



## **Critical First Steps to Effective Onboarding Starts With a Solid Account Holder Experience**

March 27, 2013

# Agenda

## Introduction

– Douglas Roman, Senior Strategist, Harland Clarke

---

## Onboarding Insight – Key Initial Components of Success

– Douglas Roman

---

## Harland Clarke's Instant Card Issuance Solution

– Joel Schloemer, Information Technology Manager, Harland Clarke Card Services

---

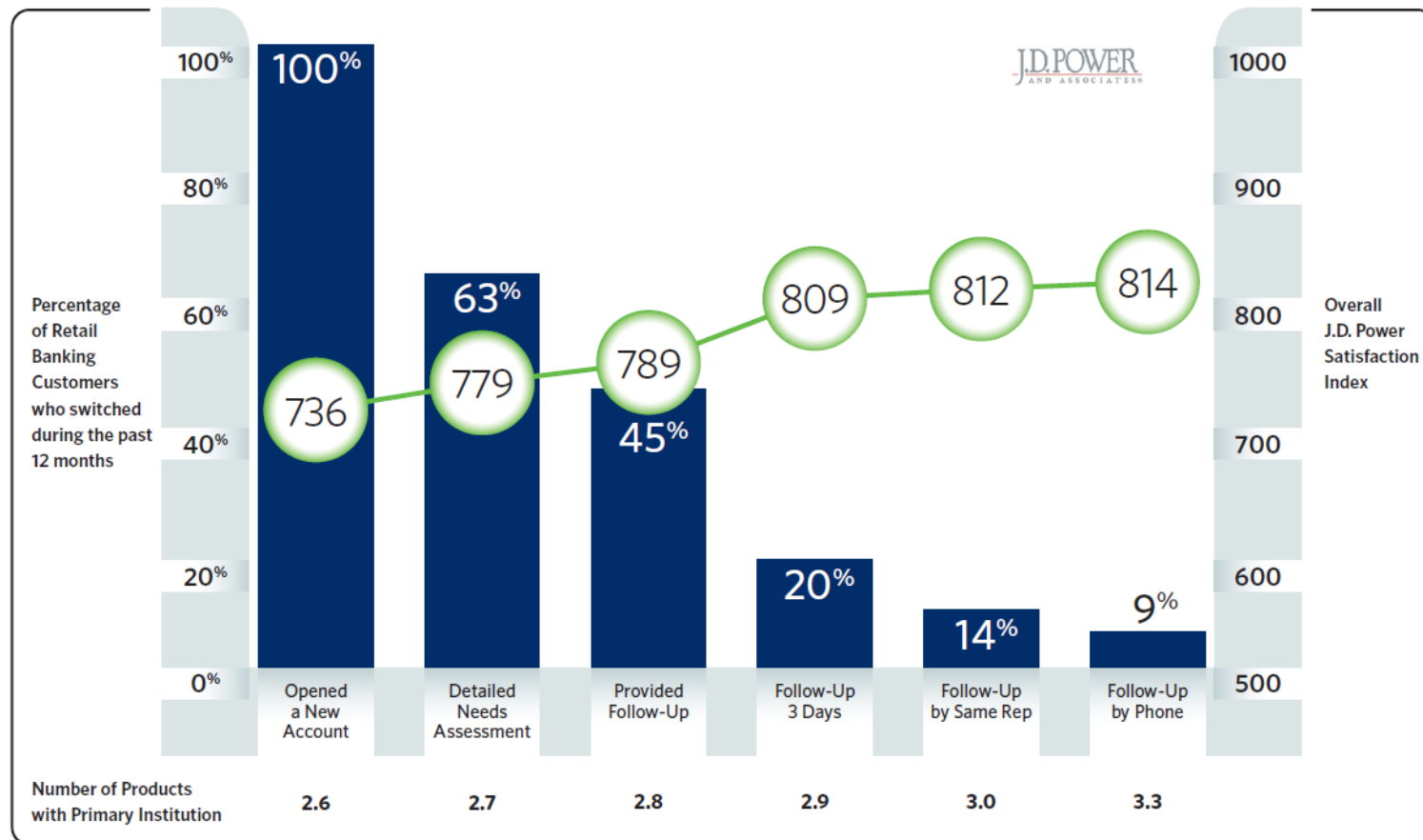
## Questions and Answers

## Onboarding Is a Process, Not a Project

- Acquiring new account holders takes time and money
- Important to ensure the acquisition investment pays off
- Effectively onboarding a new account holder starts on “Day One”
- Creating a positive account holder experience sets a solid stage for building long-term value

