

5 Retail Banking Challenges Ahead in 2018 (and How to Overcome Them)

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About Our Presenter



Stephen Nikitas **Senior Strategy Director**

- Joined Harland Clarke in 2010
- 30 years of experience in strategic planning, marketing, public relations and executive speechwriting
- Provides consultative services to banks and credit unions, helping them to take advantage of existing market and financial conditions and to grow targeted portfolios

Five Challenges Ahead in 2018

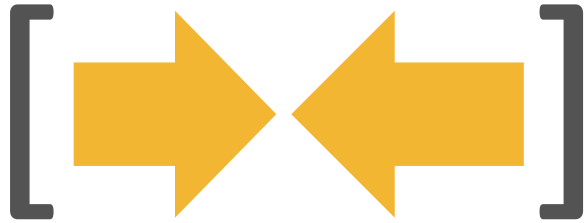
- 1 Rising interest rates
- 2 Navigating regulatory changes and managing compliance
- 3 Delivering mobile banking for primary status
- 4 Truly understanding account holders
- 5 Ensuring personal interaction in an increasingly digital world



Challenge #1 - Rising Rates

IDEAL STATE	2018 VIEW
Stable, predictable environment	Eventual consequences of Quantitative Easings and Operation Twists
Reasonable cost to acquire low-rate core deposits	Big banks leverage distribution and brand to pick up share
High concentration of core deposits	Credit unions act like banks and are players in the commercial space
Proven marketing programs that acquire NIB deposits	

How to Overcome This Challenge

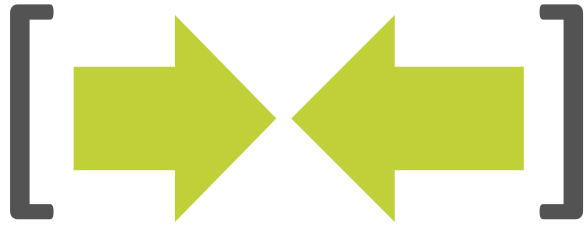


- Identify a precise and specific data-driven consumer and small business acquisition programs
- For small business deposits think about cash-flow solutions – loans, “light” versions of Treasury Management suite
- Be aggressive NOW
- Lock in new clients quickly

Challenge #2 - Government, Regulatory, & Compliance Changes

IDEAL STATE 	2018 VIEW 
Simple, fair, straightforward	A sense of over-regulation
All actors behave responsibly	Plenty of grey areas
Automated workflows and efficiency	Spreadsheets used as a management tool
Less risk in achieving compliance	“Honest errors”

How to Overcome This Challenge



- Seek cloud-based, perpetual solutions
- Minimize reliance on a few skilled experts
- Invest in scalable solutions
- Integrate compliance with communications and education
- Make the audit trail easy

Challenge #3 – Delivering Mobile Banking

IDEAL STATE



You're always first-to-market with mobile capabilities

Business case connects to tangible revenue benefits and are easy to show

Banks don't need to push their solution since customers self-service

2018 VIEW



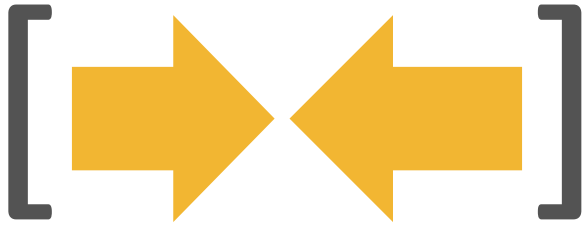
Release schedules often dictated by core provider

Determining the road map is challenging

Indeterminate business cases



Slow consumer adoption outside the self-service segment

How to Overcome This Challenge

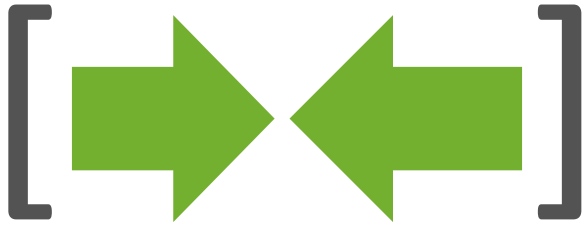


- Incentives work
- Frontline must be consumers of the services they sell
- Consider the role of small business solutions on your priority list
- Define how you want to create value

Challenge #4 – Truly Knowing Your Customers

IDEAL STATE 	2018 VIEW 
We know what is true for each customer	We live in a sea of assumptions
Insight is easily tied to KPIs and profitability improvements	Our people tell us what we want to hear
Clear process for putting new knowledge into action	Budget is elusive
	Acting on insight is challenging

How to Overcome This Challenge



- Fully commit to a customer insight program
- Get (extremely) clear on your objectives
- Collaborate with the right people. This is a science
- Measure against what you think is true
- Eliminate bias

Challenge #5 – Personal Interaction in a Digital World

IDEAL STATE



Account holder needs are successfully met at every touch point

Each staff member is fully prepped on how to handle communications for each channel

Account holders know how much you value their business

2018 VIEW



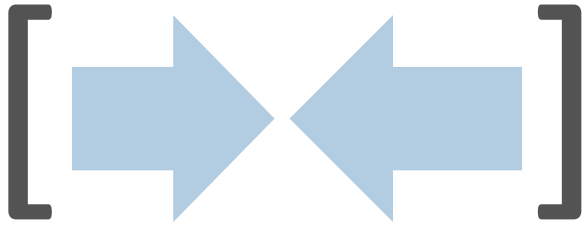
Banking is a relationship business

More account holders using social, contact centers and mobile than the branch

Customers desire self service options

Account holder loyalty often hinges on fast resolution

How to Overcome This Challenge



- Take advantage of personal interaction your institution has available
- Enlist a reliable third party to handle the burst of calls associated with conversion and special events
- Invest in tech that will truly help you (BOTs)
- Ensure disciplines talk to one another

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Q&A

Type your question in the chat panel 

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Thank You

