



DRAUDE MARKETING S E R V I C E S

Helping Banks Be Their Best.

Brings
Your Bank

PerformanceChek™

A comprehensive,
customized, turnkey solution
to bank-wide customer
service assessments.

Project Objectives

To implement a comprehensive, customized and turnkey program that measures the key attributes of the banks brand personality and relationship sales culture.

Why Implement

the PerformanceChek™ Customer Experience Assessment System

- Statistics have shown that more than 90% of your customers will not proactively tell you when they are dissatisfied, and often you may not be aware of the 10% that complain.
- Research has further shown that 68% of customers who stop banking with you do so because of an attitude of indifference or rudeness by a bank employee or usability issues with your website or across channels.
- Most of these dissatisfied customers will defect to your competition and will share their negative experience with up to 15 of their friends and family members.
- Considering that it costs six times more to attract a new customer than it does to keep an existing one, retaining your current customers is not only preferred, it is the lifeblood of your bank.

In this highly competitive environment, banks cannot afford to lose any customers to your competition. Our goal is to prevent the loss of your most valuable asset, your hard-earned customer. In fact, our goal is to have them feel so good about their relationship with you that they want to not only deepen their relationship with you, they also are motivated to tell others about your exceptional delivery of financial service and solutions.

When combining these strategies with a Relationship Sales and Customer Intimacy approach, you will build customer loyalty and win new customers with a positive effect on bank profitability.

As you know, it takes years to gain a customer, but just seconds to lose one.

“If it can't be measured, it can't be improved.”

– W. Edward Deming

Characteristics

of a Customer-Driven Bank: A Diagnostic Self-Test

Written/Edited: Richard Whiteley, Customer Driven Company; Nancy Draude, Draude Marketing

Extensive research has shown that there are forty characteristics of banks that are highly correlated with success in meeting customers' needs. A technique called factor analysis showed that the characteristics break into seven clusters: The characteristics in each of the clusters are listed here. Use this list as a diagnostic self-test for your own organization. It will help you determine where you most need work and where your bank's strengths lie.

PerformanceChek's comprehensive, turn-key custom research is a support program for Relationship Sales driven banks that are serious about deepening long-term customer relationships, offering uncommon service and solutions.

The Diagnostic: For each characteristic, rate the extent to which the statement is true about your organization, using this scale.

1-Not at all

2-To a small extent

3-To a moderate extent

4-To a great extent

5-To a very great extent

Then add up the scores for each cluster in the space entitled Your Score. Next, calculate your percentage rating in that critical area by dividing your score by the highest possible score.

Analyzing Your Organization and Addressing Its Problems

After calculating your percentage score in each cluster, look at where you are high and where you are low. The following principles will lead you toward opportunities for improvement:

- Create a Customer-Keeping Vision
- Saturate Your Company with the Voice of the Customer
- Smash the Barriers to Profitable Customer-Winning Performance (**Relationship Sales Culture**)
- Liberate Your Customer Champions
- Go to School on the Winners (i.e. Seek out Best Practices)
- Measure, Measure, Measure (**PerformanceChek™**)
- Walk the Talk

For more information on these principles, please reference: The Customer Driven Company by Richard Whiteley.

Characteristics of a Customer-Driven Bank: A Diagnostic Self-Test

Vision, Commitment, and Climate

- Our organization is totally committed to the idea of creating, sustaining and retaining exceptionally satisfied customers. _____
- Rather than having to undo mistakes, we aim to “do things right the first time.” _____
- Executives demonstrate with their actions that customer satisfaction and deepening customer relationships is important. _____
- Our goal is to exceed the expectations of our customers in the things that matter most to them. _____
- Being customer-focused is a major factor in determining who gets ahead in our organization. _____
- Our organization is totally committed to the delivery of quality products and services. Quality would be representative of our brand personality. _____
- Serving customers’ needs takes precedence in our organization. _____

Your Score _____
Divide by a possible 35 (your percentage score) = _____

Aligning Ourselves with Our Customers

- When it comes to selling, we play a consultative or partnership role with our customers. We follow the guiding principles of Relationship Sales Customer Intimacy. _____
- In our advertising and promotional materials, we avoid promising more than we deliver... we consistently meet, and often exceed expectations. _____
- We know which attributes of our products or services our customer’s value most. _____
- Information from customers is used in designing our products and services. _____
- We strive to be a leader in our industry. We have a “best practices” culture. _____

