



## Open Your Institution's Silos

by [Steve Brown](#) Topics: [performance](#), [customer experience](#)

**Summary:** Most community financial institutions have bountiful customer information. But, it is oftentimes stored in multiple silos. To stay competitive, this must change.

Community financial institutions (CFIs) know customer service is critical to keep customers. In fact, research by American Express finds 90% of Americans use customer service as a factor when deciding whether or not to do business with a company, and 81% feel businesses either meet or exceed their service expectations.

These days, people have different expectations for businesses, and you need not look further than online retail giants, such as Amazon, for proof. They have established a new standard for personalized customer experience. These companies understand their clients, make recommendations, and anticipate their needs. Customers want the same experience when they interact with you.

Most CFIs have bountiful information about their customers, gathered from multiple contact venues and transactions. You could use this information to customize future interactions -- an important competitive distinction. But if you are like many of your peers, your institution stores that knowledge in multiple silos.

Often, the silos don't talk to each other. Marketing may not know what online information has been provided, and the online interface doesn't know what customers discuss with wealth managers. Tellers can't maximize suggestions when they know only what a bank client does in a physical branch, and can't incorporate information provided online or via an app. Every interaction involves just a partial view of the customer, and the customer gets an experience that's cobbled together or even sometimes contradictory.

Bankers should consider this as they look to lower the barriers between silos, especially if they want to compete and grow.

Privacy and compliance requirements are part of the reason that many CFIs don't share information between different parts of their business. Other issues revolve around disparate systems and imperfect linkages between systems. In many instances, however, customers who get flexible control over when and how they do business are willing to explicitly trust a CFI to share their data across its multiple platforms. This is true whether that's online, in person, or through an app.

Rather than silo-ing customer information, try to use technology and consumer permission to create a single, real-time record for each client. It should be accessible to every part of the institution. An omnichannel approach gives every employee access to full customer activity, no matter the channel on which it occurred. Staff will be able to appropriately greet longtime customers with knowledge of their full banking relationships and activities.

A single point of information will also let your staff predict customer needs with much greater accuracy and offer products that meet their requirements. That's a must for any CFI, and especially important for any institution that wants to grow.

## ECONOMY & RATES

Rates As Of: 03/13/2020 01:26PM (GMT-0800)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.24	-1.02	-1.30
6M	0.34	-0.81	-1.23
1Y	0.32	-0.69	-1.25
2Y	0.49	-0.42	-1.08
5Y	0.72	-0.22	-0.97
10Y	0.96	-0.19	-0.96
30Y	1.53	-0.15	-0.86
FF Market	FF Target	Fed Disc	
1.10	1.25	1.75	
SOFR	Prime	Unemp	
1.20	4.25	3.50	

## BANK NEWS

### Tough Trend

The international body that works with and is owned by the world's central banks, the Bank for International Settlements (BIS), reports the number of correspondent banks worldwide fell 20% from 2011 to 2018. The BIS called this a "source for concern" and experts say such banks are withdrawing from the market due to the high cost and risk in the payments business around BSA/AML, along with changes in business strategy.

### Automatic Enrollment

[Automatic enrollment is becoming more popular](#) as a record 35% of employers automatically enrolled new employees in their 401(k) plan. Studies have consistently shown that automatic enrollment has been a major factor in increasing savings.

### Risk Management

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) said in new guidance that companies should incorporate risk analyses into high-level decision-making and involve risk managers in strategic decisions.

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