



## Inquiry & Insight: Security Plans, Gen Z, Profitability

profitability risk management Gen Z

**Summary:** Our readers asked us about rethinking security plans, attracting Gen Z customers, and customer profitability. We provide our insight on these topics.

Do you know why the average house cat sleeps about 16-20 hours a day? We found out from PetMD that even house cats are "hardwired like big cats" so they need to rest up in case they need to go "on the hunt."

In today's Inquiry & Insight issue, we have some banking-related questions to answer from some of our readers, which we thought you might appreciate.

**Q: The pandemic is forcing financial institutions to rethink their security plans. What are some different approaches we could consider to mitigate threats?**

**A:** With more staffers working remotely, financial institutions (FIs) have faced even more security challenges than perhaps ever before. Ransomware is on the rise as are phishing attacks, and having remote workers tap into your network raises the possibility of even more vulnerabilities. These realities intensify the need for a solid [security plan](#) with more frequent risk assessments to identify and fill in potential gaps. In the past, FIs may have been able to get by with a risk assessment once a year, but no longer is that the case. Frequent risk assessments are advisable, bringing in all levels of the organization. Communication, as always, is a top priority in assessing and mitigating risk.

**Q: What are some things we can do to attract Gen Z customers to our FI?**

**A:** While it would be logical to suspect that people between the ages of 18 and 25 would rather bank with a technology company, there's research suggesting the opposite is true. A portion of this age group appreciates the ability to come into a branch and have human connections as opposed to dealing solely with a machine. Certainly, Gen Z doesn't necessarily have the same need for cash, given their high use of payment apps like Venmo. Yet, studies show they still use ATMs heavily. This can easily be turned into a jumping-off point for additional product offerings and services down the road.

**Q: With NIM as low as it is, I need to run as efficiently as possible. What else can I do?**

**A:** If you're not looking at customers (either business and/or consumers) grouped by relationship or "household" and not by tax IDs, then you need to do so. Knowing the household contribution to your institution allows you to have a plan, including a communication plan, to improve the contribution to your net income. Are you matching your talent to the right customer segment? Are you incenting lower contribution customers to move to self-service or have you examined the lesser contributing customer for cross-sell opportunities? Are there markets that you served when you were smaller that don't make sense today, with the evolution of your business? Is expensive senior credit staff holding onto small accounts? And what about all of those small deposit accounts? Any action to address these questions and others must be intentional and followed through with clear and consistent communications. To better understand all this, join PCBB and Salesforce on September 10th for a [webinar](#) on learning how to improve your bottom line.

## WEBINAR: PROFITABILITY & THE PANDEMIC - WHAT'S THE STRATEGY

Join PCBB and Salesforce on Thursday, September 10th at 11:00 a.m. PT as they talk about strategies to identify profitable customers during this climate, including PPP borrowers in order to improve NIM. [Register Today](#) for the live webinar or on-demand access!

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