Your Score _____
Divide by a possible 25 (your percentage score) = _____

Readiness to Find and Eliminate Customers’ Problems

- We monitor customer complaints. _____
- We have a mystery shopping program in place to be sure we are getting consistent and objective feedback about our performance. _____
- Customer comments and complaints are regularly analyzed in order to identify quality service problems. _____
- We look for ways to eliminate internal procedures and systems that do not create value for our customers. _____

Your Score _____
Divide by a possible 20 (your percentage score) = _____

Using and Communicating Customer Information

- We know how our customers define “great service.” _____
- We provide opportunities for employees at various levels and functions to meet with customers. _____
- We clearly understand what our customers expect from our organization. _____
- We regularly give information to customers that help shape clear and realistic expectations of what we can provide for them. _____
- Our key managers clearly understand our customers’ needs and requirements. _____
- Within the organization, there is agreement about who our “target” customer is. _____
- Our executive have frequent contact with customers. _____

Your Score _____
Divide by a possible 35 (your percentage score) = _____

Reaching out for Our Customers

- We make it easy for our customers to do business with us. _____
- Employees are encouraged to go above and beyond to serve customers well. _____
- We try to resolve all customer complaints. _____
- We make it easy for customers to complain/comment to us about products and services they may not be completely satisfied with. _____

Your Score _____
Divide by a possible 20 (your percentage score) = _____

Competence, Capability and Empowerment of People

- We treat employees with respect. _____
- Employees at all levels have a good understanding of our products and services. _____
- Employees who work with customers are supported with resources that are sufficient for doing the job well. _____
- Even at lower levels of our organization, employees are empowered to use their judgment when quick action is needed to make things right for a customer. _____
- Employees feel they are involved in an exciting organization. _____
- Employees at all levels are involved in making decisions about some aspects of their work _____
- Employees are cross-trained so that they can fill in for each other in needed situations. _____

Your Score _____
Divide by a possible 35 (your percentage score) = _____

Continuously Improving Our Processes and Products

- Instead of competing with one another, functional groups cooperate to reach shared goals. _____
- We study the best practices of other companies to get ideas about how we might do things better _____
- We work to continuously improve our products and services. _____
- We systematically try to reduce our R&D (research-and-development) cycle time so new products are introduced when consumer need is hot. _____
- When problems with quality service are identified, we take quick action to solve them. _____
- We invest in the development of innovative ideas. _____

Your Score _____
Divide by a possible 30 (your percentage score) = _____

Analyzing Your Organization and Addressing Its Problems

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“A Bank needs to know what customers are experiencing and how it impacts their behavior in terms of referability, retention, and returning for additional products.”

— Nancy Draude, President, PerformanceChek

Why Choose
Draude Marketing

- First and foremost, we are banking specialists.
- We are service fanatics, we practice what we preach!
- Our employees and shoppers are second to none.
- Advanced on-line technology methodologies for real-time reporting 24/7
- Commitment to quality, ethics, and confidentiality

Banking expertise...it makes a difference

Owner and founder, Nancy Draude is a 20+ year Bank Marketing Professional and her company is dedicated to banks and their customer experience issues.



Having over 20 years experience as the Senior Executive in charge of sales and marketing for multiple business units and subsidiaries for a high-performing bank, in 2000, Nancy Draude started Draude Marketing because she had a goal to help other banks achieve their goals!

Owner of Draude Marketing Group, Nancy is a professional business coach and consultant specializing in sales and marketing success strategies for the banking industry. She started her business because she is dedicated to helping banks create positive memorable customer experiences.

Believing “What gets measured gets done” Nancy established a division of her company called PerformanceChek. PerformanceChek is dedicated to providing clients with state of the art customer experience assessments, including mystery shopping programs, designed to give timely, constructive and meaningful feedback that will result in actionable recommendations to improve customer relationship sales performance.

Nancy is quick to emphasize that business ethics and demonstrating a genuine concern for those banks she has the privilege of helping is important to her.

Knowledge of the Banking Industry: Advanced and Graduate Level Banking Degrees

Nancy Draude, founder and owner of Draude Marketing, will apply advanced bank marketing educational background to benefit your bank. Her educational background includes:

- Degree in Business Administration/Marketing – Grove City College (1979)
- School of Bank Marketing – University of Colorado (1982)
- Leadership Lancaster – Core Program (1986)
- Central Atlantic Graduate School of Banking, Bucknell University (1987)
- Stonier Graduate School of Banking – University of Delaware (1994)
- Advanced Database Marketing School for Banks – Northwest University, Chicago Illinois (1995)
- Leadership Effectiveness Training Certification (L.E.T.) – University of Arizona/Gordon Training (2002)
- SASSIE (Scheduling and Shopper Survey Internet Engine), Surf Merchants Inc., Advanced Mystery Shopping Technology Certification, Boston, MA

Client Intimacy: Nancy Draude, Senior Bank Marketing Professional, will personally work closely with you and your team.

