

SUPER EXECUTION

by [Steve Brown](#)

Sister Jean and the CNN orangutan were wrong. The Giants, one of the largest Super Bowl underdogs in history, put an end to the Pat's perfect season and won Super Bowl 42. While luck played a large part in the win, the Giant's wild card run boiled down to the execution of a solid plan. Here are a couple less-obvious take away points for banks:

Working your plan - The Giants executed a plan that tactically played to the Pat's weakness - keep the quarterback under pressure. The takeaway here is that banks have to quantify what sets them apart from the competition and then exploit that position. The first step down this road is to define the competition. What products are you trying to compete against and what are the attributes? While sales are opened by the quality of people, they are ultimately closed with the quality of your institution. It is here, at step one, where most bank management teams fail. Saying to your team that the goal is to steal marketshare from Wachovia is next to worthless. Saying that your bank has to come out with a program to mitigate Wachovia's Way2Save program is more concrete. By defining who your competition is and what attributes they are using to win business (free checking, cash sweep, relationship money market account, etc.), banks can derive an actionable strategy.

Execution - The Giants didn't play spectacular football. Eli Manning, for all his hype, made some serious mistakes (not taking advantage of the screen pass more and throwing into too much coverage). However, he had strokes of brilliance. So did the rest of the team. In the end, it was a strong defensive infrastructure and great teamwork that set the Giants apart. In banking, the key is to figure out how to make a commoditized product proprietary; so that the whole team can be placed in a winning position. Westin did this with their Heavenly Bed, Starbucks with their delivery platform and Umpqua Bank does this with their marketing. While your advantage may be "better service" that is hard to build a product around. The superior approach is to define what "better service" means and build it as a product attribute. Three-day maximum loan turnaround time, no waiting in line, or an annual financial review, are all concrete product attributes that can be marketed to better define your bank's particular suite of products.

Once you have designed a product or service that sets your bank apart, ask - how easy would it be for my competition to compete on this set of value dimensions? The harder it is to duplicate, the more likely your bank has the opportunity to change the industry. Our point here is once specific product/service attributes are identified, banks need to institutionalize those attributes. The classic example is while Southwest competes on price, their competitive advantage is service. They redefined "service" and institutionalized it to the point where few other airlines have been able to replicate their culture (United, Delta, etc. have all tried).

The unsung heros of Super Bowl 42 were the coaching staff. When the Patriots dropped back into deep coverage, the Giants mitigated the risk by running a seam route under the defenders. When the Patriots came with a Cover Zero blitz, the Giants moved Plaxico Burress deeper to get open for the game winning touchdown. When the coaching staff didn't know what to do, the Giants had enough training and conditioning to improvise. In the end, it was a combination of a good plan, a superior infrastructure and fantastic execution that won the game. Banks can mimic the Giant's super season

by developing a specific tactical plan to thwart the competition, build a team to execute on that plan and develop a culture that pushes employees to get the job done.

BANK NEWS

Eye On Colorado

Top executives at Wachovia and BofA have singled out CO as ripe for expansion. Wachovia currently has 34 branches in the state, while BofA said CO was "the only fast-growing state of any size that we're not in."

Pricing Power

A noteworthy item from MasterCard's Q4 report was its continued success in raising prices for its bank customers. Of the company's 28% increase in revenue to \$1.1B, "pricing adjustments" accounted for over 2% of the gain.

Imaging Trends

According to a recent industry report, small banks that have not invested in imaging technology are more likely to outsource the work, rather than license software to use in-house. Outsourcing has become more appealing as consumers are writing fewer checks, imaging volume is nearing its peak, and the economic incentives to use the technology increase.

International Banking

Silicon Valley Bank (\$5.8B, CA) opened its fourth international subsidiary in Herzliya, Israel this week. In addition to the Israeli market, the bank has operations in China, India, and the UK.

Mortgage Help

A recent Harris poll shows that 42% of Americans believe the gov't shouldn't provide financial help to troubled mortgage borrowers.

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