The Branch Strategy Forum

AGENDA

The Ritz-Carlton Atlanta (Downtown)

Atlanta, Georgia

*** Attire is Business Casual at the Branch Strategy Forum ***

Tuesday, October 16, 2007

6:00pm - 8:00pm **Please Join Global Concepts for a Cocktail Reception**

Wednesday, October 17, 2007

8:00am – 9:00am **Continental Breakfast**

The Bottom Line Impact of Winning Customer Loyalty

Opening Remarks and Introductions

9:00am –9:15am *Erin Ghelber, Manager of the Branch Strategy Forum, Global Concepts*

Fifth Third's Customer Experience Strategy

9:15am–10:15am *Michael Menyhart, Senior Vice President, Fifth Third Bank*

Mike Menyhart will share how Fifth Third is thinking about customer experience, including its components and what it means from a service and sales perspective. He will talk about how the bank is working toward a consistent experience across the bank and realigning the strategy to match its brand. One of the major components is creating a better experience around problem resolution. The bank's goals include: to empower front line employees to resolve issues, to align compensation, incentives, and training to create the right behaviors, and to develop an escalation desk that is manned with people who can make decisions. Fifth Third also wants to do a better job of managing customers' expectations around the ease (or difficulty) of getting problems resolved.

10:15am–10:30am **Break**

The Financial Implications of Excellent Service Delivery

10:30am–11:30am *Peter Gurney, Vice President, Service Strategy & Alignment, WaMu*

WaMu's brand is focused on providing excellent service to its customers, not like those "stodgy bankers" seen in the bank's commercials. But as Peter Gurney will share, there is also value associated with service—financial opportunities around the improvement of service delivery and customer satisfaction. Peter will talk about how WaMu links changes to the bank's service model to changes in customer behavior and ultimately the bottom line. Peter will also share how WaMu, using customer surveys across LOBs and products, understands satisfaction scores as predictors of attrition and purchasing behaviors. Further, in an effort to get an even better handle on service delivery, WaMu has also created a customer impact assessment that helps project managers quantify potential ripple effects of internal bank changes on the customer. They now include this assessment in their cost-benefit analyses.

11:30am –1:00pm **Luncheon at The Ritz-Carlton Atlanta (Downtown)**

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Wednesday, October 17, 2007 (Continued)

Branch Image Capture

Panel Discussion:

Building the Business Case for Branch Capture
Steve Anderson, Senior Vice President, BB&T
Ed Higgins, First Vice President, Comerica
Adam Coursey, Vice President, Synovus
Greg Eiting, Retail Operations Manager, Fifth Third Bank

1:00pm–2:30pm **Moderator:** *Steve Ledford, CEO, Global Concepts*

Branch image capture of checks has gained increasing popularity at banks, particularly in cases where branches are remotely located. However, the industry has not settled the question of front-counter versus back-counter, or when neither makes sense. This group of panelists, each representing banks trying different versions of branch capture, will share how their bank has made the business case. They will also discuss how the results are playing out so far, including the impact on customers and branch staff. This discussion will be supplemented by a Global Concepts survey.

2:30pm–2:45pm **Break**

Personalization of the Retail Customer Experience

Multicultural Banking:
Reaching Out to a Diverse Customer Base

2:45pm–3:45pm *Matthew Gracie, Group Segment Manager, PNC Bank*

Matt Gracie will talk about why it's important to fully understand the diversity of your bank's customer base. As he will explain, it is about more than just providing the right language services. People from different regions of the U.S., from different countries around the world, and from different socio-economic levels within those geographic locations all have preferences for how their bank should serve them. Matt will share specific tactics for understanding a bank's diverse customer base and researching their preferences. He will also discuss how to execute on a challenging strategy that intends to provide a personalized experience to all customers.

3:45pm–4:00pm **Break**

Building the Perfect Consumer DDA

4:00pm-5:00am *Tom Welander, Expert, Global Concepts*

Global Concepts surveyed 1,200 consumers to understand what features drive DDA preferences. They measured the appeal of 230 levels of 62 possible DDA features, such as online banking and billpay, overdraft protection, and branch hours. In some cases, the results were surprising. As Tom Welander will share, the project has allowed Global Concepts to build hypothetical checking accounts comprised of different features and estimate those accounts' total appeal to current and prospective DDA customers. In certain markets, there may be costly features having little appeal to customers, which could be replaced with other features that cost less to deliver and offer the same or greater value to customers.

6:00pm **Please Join Global Concepts for Dinner**

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8:00am – 8:30am **Continental Breakfast**

Segmenting the Branch Network: Understanding Micro-markets and Creating Flexibility

8:30am–9:30am

Federico Sforza, Assistant to the General Manager and Strategic Project Manager, UniCredit Banca

UniCredit Banca has developed an innovative distribution strategy, which has re-characterized how they look at trade areas and created flexibility in their network. Based on detailed mapping of micro-markets and the input of regional directors, the bank annually assesses where branches should be placed and what type of branch should be there. The network map may be changed depending on how branches perform and how micro-markets evolve. Federico Sforza will share the details of UniCredit's approach, talk about their four branch types (multi-specialist, specialist, convenience, and small business/private banking), and discuss how modular formatting has changed how the bank manages its network.

9:30am–9:45am **Break**

Enterprise-Wide Online Business Banking Platform: Auto-Enrolling Small Business Customers in the Branches

9:45am–10:45am

Len Goodman, Senior Vice President, Sovereign Bank
Joe Spatarella, Vice President, Online Banking Solutions

As Len Goodman will explain, Sovereign Bank has had great success in moving its small business customers onto its enterprise-wide online business banking platform by leveraging the branches to auto-enroll them. With Online Banking Solutions' help, they developed a tool that has made it easier for employees to switch small businesses, created operational efficiencies on the back-end, and allowed them to cross-sell customers on fee-based cash management services. Joe Spatarella will share how the auto-enroll tool works and how it facilitates the process of moving small business customers onto the enterprise-wide business platform.

10:45am–11:00am **Break**

Group Discussion: Improving Branch Sales Productivity

11:00am-12:00pm *Marco De Freitas, Associate Principal, McKinsey & Company*

Using data for 14,000+ branches, McKinsey & Company has recently completed a comparative study to determine characteristics of branches with outstanding sales performance. They analyzed branch productivity by 15 products, by branch profile, and by customer retention/acquisition and normalized it by market opportunity. Marco De Freitas will share some of the results of the study and lead a discussion on what factors matter for sales effectiveness. Given the competitive landscape, overbuilding of branches in some markets, and declining branch profitability (especially for de novos), what do banks need to do to develop branches that effectively sell to their markets?

12:00pm **Concluding Remarks and Drawings for Prizes**

The meeting will conclude with a drawing for $125 in gift cards. You must be present to win!

The Branch Strategy Forum *is a unique venue that fosters discussion and information exchange among leaders in branch banking. Members are primarily large national and regional banks from North America and a small number of technology solution providers, all of whom join on an annual basis. Individual participants are persons responsible for developing the branch network to serve consumer and small business clients with responsibilities in sales, operations & technology, product development, distribution, etc. Membership includes three meetings each year, meeting summaries, and original research. For more information: Erin Ghelber at 202 662 1338 or* ***Erin_Ghelber@mckinsey.com***