You will not be passed off to a project manager or account executive who is not a bank marketing professional. Although Nancy has a qualified team of project managers, research interviewers, etc., the mission of Draude Marketing is to work intimately with a limited number of financial institutions, helping them with a wide-range of customer experience support services.

Bank career experience includes, but is not limited to:

- Marketing management/sales management/champion of customer sales and service
- Write and execution of detailed Business plans
- Market research and analysis
- Market growth/segmentation strategies and approaches
- Revenue generation/Profit Quadrant Mapping (P.Q.M.)/cost benefit analysis
- Trainer/speaker
- Project and product management
- Brand management
- Consistent track record for managing significant budgets
- Ability to work well with diverse inter-company departments and audiences.

The Draude Marketing Team

Nancy has a team of professionals that work for Draude Marketing to provide the highest level of service to their clients.

We do not tolerate:

- Poorly qualified shoppers or customer interviewers
- Poorly written reports
- Poor communication with our clients

Many members of the Draude Marketing Team are also bank-issues savvy, with vast experience in the banking industry. Bottom line...we specialize in banks and are quality focused.

Clients are welcome to meet the team assigned to their project. They are all committed to one thing...you!

“PerformanceChek creates an awareness on the part of employees that their actions count and can have a serious impact on the growth and success of the business.”

— Susan Dunn, Vice President/Project Manager, PerformanceChek

Introduction To

PerformanceChek™

Helping Banks Optimize Performance and Profitability within a Relationship Sales Culture

PerformanceChek creates an awareness on the part of employees that their actions count and can have a serious impact on the growth and success of the business.

What we measure

We measure SPECIFIC BEHAVIORS and EXPERIENCE ATTRIBUTES YOU IDENTIFY as mission-critical. They include but are not limited to:

- ✓ **Customer Service.** Specific behaviors related to courtesy, transaction accuracy, solution orientation, professionalism.
- ✓ **Relationship Sales:** Expanding customer relationships by taking ownership of situations, putting the customer's best interest first, giving good advice relative to product solutions based on the customer's needs profile, following through on requests and referring a customer to a specialist when necessary.
- ✓ **Integrity:** The handling of cash, customer's private financial data and requests.
- ✓ **Retention Issues:** Unsolved problems that would keep a customer from returning or recommend your bank.
- ✓ **Operations and Procedures:** Compliance issues, security, cleanliness, policies.
- ✓ **Visual Cues:** Interior and exterior signage clarity, merchandising effectiveness.

The PerformanceChek program provides you with information to make better decisions that can help you increase sales, reduce customer turnover, increase fee income and profits.

Business Units We Support

- Personal Banking
- Business Banking
- Trust, Investments, Wealth Management
- Insurance (if applicable)
- Other subsidiary relationships or affiliates as applicable

Surveys are Custom Created

Draude Marketing has expertise in the following research methodologies for banks. Surveys are custom created to ensure support your banks standards of performance and Relationship Sales culture.

The PerformanceChek™ Methodology Package for Banks

Pieces of the PerformanceChek™ Puzzle



Print, Direct Mail, Direct Response



Telephone Interviews



Web-based (customer and employee surveys)



TouchPoint™ surveys

- Lobby
- Statement
- Telephone



Focus Group Research



Mystery Shopping

- In-person
- Telephone



On-the-Street Video/Consumer-intercept Interviewing



PerformanceChek™

MultiMethodology



Actionable Results



PerformanceChek™ Package

A Comprehensive, Customized, Turnkey Solution to Bank-wide Customer Experience Assessments.



Pieces of the PerformanceChek™ Puzzle

Print, Direct Mail, Direct Response

PerformanceChek uses print and direct mail surveys...

- To measure mission-critical customer experience issues relevant to your banks current culture.
- As a follow-up support piece to telephone interviews when the customer can not be reached after multiple attempts. (Voice mail is left expressing sincere “we care” message from bank management and asking the former customer to watch for a print survey to arrive shortly in the mail.)



Telephone Interviews

Telephone interviewing is conducted by experienced personnel using computer-aided interviewing software. Of course, paper and pencil techniques can also be used!

- **Post-transaction research:**
 - Measures post-transaction customer satisfaction levels
- **Closed account research:**
 - Measures key customer defection issues

Executive Calling

Draude Marketing’s PerformanceChek program assists their client banks with Executive Calling needs. Measurement at this level is accomplished using seasoned calling professionals who have the maturity and presence to be able to interview the most difficult CEOs around. We work hard to not only gather accurate data, but also enhances your image among the executives interviewed.



