SO HAPPY TOGETHER: ATTRACTING BUSINESS OWNER PERSONAL AND BUSINESS RELATIONSHIPS

Ginger Siegel, SVP/Director Business Banking, RBC BANK
Doug Kohlbeck, SVP, Director of Business Banking, ASSOCIATED BANK
Nick Miller, President, Clarity Advantage (moderator)
Full Households Are Attractive

• Increase small business relationships profitability 2x.
• Drive 40% to 60% of retail bank profits.
• Sell the full bank product line
Challenges … and Result

• Challenges
  – Retail and small businesses strategies not integrated
  – Undifferentiated blend of separate product, pricing, delivery
  – Mistaking “sales execution at point of sale” for “strategy.”

• Result: Reactive selling, opportunities lost
  – 20% to 40% of a bank’s nominally consumer households are connected to small business relationships that bank elsewhere.
  – In 50% or more of bank small business relationships, the owners and employees bank elsewhere.
Associated Bank

Doug Kohlbeck, Senior Vice President
Director of Business Banking
Context / History

• Lead with Branch 1st strategy – focus on Individuals who own businesses.
• Business Banking formerly segmented and organized within retail.
• 3 year strategic plan developed the “roadmap for execution”.

Strategy

• Total household view – break down internal “silos”.
• Established “common identity” for internal business lines lead by ASBC’s version of mixed household definition.
• Cash flow focus for individuals and businesses – connecting the total cash flow relationship between personal and business.
• Household segmentation and opportunity clusters.
Enablers

• Consistent reporting and scorecards (i.e. mgmt. and frontline tools for information and action).
• Goals and reward systems aligned and material in terms of mixed HH acquisition, retention, and growth.
• Marketing “machine” investment.
• Certification and continuing education for Branch Managers and Business Bankers.
Execution

- Sales process and conversation model aligned to goals and expectations.
- Team-based approach.
- Timely tracking, recognition, and rewards.
- Visible and active leadership (joint calls, developing the conversation behaviors, cross business line interdependency process).
- Client surveys, feedback processes in place.
RBC

Ginger Siegel, Senior Vice President
Director, Business Banking
Background

- Start with Citi…Development of Healthcare Group illustrated the true impact of Mixed Households
- Washington Mutual buildout and development of mixed goals and incentive plan
- RBC created small business strategy and bridged to execution with branch focus
Strategy

• Relationship based focus vs. product push centered around delivering full business and personal
• Horizontal vs. Vertical Customer Approach
• Focus on the conversation with customer and industry research and profiling as key
• Internal Velocity of Referrals
Enablers

- Build branch capability to drive customer acquisition
- Relationship with retail branch leaders including joint market visits to ensure buy-in
- Focus on inspection and significant field time
- Mixed goals
- Strong sales and sales management process
- Product Design and Development
Execution

- Training for retail leadership, branch managers and business bankers
- Integration of all levels from tellers to managers
- Enable tracking across # of new relationships and product lines
- Inspect what you expect
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