

GREAT CUSTOMER SERVICE WITH A SIDE OF CHILI

by [Steve Brown](#)

In Ohio you will find Skyline Chili where you can order a "3-way." This state treasure is a layer of spaghetti, a layer of chili and a thick layer of cheese. If all this seems unappetizing (we were dead set against this as well), we say you will be pleasantly surprised by the combination. However, as we finished up the meal, we were even more surprised that this set of non-college educated, entry level, \$3.85 an hour employees hit all 5 of our "impact points" for superior customer service that we talk to banks about. Here is a quick breakdown: Point 1 - Establish a rapport and in doing so, figure out how you can make the customer's life better. This isn't finding out what the customer wants, but what they need. Most restaurants would have assumed we came for lunch. However, the stroke of customer service brilliance we encountered was contained in the fact that the Skyline employee cared enough to ask a series of questions to find out that, more than lunch, we really wanted to try Cincinnati chili. The difference is huge, as it is the basis for 2 different objectives. This is exactly the same when a customer inquires about a loan. While they may ask about rates, they really are in need of efficient capital. Usually, the customer is looking for a combination of terms, structure, pricing, turnaround time and execution. It is the rare banker that takes the time to not only understand all of the elements, but also helps the customer prioritize to deliver beyond the customer's satisfaction. Point 2 - Once the Skyline employee found out the real reason we were there, they educated us. Skyline knows that a smarter customer is a better customer. The employee educated us not only why their product is better, but also why their process is better. Yes, the interaction takes longer, but we are going to have a hard time settling for a competitor's Cincinnati chili when it was all done. If you don't take the time to explain why your cash management package or loan process is better, why wouldn't the customer just assume that price is the only distinguishing factor? Point 3 - Cross sell not for the Company's sake, but for the customer's. The wrong way to cross sell is to ask the standard question, "Do you want fries or a drink with that?" The right way is to understand points 1 and 2 above and suggest an additional service that truly adds value. Educating the customer on what others like, what new products are available or what other product might fit into the solution are all ways to effectively do this in banking. Point 4 - Wow the customer and then follow up. "Wowing" a customer isn't new, as Zappos, Commerce Bank and many others pioneered the attitude that each customer interaction should create a "magical moment" where expectations are understood and then surpassed. In simple terms, this is under-promising and over-delivering. For Skyline, it was the notion that they not only asked if we were in a hurry (we were), but their promise to get us out of the restaurant in less than 20 minutes if we wanted. They not only did that, but also could have had us out of there in 15 minutes. They were also smart enough to ask the question "how did we do for you?" The feedback was collected and likely utilized. How many banks take the time to understand what needs to be done to deliver superior customer service? Not only did Skyline do this perfectly, but they gave us a "care package" as we left that included a coupon for future use, samples of other products & souvenirs - completely unexpected. Point 5 - Care. Some call this culture, some call this attitude, but our firm belief is this - Bankers have to not only have to care about banking more than their customer, but you have to target customers that care about banking. If you can execute on that one thesis, you are almost guaranteed superior results. Skyline employees clearly cared about their product and made it special. Equally important, they pegged us as a customer that cared about food

and took extra time to share their experience. Recognizing who is and who is not your customer is critical to allocating resources and achieving success. While there is more to customer service than our 5 Impact Points, if you take the time to establish each one, your bank will not only end up with superior customer service, but a mutually profitable relationship. The next time you are in Ohio, stop by Skyline to observe some fantastic customer service with a side of chili - the combination will keep bringing you back.

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BANK NEWS

Closed (23)

Regulators closed Security Bank (\$101mm, FL) and sold it to Banesco USA (\$490mm, FL). Banesco captures 3 branches, all deposits & essentially all assets (no loss share).

Branch Purchases

Heartland Financial USA (\$4.3B, IA) will buy 3 branches from Liberty Bank FSB (\$934mm, IA), as Liberty seeks to cut overhead and improve capital levels. The branches include \$55mm of deposits and \$10mm of loans.

Raising Capital

Western Alliance Bancorp (\$6.8B, AZ) has filed a shelf registration with the SEC, seeking approval to raise up to \$400mm in capital through the sale of common and preferred stock, debt securities, warrants and other instruments.

Multifamily

The average monthly U.S. rent for an apartment reached \$1,008 in the 1Q, the highest level in history according to data firm RealFacts.

Less Ownership

The U.S. Treasury will sell \$5B of shares in AIG in a stock offering, as taxpayer ownership in the bailed out insurer decreases from 70% to 63%.

Core Systems

Forrester Research indicates that large bank core systems upgrades on average take 40% more time to fully implement and are 300% more expensive than original forecasts.

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