. The challenge was to get that information to the teller during the transaction in an easily understood format that the teller could act on.

Linked to the bank's teller application from Metavante, Leadbuilder automatically reads the customer's account number during the transaction and checks propensity-to-buy information and current target marketing campaigns. It then pops up a banner at the top of the teller's screen with a campaign message containing a product offer generated from the bank's existing MCIF system. Leadbuilder directs the teller what to say – not just which product to talk about. The marketing database, which employees in both branches could use during the trial, contains marketing campaign data on several products and services and covers all the bank's customers, whether they are conducting business at their home branch or at another Washington Trust office. "We were focused on lead generation, not full-blown CRM (customer relationship management)," said Brockett. "Fincentric understood that we wanted the system to be quick and easy for a teller to operate." Tellers learned the Windows-based system in just a few hours of training.

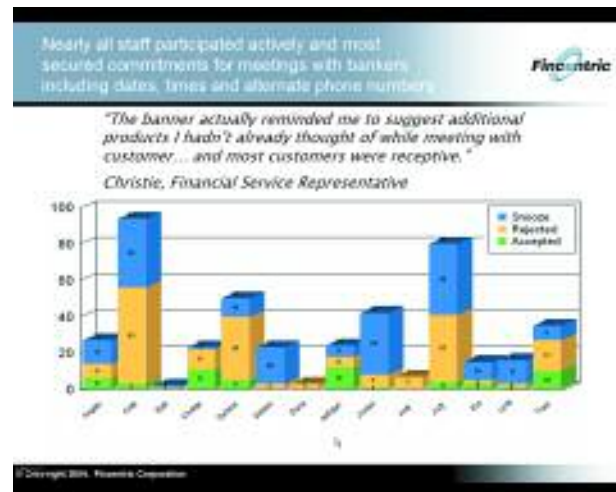
Steve Pentin, Fincentric's product manager for Leadbuilder, said it is also important for tellers to learn the right sort of questions to ask.

"They are well-equipped to deal with customers in transactions, but they need to develop the skills to conduct detailed conversations to uncover customer needs. Open-ended questions work better than specific prompts about products." For example, if the banner shows the customer might be interested in a home equity loan, it is better to ask her if she is planning any projects around the house, rather than ask if she wants a home equity loan.

Leadbuilder tracks the responses, so if a customer turns down a home equity loan she is not asked again. It also allows tellers to put the pop-up prompt into snooze mode if there isn't time to make the pitch, something that is especially useful at drive-



Leadbuilder captures reports that provide a quick snapshot of referrals.



## AN EASY FIT

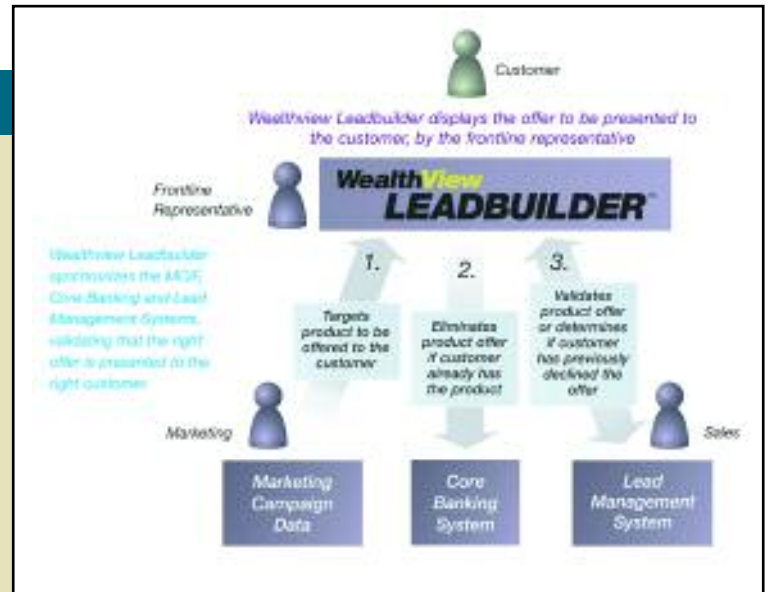
With Wealthview Leadbuilder, Fincentric has developed a technology platform that lets banks move forward in the 21st century without getting rid of service bureaus or replacing legacy systems. Even better, the way Leadbuilder uses customer information does not require intervention by the service bureau or core provider, so the bank doesn't run up a lot of new charges.