## Onboarding Is a Process, Not a Project

- Attention during and after account opening increases satisfaction and cross-sales



Source: J.D. Power and Associates 2009 Retail Banking Shopping Study

## Importance of a Good First Impression

- Creating a positive first impression leads to higher retention and a foundation for improved cross-selling
  - Key motivators that drive specific account holder behavior include institution must be trustworthy and provide good service

	<i>Retention</i>	<i>Cross-selling</i>	<i>Acquisition</i>
Goal	Dissuading a customer from switching providers	Getting current customers to consider purchasing additional financial products	Getting non-customers to consider purchasing a future financial product
Most important attribute	Being trustworthy	Being trustworthy	Having a low/ reasonable APR
Second most important attribute	Having good customer service	Having good customer service	Having good customer service
Third most important attribute	Having a low/ reasonable APR	Charging low/ no fees	Charging low/ no fees

Base: 1,850 US online adults who currently have a checking account, savings account, or certificate of deposit (CD) with Bank X

Source: North American Technographics® Financial Services Online Benchmark Recontact Survey, Q3 2012 (US)

84001

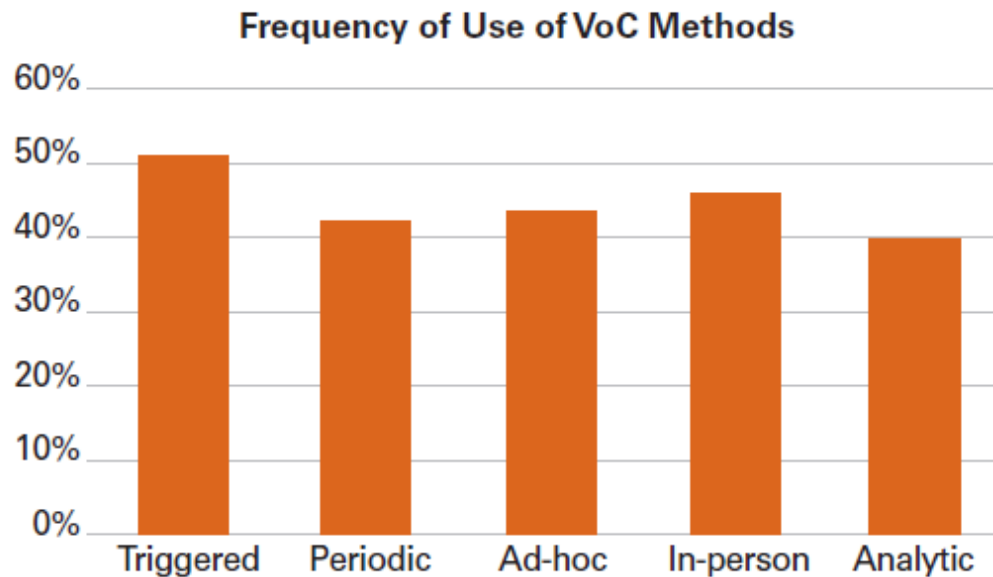
Source: Forrester Research, Inc.

## Importance of Capturing Account Holder Insight

- Gathering insight from account holders at the time of account opening (example of triggered event) enhances ability to capture Voice of the Customer (VoC) and enhance the overall experience with relevant communications

### Each VoC Method Is Widely Used

Survey respondents favor using multiple methods for capturing VoC.



