
HELPING CUSTOMERS AND YOUR BANK

by [Steve Brown](#)

In CA, as of mid-February, retailers can no longer ask a customer for their zip code. The CA Supreme Court reversed two lower court decisions, saying asking for a zip code is really nothing more than making an unlawful request for personally identifiable information (similar to asking for an address or telephone number). While lower courts had ruled thousands of people could live in a given zip code, the higher court decided that with a credit card number and that zip code, too much information was easily available and ruled it infringes upon consumer rights. For years, it has been common practice for a retailer to run reverse checks to capture shopper address information in order to send them marketing collateral. To recoup costs, these lists are also often duplicated and sold to others. We don't know if this will catch on in other states, but protecting personal information is always at the forefront of the minds of community bankers.

One area where community bankers could use help, however, is in helping customers help themselves. A time management expert recently pointed out that your business customers do themselves a disservice by failing to proactively plan their day. Running a business is difficult, so that isn't all that surprising, but consider that poor time management is the primary reason business owners waste time, become distracted, become reactive and waste money. Consider providing marketing material in the form of a "tip sheet." This sheet could include contact information for your bank, but also recommend customers examine what they need to get done that day and the next day in succession before sitting down to create and refine the to-do list. This approach gets small business owners to focus on deadlines, while dealing with distractions, meetings and other demands that are coming at them each day.

Another potent business educational theme is around suggesting things they can do to improve performance and ultimately cashflow. In particular, focus is important and community banks can help small business owners get and maintain their focus through education. One area experts say as much as 80% of salaries are wasted is in not focusing each employee's time on the optimal task for that person. Owners think they need to do everything themselves, but hiring a strong bookkeeper or website designer for example can be money well spent. If the owner is a sales star in their DNA, then keeping them focused on driving in more business is their highest and best use - not adding up columns of numbers. Teach customers to leverage their innate skills by staying focused and delegating.

A third area where community bankers can make an immediate impact to earnings and boost customer performance is by enhancing communication. A recent survey finds 62% of financial professionals don't communicate with their clients on a regular basis, even though they already acknowledge this flaw in their service. That same survey also found that 42% of financial professionals ask only 25% or less of their clients for new referrals. If you don't ask, you don't get, so consider this a friendly reminder to spend more time revisiting this and retraining customer-facing staff.

Helping customers help themselves is a never-ending job for community bankers. Enhance your own opportunities by asking for more referrals and making sure your business development teams have a 2 day forward to-do list to improve effectiveness.

BANK NEWS

Credit Stressing

The ABA has formed a working group of banks to comment on the Fed's proposed supervisory guidance on stress-testing practices at banks. The goal is to better influence the use of scenario analysis, sensitivity analysis, enterprise-wide testing and reverse stress-testing.

Free Checking

US Bank quietly announced it will do away with free checking. That makes the top 6 of the largest banks that will no longer offer the product. PNC and Capital One are the notable holdouts in the remaining top 10 largest banks.

ATM Fees

Fifth-third announced a promotion that will waive its \$2 foreign ATM charge for all new accounts opened before August 15th. The average ATM charge in the nation is \$1.41.

Small Business

A National Federation of Independent Business poll shows that more small businesses are planning to shrink their payrolls than expand them. The May report revealed the worst hiring prospects in 8 months.

Still A Problem

As of the end of May, the National Association of Realtors reported the inventory of unsold homes would take 9.2 months to sell - about 50% higher than what is normally considered healthy.

Summer Travel Inflation

Compared to last year, the cost of hotel rooms is up 2%, airfare is up 14% and gas is up 40%.

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