

# ***Eagle Net***



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## **LIP SERVICE**

Quality of service has been my guiding principle throughout my years in financial services but as you would expect it is also a constant expectation when interacting with any business in my personal life.

Generally speaking, those experiences, which are outstanding or outrageous, stand out in your memory. The latter group is those that only give lip service to customer service and there are many that everyone encounters or hears about plus even make TV news, where stations operate a consumer help option.

It is truly frustrating to walk into different branches or use a variety of delivery channels of one financial institution and find the service barometer ranges from excellent to unacceptable. In other words, no universal consistency exists across the organization. Why does this happen? Basically the people from the top down throughout the various levels, channels, locations, etc. are paying lip service to the objective and are not truly customer-centric. Having all the vision and values written down and formally communicated widely without synchronized training rewards and recognition plus continuous customer feedback leads to an atmosphere absent of cultural commitment.

A few examples will help you visualize the picture from a customer perspective. First, non-financial experiences. A large retail chain in Canada has declining sales and hence profits. Visiting a store in a large urban area and trying to find reactive let alone proactive service personnel is frustrating. But going to one of their top 3 outlets was absolutely enjoyable because the people exhibited great hospitality and true empathy.

A second story relates to a retailer who is always busy (or appears to be) but your interaction with staff among the various franchises can be a 10 or a 1 depending on the location. In one sense, you feel the service is personalized and caring then in another outlet you quickly get the impression you are not welcome.

Now financial institutions also have their winners and losers. With one, I talked to an acquaintance at the senior executive level concerning a young entrepreneur who needed empathetic support. My reception was great and the referral appreciated.

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The entrepreneur was contacted at the grassroots level, had an exploratory meeting and follow-up evaporated.

Next is a credit bureau, which has significant impact on people's lives with their credit scores plus trustworthiness. The organization promotes itself as having factual, timely and dependable reports and responses. In one situation, a rapidly growing small business could not get a response from the credit bureau regarding numerous errors and stale dated information in the file. After over a year of verbal and written communications it is getting close to being cleaned up and representative.

Finally, a credit card company, which is very prompt at reporting charges on customer accounts daily – customer makes a credit card purchase and it is on the account almost same day. A consumer had a large refund coming from an institution and after 10 days it had not been credited. When the customer checked, the credit card company said it takes 6 – 10 days. They are living on that float and giving lip service.

These are core lessons that need to be reinforced if an organization is to have a real quality of service culture from the CEO's office to every customer contact point and in between.

- Everyone must live the principle with customers and with each other
- Leaders/managers must be examples/role models of interpersonal service in everything they say and do
- All personnel must know service expectations of the organizations and customers, plus be trained to exceed them
- The corporation must reward and recognize outstanding individual and team service – day in and day out, throughout the organization
- Customer feedback must be solicited continuously and improvements made where warranted – real or perceived
- Quality service must be celebrated in different ways and means as the critical catalyst for current and future success by all concerned

## **ERODING RELATIONSHIPS – SLOW BUT SURE!**

For years in the financial industry we have used number of discrete services per customer as a key strategic measurement. Decades ago many FI's started with a score of 3-4 products except for Wachovia Bank in the USA, which had over 10. Gradually, performance management and sales & service techniques created a more proactive environment or culture, and scores crept up. Simultaneously, the industry extended its product lines, channels and partnerships to where we are today with a significant depth and breadth of products. In fact, when we ask most FI's "how many products they offer" the answers are somewhat helter skelter and underestimate their total reach plus penetration rates.

Concurrently, the competitive landscape has exploded with the Internet and global commerce. The online virtual world offers significant products and services that target traditional industry complacencies. Consumers have taken control of their financial purchases and relationship decisions in our omni channel world. Today, people have more financial relationships and products than ever before – and it is so simple – click and aggregate. If they see a better deal, more convenience, or innovative applications, their portfolios expand but they don't close off current relations as quickly as they add new products/suppliers. Consequently, gradual or periodic erosion occurs at other banks, credit unions, etc. especially with Millennials and GenX. This trend is also fed by brands from other industries extending their footprints in financial services.

We have seen varying responses to these trends from doing nothing to trying to improve customer engagements/experiences continuously. In between we have seen FI's who simply send out notices on inactive accounts/products with the threat of closure or cancellation!

There are many strategies and tactics to create a "living relationship" with customers and attract more prospects. Proactive anti-erosion programs are just one building block in contemporary cultures for sustainable success. Hopefully you want to create personalized journeys for your clients that contribute to long-term successes for you and them.

## **DIGITAL BANKS**

Another digital bank announcement! US Republic Bank & Trust is targeting GenX with its new digital only bank – Memory Bank. There have been others and the trend is encouraging. With collaborations, even medium size and smaller FI's can create digital only banks/credit unions. Plus don't be surprised if there isn't one supporting more than one owner. Digital only banks present some significant benefits for owners and customers.

## **HARDWARE & SOFTWARE SEPARATION FOR ATM OPTIMIZATION**

ATM Software 2016 (RBR) new study indicates that banks around the world are increasingly looking to separate hardware and software purchasing.

The drivers of the separation are:

- Use alternative hardware vendors
- Enabled advanced functionality
- Reduced total cost of ownership
- Secure better priced on ATM hardware
- Secure better price on ATM software
- Reduced cost of ATM testing

"Assisted self-service is bringing the teller and ATM channels together, and combining with mobile and Internet banking to turn the omnichannel vision into reality."

## **CONVERSATIONAL COMMERCE – THE FUTURE OF CUSTOMER EXPERIENCE?**

Conventional commerce platform is redefining the service experience by allowing customers to speak with brands – through humans, bots, or a mix of both – with highly personalized service until the end of each sales transaction, you want to be online at the same time your customers are.

