

NCBA Annual Meeting Highlights: The Successful Banking Model of the Future

A new financial services marketplace that has developed over the past two years. In addition to new regulations, advancing technology, and a more subdued macroeconomic environment, the mindset of the target audience for banks and thrifts has changed. The typical retail banking customer is now:

- Concerned with saving, as opposed to spending;
- Concerned with quickly and efficiently managing his/her finances;
- Looking for simple pricing; and
- Interested in ways to customize and personalize products and services.

It is clear that banks and thrifts must adapt to this new environment – but how can financial services institutions ensure that they are making the right changes? CPG believes that the banks who come out on top will be those who embrace change, adapt quickly, and actively look for ways to innovate in the following five areas:

1. **Focus:** Develop targeted value propositions tailored to the needs of specific customer segments – with the goal of being more things to fewer people.
2. **Transparency:** Create simple and clear pricing structures. Reward customers for expanding their relationship with the bank – either through exception pricing for high-value customers or through packages (the more one buys, the more one should save).
3. **Advice & Guidance:** Help customers to help themselves, with tools or educational materials. Address the lingering concerns of consumers: “Will I have enough for retirement?” or “Am I saving enough?” or “How do I manage my debt?”
4. **Efficiency:** Look for ways to outsource nonessential services and boost the productivity of your work force.
5. **Business Intelligence:** Make better use of available customer, transaction, and business performance data. Continually analyze this data to identify areas where the bank can improve results.

North Carolina Bankers Association's Annual Meeting

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“The Successful Banking Model of the Future” was presented on June 21, 2010. Key takeaways of the speech are presented at left. For more information on the strategies discussed at the NCBA Convention, please contact Mary Beth Sullivan at (202) 337-7872 or msullivan@capitalperform.com.