Source: Peppers & Rogers Group

## Importance of Capturing Account Holder Insight

- Conducting in-depth needs assessment at point of sale provides ability to capture important information to better serve account holder needs

### Questions Asked by New Account Representative during Needs Assessment

	Needs Completely Identified	Needs Partially Identified	Needs Identified Not at All
Average number of questions asked	5.3	4.6	3.3
<b>Did the bank representative ask...</b>			
Why you were switching or looking for a new bank? (% yes)	61%	52%	26%
What other accounts or banking relationships you had with other banks? (% yes)	52%	40%	21%
What you like about your current bank? (% yes)	32%	24%	8%
What you do not like about your current bank? (% yes)	39%	30%	16%
What else you are looking for from a bank that you currently are not experiencing (% yes)	56%	43%	30%
Your typical balances (checking, savings)?	59%	55%	30%

J.D. POWER  
AND ASSOCIATES

## Importance of Capturing Account Holder Insight

- Front-end segmentation of new account holders along with insight capture leads to household account growth

### Higher value customers have higher incidence in three specific areas account initiation

- Complete and relevant assessment of financial needs and expectations
- Financial insights and recommendations to help them plan for the future
- Follow-up within days to thank the customer and answer questions

New Account Initiation Metrics		High Value Customers	Low Value Customers	Difference
Needs Assessment	Needs were completely assessed	75%	61%	14%
Additional Probing	Rep provided financial planning advice	62%	43%	19%
Follow-up	Received follow-up	90%	76%	14%

***Payoff is that high value customers buy 50% more additional products than low value customers at account initiation***



## Importance of Instant Issue Cards

### Benefits of Instant Issue

Improved Cardholder Experience

Increased Activation & Utilization

Enhanced Security

Increased Profitability

Emergency Card Replacement

Reduced Expense

Competitive Advantage

## Importance of Instant Issue Cards

- 85 percent of financial institutions that offer instant issue today believe it supports their account holder service goals<sup>1</sup>
- Consumers are demanding time-savings, customization, convenience, service, and fair prices from their financial institution
- Account engagement can happen much quicker with instant issue
  - Instant issued cards are used on average within the first 93 minutes compared to the first 10 days with standard issued cards<sup>2</sup>
  - Instant issued cards see usage and activation rates as high as 89 percent