Brands that are embracing a voice recognition like Amazon's Echo and its virtual assistant Celexa, broadens the customer experience and personalization.

**<http://www.inforisktoday.com/easy-cost-effective-way-to-service-your-applications-a-9031>**

Those interested in ways to secure applications should watch the subject video by Skyport Systems, which offers a new architecture called SkySecure that provides embedded, turnkey protection to all applications in the software stack. The video shows CEO Art Gilliland discuss four key uses of the software in a zero trust environment.

1. Re-Platforming the DMZ
2. Protecting Active Directory
3. Remediating Out-of-Compliance and Legacy Applications
4. Re-Platforming Branch and Remote Locations

**2016 FACES OF FRAUD; THE ANALYTICS APPROACH TO FRAUD PREVENTION (SAS)**

In this new SAS survey

- Only 34% surveyed security leaders have high confidence in their organizations' ability to detect and prevent fraud before it leads to serious business impact
- 56% say today's fraud schemes are too sophisticated and evolve too quickly
- 56% say customers and/or partners lack sufficient awareness to protect themselves from socially engineered schemes
- 52% say employees lack the same awareness
- 42% say they lack the staff expertise to successfully deploy advanced data analytics tools

How does your FI truthfully see its risks?

**TOP 10 CYBER INCIDENT PAIN POINTS: ARE YOU PREPARED? - A WHITEPAPER BY DELTA RISK**

There will always be vulnerabilities in a connected world. Protect your organizations by ensuring your response capabilities are effective and efficient and learn from others to strengthen your response capability.

**AVOID 75% OF ALL DATA BREACHES BY KEEPING PRIVILEGED CREDENTIAL SECURE**

This is another focus area of Skyport Systems and its SpySecure platform.

Note: Keep in touch with all cyber risks through DataBreachToday Education. We do.

P.S. SmartMetric, the maker of the biometric fingerprint activated payment cards, says in a new research study that 47% of consumers in the USA have suffered card fraud over the past 5 years.

## **D&H AND RABOBANK EXECUTE SUCCESSFUL BLOCKCHAIN PROOF OF CONCEPT**

- Shows that D&H's payments services hub together with Coin Sciences' multichain blockchain solution is able to execute cross-border payments in near real-time for the bank. The solution is successful in delivering

- Immediacy
- Reachability
- Probability

Note: Interested in cloud based services, take a look at Penton Media's sixth annual "Talkin' Cloud 100 Report".

## **6 TIPS FOR MEASURING CUSTOMER SATISFACTION BY GOBRIZ GOLKAR**

- Analyze social media for brand activity and pay attention to informal customer feedback
- Use different kinds of customer feedback surveys regularly and pay attention to all comments
- Talk to your contact centre staff and help train them to regularly check with callers
- Check your first contact resolution rates
- Check your hold time and abandonment rates
- Observe general customer behaviours e.g. pay attention to response rates on your customer surveys

## **FAST FUTURE PUBLISHING**

We participated in Fast Future's survey on developments that could shape the next 10-20 years and how they can be harnessed to benefit the well-being of humankind. The book will be out shortly and the content preview is exciting. We will keep you informed. The next book is 50:50 – Scenarios for The Next 50 Years!

## **FORRESTER'S OMNICHANNEL CUSTOMER SERVICE ASSESSMENT**

This is an important foundation stone in the customer experience (CX). Customer service experiences can build or erode purchasing and loyalty. Customer expectations demand seamless and consistent cross channel service. With the help of Genesys, Forrester has introduced an assessment tool that identifies strengths and opportunities for expanding relationships. The five-minute/9 question test allows you to get results, recommendations and opportunities tailored to you – and it's free!

### **ON ONE SIDE THEN THE OTHER**

CIBC has introduced an innovative credit card called the Air Canada AC Conversion Visa Prepaid Card storing up to ten separate currencies for international travelers.

The next day CIBC agreed to compensate investors to the tune of \$73 million for collecting excess fees on certain mutual funds.

### **APPLE PAY COMING TO CANADIAN VENDING MACHINES**

The Canadian National Vending Alliance (CNVA), a collation of the largest vending operators across Canada has partnered with PayRange to bring mobile payment across 100% of its vending machines across Canada. The vending machine only needs the BluKey™ dongle, which installs in seconds. Then using the free PayRange App, which is available for iOS and Android, users make purchases. The App is funded with credit and debit cards and Apple Pay.

### **.BANK**

An industry-led consortium of major banking associations is helping banks flight fraud with a new secure extension reserved exclusively for banks, called .BANK. Thousands of banks, including over 40% of all US banks, are making the move to .BANK, which has security that exceeds existing extensions such as .COM.

.BANK is also providing new marketing and branding opportunities.

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## **LAST WORD**

### *Another Year Slips By!*

Friends, we are quickly heading for 2017 and 2016 seems to have gone too fast – its that feeling as you grow older, more and more. We at WESI are thankful for the experiences placed before us and hope that everyone has gained new insights into themselves, families, friends and communities during the year. Challenges and choices are always there for bold, innovative and people-centric leaders. What will the New Year bring is difficult to predict with any real accuracy but one thing is certain for the dynamics of financial services – faster rates of change in our environments due to technology, economics, politics, social turmoil and unfortunately, human suffering in various international hotspots.

From all of us to you and yours we wish you a spiritual Christmas plus a happy, healthy New Year.

***Note: It is with great sadness that we bid farewell to our Principal, Ron Huggins, who passed away on November 3, 2016. Ron was a true professional and a great friend. During his career in his homeland, Trinidad & Tobago, he was an integral part in the transformation of Republic Bank.***