
CXM for CFIs

Customer Experience Management Is the Antidote to Competitive Disruption



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The Experience Gap

Demographics, Data and Disruption

Strategic Priorities: When asked about their top strategic priorities for 2017, Financial Institutions across the country identified the top ones to be:

Redesign/enhance the digital experience	71%
Enhance data analytics capabilities to ID customer needs	50%
Find ways to reduce operating costs	41%
Increase investment in innovation	26%
Meet regulatory & compliance specifications	22%
Update/replace components of a legacy operating system	22%
Recruit/retrain talent to meet changing needs	20%
Changing core business processes	18%
Improve components of security & authentication	14%
Invest in and/or partner with alternative fintech providers	10%

Q: What are your top 3 priorities for 2017? Source: Digital Banking Report, 12-16

The focus on digital experience and data analytics used to identify customer needs is a direct response to the challenge presented to CFIs by large FI competitors,

new technology market entrants, and the CFIs' own members and customers. Across the country, community financial institutions face unprecedented challenges:

- 1) Competition from big banks with big budgets intent on remaking the customer experience, bringing personal service to their large audiences,
- 2) Innovation from financial technology start-ups that shows consumers a better way to bank, and
- 3) Demands from members and customers seeking the integrated, digitized experience they are receiving from non-financial businesses.

Strategic Priorities are Responses to Demographics:



Millennials are now the largest demographic to serve; and their expectations and needs are becoming clear:

- They want to do things for themselves, at their convenience.
- They expect banking services to be available on their mobile devices.
- They also expect them to be intuitive and simple.
- But they also want to be able to talk to someone whenever they can't do something.
- They want complete information. They expect to be able to access data about their business with you when and where they need it.
- They think banking should be enjoyable.

Strategic Priorities are also Responses to Fintech Providers:

But to meet Millennials' needs, and the needs of other savvy digital customers, Community Financial Institutions must close the gap on performance, as defined for today's consumers by DIGITAL BRANDS.



Through these non-FI brands, consumers have come to expect a level and type of service that is industry agnostic.

CFIs Must Learn to Provide:

- Mobile Friendly Options with Personal & Customized Experience
- Engaging Brand Content (not just Advertising)
- Hassle Free, Easy to Understand Products/Services

The Tip of the Spear

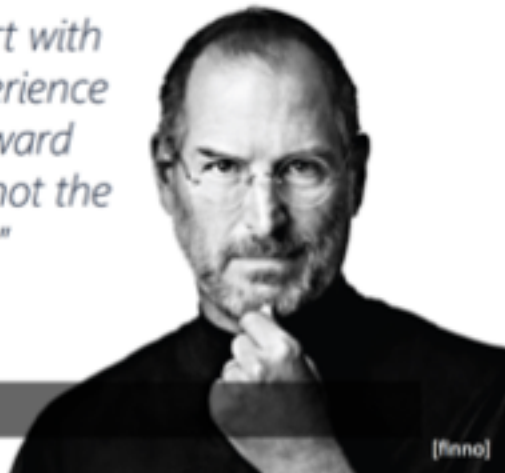
The CXM Response

Customer Experience Management is the response needed to the disruptive forces of demographic, technological and competitive change.

"You've got to start with the customer experience and work back toward the technology – not the other way around"

Steve Jobs

Move "Outside In"



But what is
CXM for CFIs?

CFIs touch their customers in many and varied ways, across delivery platforms, organizational departments, and product groups. And, yes, the 21st century focus is on digital applications and data-driven service and promotion.

But CFIs cannot focus only on implementing new applications.

They must also address their broader culture, their non-digital service delivery, and their marketing and promotion.

Creating a CXM Culture that Works

Understanding Your Needs

Creating a CXM culture starts with setting vision, moves to prioritizing customer interactions for study, then leads to analysis of service processes and interactions.

“Getting After”
CXM Starts with
Reflecting Your
Retail Strategy in
Your Digital
Channels

- Early investments in digital technology are largely *table stakes*
 - ✓ The price of entry, but not the source of competitive advantage
- You have a retail strategy born of...
 - ✓ Market focus
 - ✓ Product focus
 - ✓ Promotional plan
 - ✓ Delivery focus
- You know how to engage & deliver personal service in the branch
 - ✓ Must translate that experience to the digital channel

CXM Success in the Community Financial Institution of today requires the organization to become a truly digital player.

You cannot compete successfully for your customers' business if you don't address both physical and digital channels together, as one ecosystem of service.

Focus on Fixing the Digital Disconnect to Instill Your CXM Culture:

- Ask “what do you do in the branch that you want reflected in your digital apps?”
 - Conduct a gap analysis (branch vs online) to identify engagement lapses
- Work to align cross-channel capabilities so your “organization” and not your “branch” becomes associated with personalized service
- Consider offering multiple mobile apps to meet varied segment needs



Implementing CXM

Steps toward Building a Successful CXM Culture

Identify the Customer Touchpoints and Walk the Steps:

- Create a CXM Vision
- Identify the barriers to customer delight
- Define the internal culture you seek, and the steps to reach it
- Instill a design process to promote the wanted customer experiences (physical, online & mobile)
- Implement customer journey mapping to create the processes needed
- Create a customer experience model to break through silos/channels
- Learn to prioritize CXM investments
- Install CXM analytics



Engaging the Total Organization

Marketing, Measurement and More

Finally, all parts of the organization must engage; but marketers play a key role in avoiding the Customer Experience Gap.

No Amount of Work will Pay Off unless Your Organization can:

- Harness customer data
- Maximize marketing efficiency
- Make conversations compelling
- Reach new audiences
- Reinvent the routine
- Get colleagues on-board

And marketers can contribute to, even lead elements of the total organizational effort.

However, it's important for your CFI to avoid confusing customer "engagement" with "experience." Many financial institutions are adding "engagement" to their marketing team's role and not adding "experience" to their organization's plan for success. It's not enough to offer a better "talk." You must also make the "walk" and reinvent the experiences your members and customers have with you.

Identifying and Deploying Appropriate CXM Metrics is a Key Contributor to Your Success:



Early leaders in CXM adoption have chosen multiple measures of success, both for organization-wide and silo-specific efforts.

Early adopters focused on satisfaction or the end result of a combination of efforts and metrics. They learned that both their transformation projects and the measures they choose to evaluate progress must be defined by

- The “end results they have in mind.”
 - ▶ If you don’t know what it takes to “get an A”, how can you know what to do?

Knowing “why” you are doing it leads to defining successful outcomes, which leads to: knowing “what” to do, “how” to do it, and how to measure it.

Creating a CX vision, initial journey mapping, and organizational learning through doing, will all lead to better use of data, experiences, and technology, and lead to an ever evolving CX culture focused on success.

To Learn More About Customer Experience Management for Your Organization

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