## Importance of Instant Issue Cards



### How Card@Once® Works – The Ordering Process

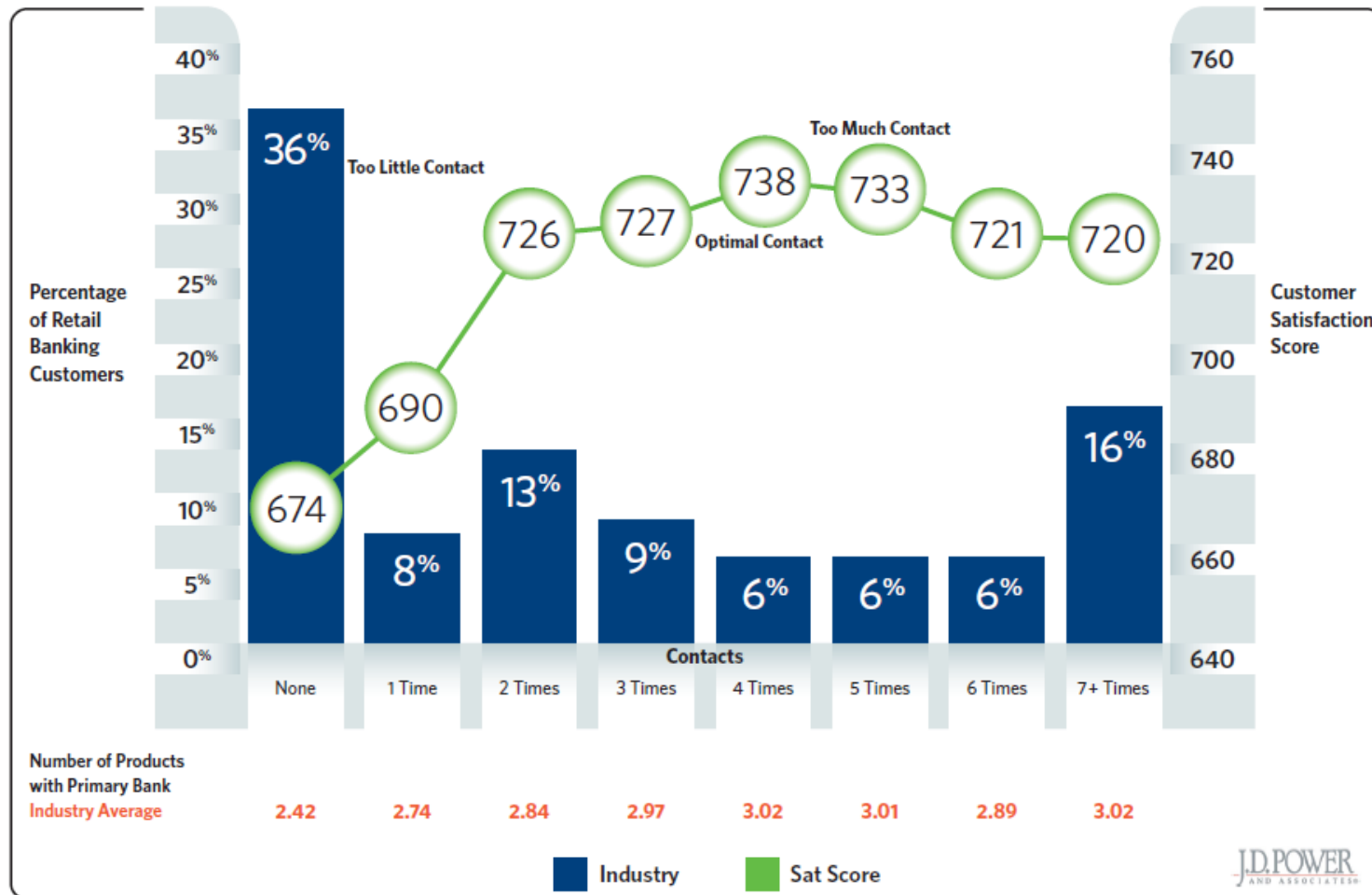
1. Financial institution submits card order via secure web portal
  - Cardholder selects personal PIN via portal using secure iPad® (optional)
2. Data is transmitted and encrypted
3. Encrypted data is sent to in-branch printer via web portal
4. In-branch printer decrypts message and prints card
5. System confirms successful printing of card and PIN
6. Account holder leaves financial institution with personalized card