In technical terms, Fincentric uses a Microsoft SQL Server database that tracks information from multiple legacy systems or service bureaus and aggregates the information on a database that sits within the financial institution. It can then check the information against all the accounts a customer has with the bank and determine whether marketing messages are still valid, which in turn leads to the pop-up banners presented to tellers during transactions with a customer.

"Wealthview Leadbuilder is built on the real-time SQL Server because bankers wanted more than a passive dashboard," said Steve Pentin, product manager, at Fincentric. Using Microsoft technologies such as Windows 2003, the .NET Framework, C-sharp, and Internet Information Service, the system can make sure to get the right message to the right person at the right time. By keeping the Leadbuilder database synchronized with all the bank's transactional systems, Leadbuilder knows what sort of offer is relevant to a customer and can decide whether to present it or suppress it if the customer has already turned it down.

There is a fairly clear split within mid-market financial institutions over the use of lead management systems to track and manage leads to closure. Institutions below \$1.5 billion in assets typically have minimum lead management capability whereas 30 percent of those between \$1.5 billion and \$10 billion in assets have some type of capability. Fincentric plans to extend Leadbuilder to integrate with Microsoft Business Solutions CRM for the sub-\$1.5 billion market. Institutions at the higher end can either use the product with a focused set of Microsoft CRM capabilities or their existing lead management system.

"Bankers hate the term CRM," said Pentin. "It has been a huge



nightmare for them." CRM systems were originally designed for one sales person to manage relationships with a limited number of accounts, he explained. When they were adapted to the one-to-many scenario, such as branch banking, they failed.

"In the real world of retail banking, customers rarely go to the branch where their relationship is. But banks want to know who is standing there, and what do they want," explained Pentin. Many bankers use Microsoft Outlook to manage their contacts and appointments and Microsoft CRM can be embedded in Microsoft Outlook to enable bankers to manage their leads through the same application.

"The notion that you could use Outlook with this add-in goes over very nicely. If you have Microsoft Office deployed and you have an MCIF and targeted marketing, then this is like installing one more Office tool. It will support targeted marketing, contact management, and track referrals while creating reports on the marketing and sales activity. This brings the functionality that tier 1 banks like Wells Fargo and Bank of America enjoy to the mid-tier banks." Leadbuilder can also interface with other CRM systems, such as Onyx, he added.

up windows. The application tracks the results, so managers can see if tellers are making the offers or just snoozing the banners. In actual use, Washington Trust learned that the pop-up banners did not slow down transactions.

Key to success is a good marketing database, so tellers can be confident that their questions will be relevant to the customer.

"The sales process has little room for recovery," said Pentin. "If the teller presents the wrong message, it is difficult to recover." Questions need to be brief and fairly general he added, since they are presented in a banking lobby with other people standing nearby.

"Going through a list of questions about personal assets, for instance, would be inappropriate," he said. Done correctly, with good marketing informa-

tion, the process becomes enjoyable for tellers because it gives them something other than weather to discuss with their customers. The application was designed to make it easy for them to enter a customer's response, including a time and phone number for a later sales call.


Sales costs dropped dramatically as the bank used its marketing information to present an offer directly to a customer, rather than sending it out in a direct mail campaign that rarely generates better than a two or three percent return. The time required to develop campaigns also drops sharply.

Brockett said he was a little surprised by the positive response from customers.

"I think that is partly because our propensity-to-buy information is good, and partly because people

don't like to say no to someone, like a teller, whom they see on a regular basis," he said. Branch staff also liked it. They were interested in the technology, and they saw Leadbuilder as a user-friendly way to create referrals.

To increase success, a bank needs to link the system to a program that offers incentives, Brockett added.

"For a lead to be truly qualified, tellers should not just ask if it is okay to call, but get a specific time to call. When we had that qualification, it was a stronger lead, but it also imposed a commitment on us that we had to manage. If we quadruple our referrals, how are we going to follow up in a timely manner?" 

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