Web-based (customer and employee surveys)

To supplement print-based methodologies, PerformanceChek has the ability to utilize web-based surveys to support both current customer satisfaction assessments and/or closed account/lost household data collection.



TouchPoint Surveys (Branch/Lobby, Telephone, Statement Stuffers)

TouchPoint™ Surveys are surveys that are executed at the point and time the customer has chosen to do business with you. They are brief, to the point, and often executed by an employee or bank representatives polite request.

PerformanceChek TouchPoint™ surveys include....

- **TouchPoint Branch Lobby** – A print survey that tellers distribute by politely asking their customers to answer one quick question that is important to bank management and placing their reply in a locked “Bank President’s Mailbox” after completion. (Sometimes customers who participate are entered into a drawing for \$100 cash, etc.)
- A variation to TouchPoint Branch surveys this technique positions a representative from PerformanceChek at your location who politely requests random customer’s participation in a brief one-question survey. (Often a one dollar bill is given for participation.)

- **TouchPoint Telephone** – This is similar to the above, however the question is asked over the phone by the Call Center employee who was serving the customer. It may be as simple as asking the question, “Have I provided you with excellent service today?” or, “Have I met or exceeded your needs and expectations today?”
- **TouchPoint Statement** – A simple statement insert that briefly welcomes customer’s to evaluate the bank relative to the bank’s key standards of performance issues. When used consistently over time, a designated number would be placed in statements by random sequencing, structured to be sure to include a sampling from all account types and branches.



Focus Group Research

Focus Group research is used when you want to “drill-down” and dig deeper in to theme issues that surface in all other forms of research methodologies.

PerformanceChek recommends utilizing this technique annually (multiple groups), unless warranted more due to problems revealed in other forms of PerformanceChek research.



Mystery Shopping

PerformanceChek Mystery Shopping measures employee behavior-specific performance and facilities check-ups.

Mystery Shopping as well as other PerformanceChek assessments, creates an awareness on the part of employees that their actions count and can have a serious impact on the growth and success of the business.

Why Mystery Shopping

- Provides reports to management to be used to reward star performers, motivate average employees, and plan training and counseling for employees whose skills need to be improved.
- Helps employees do a better job of creating good, long lasting relationships with satisfied customers.
- Provides data for bank management to use in situations where concrete, quantified, unbiased information would be valuable.
- Trends the data to demonstrate the success of sales and customer service training.
- Monitors consistency of information, product/service knowledge, and an understanding of the bank.

Give your managers the information they need to have a winning team.

Join top performing banks who do more than provide customer service training; they also monitor their offices and employees for customer service excellence.

Well-executed shopping programs have been proven to improve performance & results.

Our branch-shopping program gives you the information you need to reward great performance and coach team members who need encouragement to succeed. We create a customized survey for your bank, based on what is important to you.

What We Measure

Here are just some of the specific behavioral areas our professional shoppers measure:

- **Greeting: Timeliness and Tone**
 - Prompt greeting/Established interest
 - Smile/Attitudes of employees
- **Customer Feeling of Welcome/Courtesies**
 - Eye contact, tone of voice
 - Calling the customer by name
 - Pleasant conversation/Friendly demeanor
 - Provided undivided attention
 - Excused if any interruptions/waits
- **Accuracy and Dependability**
 - Accurately handle transaction
 - Request identification for non-deposit transactions
- **Relationship Building/Consultative Sales/Personalized Service**
 - Introduce themselves/Shake hands
 - Offering a business card, positioning your representative as a resource for additional financial needs
 - Product knowledge excellence: Presented products with confidence
 - Asking good questions
 - Listening well
 - Offering additional services to compliment identified needs
 - Shaking the customer’s hand as an expression of professionalism
 - Thanking the customer for choosing your bank
 - Displayed initiative/Asked for the business without pressure
 - Referrals to product or service specialists when appropriate
 - Follow through on promises
- **Referability**
 - Would refer the bank based on this service experience
 - Would want this employee to wait on them again
 - Overall rating of this service experience in relation to other banks used on a regular basis
- **Facility Tangibles and Compliance**
 - Appearances of employees and their work area
 - Wait times
 - Professionalism
 - Facility clutter
 - Visibility of directional signs and other
 - Important information/Compliance signage requirements
 - Parking/Traffic patterns
 - Dress code adherence

Note: Sample scorecards are provided within this proposal packet.