## Importance of Instant Issue Cards

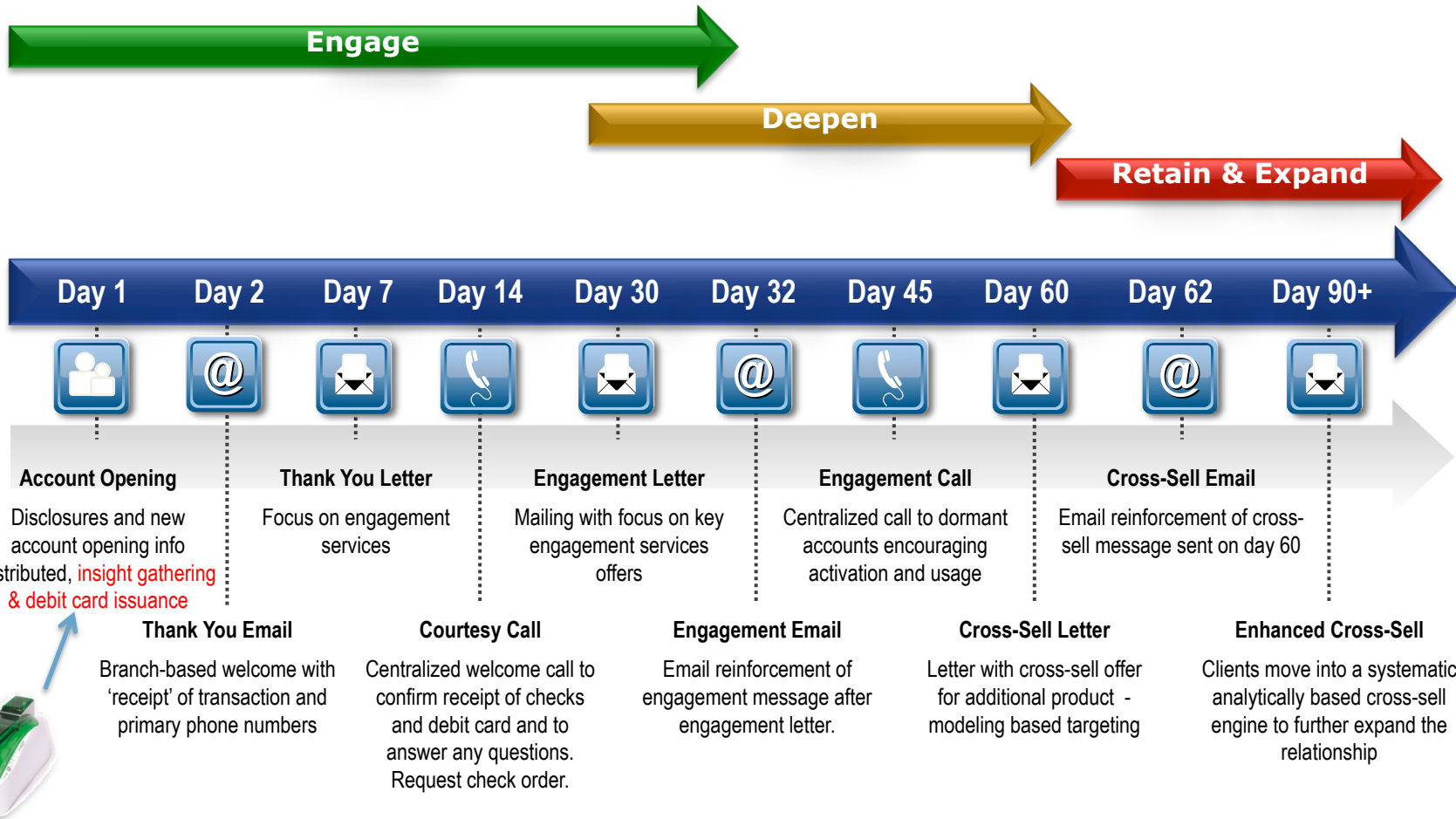
- Software for Service
  - Adds convenience for the financial institution
  - No software to purchase
  - Minimal training needed
  - Hardware purchase — printer and PIN pads
  - Provider's server for order processing and communication network
  - Program setup handled by provider, including loading secure keys for PIN and CVV/CVC
  - System maintenance and upgrades handled by provider
  - Minimal IT and Operations resources needed to set up or maintain

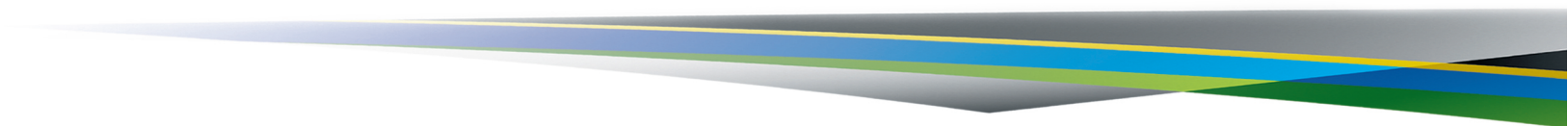
# Importance of Timely, Relevant and Ongoing Communications

- Multiple contacts leads to greater satisfaction and positive experience

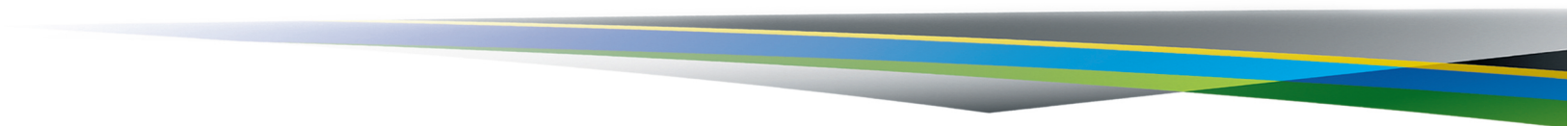


# Importance of a Comprehensive Contact Strategy





## Questions and Answers



**Thank You**