Video Mystery Shopping (Optional: priced at request of client)

Specially trained video-equipped shoppers have the ability to create and film realistic interpersonal sales and service encounters in your bank, and then provide the critical coaching to fine tune and enhance your team's performance.

Choosing this service will almost guarantee successful results regarding behavioral changes in your staff's selling and customer service methods. This is absolutely the best training tool available on the market today.

Advanced on-line technology with Draude Marketing's SASSIE System™

Shopper Recruitment

In addition to Draude Marketing's personal recruitment and training of shoppers, when needed our online shopper registration allows for extremely rapid recruitment, and can be configured to capture any shopper demographics your bank needs for reporting or screening purposes.

Automated Scheduling

When needed, our autoscheduler is designed to create, advertise, and assign extremely large numbers of shops. Shoppers are pre-screened according to your criteria for each shop (i.e. age, gender). Statistics for each shopper (quality rating, last shop, number of recent shops) are displayed during the assignment phase, allowing Draude Marketing to make quality decisions on the best shopper for any given shop.

Powerful Survey and Scoring options

With over 15 question types, text size and color formatting, conditional question logic, I have immense flexibility for creating your forms. Furthermore, Draude Marketing allows for sectional scoring, sub-sectional scoring and more. If you require unusual scoring systems on your forms, our custom scoring feature can implement even the most complex scoring logic.

Online Survey Collection

Draude Marketing shoppers will be able to fill out their surveys online, allowing data to be entered directly into the database. This provides you with timely actionable feedback.

Report Distribution

Multiple tools can be used for distributing survey results to you. Automated emails can notify managers when a new shop is ready for viewing. Bulk Distribution tools can email every manager a personalized list of instant links to online reports. Finally, Draude Marketing's remarkable PDF constructor engine can compile thousands of reports into one PDF "book", allowing you to print a batch of surveys in one pass.



On-the-Street Video Interviewing

This research methodology is often used to test brand awareness or the strength of your positioning,

On-the-Street video interviews are quick questions asked in person by skilled interviewers. It is a valued technique by clients as they have the opportunity to see and hear spontaneous consumer responses to questions of keen interest.

CustomMethods

Draude Marketing will customize survey questions, techniques and methodologies to meet your specific needs. Our abilities are not limited to those outlined in this proposal.

Reports, Analysis, Action

The knowledge and insight gained from PerformanceChek™ customer experience reports will provide you with a SWOT analysis that allows you to create effective counter strategies (Action Plans) and determine strategic positioning needed to gain or protect market share.

Data gathered from all methodologies is integrated to provide a unified outline of strengths, weaknesses, opportunities and threats.

The **data can be segmented** by:

- Employee
- Branch
- Region
- Total Bank
- And more

Reports

Reports include but are not limited to...

- Service Excellence Detail and Summary Reports
 - Average service scores by quarter
 - Branch improvement reports
 - High performing branch reports
- Relationship Sales Detail and Summary Reports
- Behavior Specific and Mission-Critical Reports
- Drill-down, Issue Isolator Reports
- Employee Service Interpretive Analysis/Organizational SWOT
- Coach's Critical Issues Report
- Trend Analysis Reports
- CompetitorCompare™ Reports
 - These reports help you answer the question..."Are we performing as well as or better than the competition?"
- Benchmarking Reports
 - Benchmarking data will be applied, as well as comparative data (anonymously) on how well you are performing versus other PerformanceChek program users.

Analysis

Detailed information is important, but trending is critical.

The ultimate value we bring you is our ability to show how the information we have gathered –over time, over employees, over locations, for instance – paints a fact-based picture of what is wrong or right about your customer service experience.

Questions are weighted, based on their importance to you...

Using Mystery Shopping as an example, questions are weighted or “scored” and can be adjusted to contribute as much or as little to the banks overall customer experience score.

PerformanceChek reports will...

- Pinpoint specific problem areas
- Identify sales and service opportunities
- Highlight your areas of excellence
- Realize your customer’s value proposition
- Monitor the effectiveness of promotional campaigns
- Structure input for management bonus and reward programs
- Fortify your bank against competitors

In partnership with Draude Marketing, PerformanceChek reports will give you the ability to turn data into action plans that lead to correction of problem areas.

Action Plans

By compiling and analyzing our report data in close partnerships with you, we give you the tools necessary to make changes and set action plans in place for how you interact with customers – changes that can lead directly and immediately to increased customer satisfaction, more repeat business and better long-term profitability.

“Great teams pride themselves on being able to unite behind decisions and commit to clear courses of action.”

– Patrick Lencioni, The Five Dysfunctions of a Team