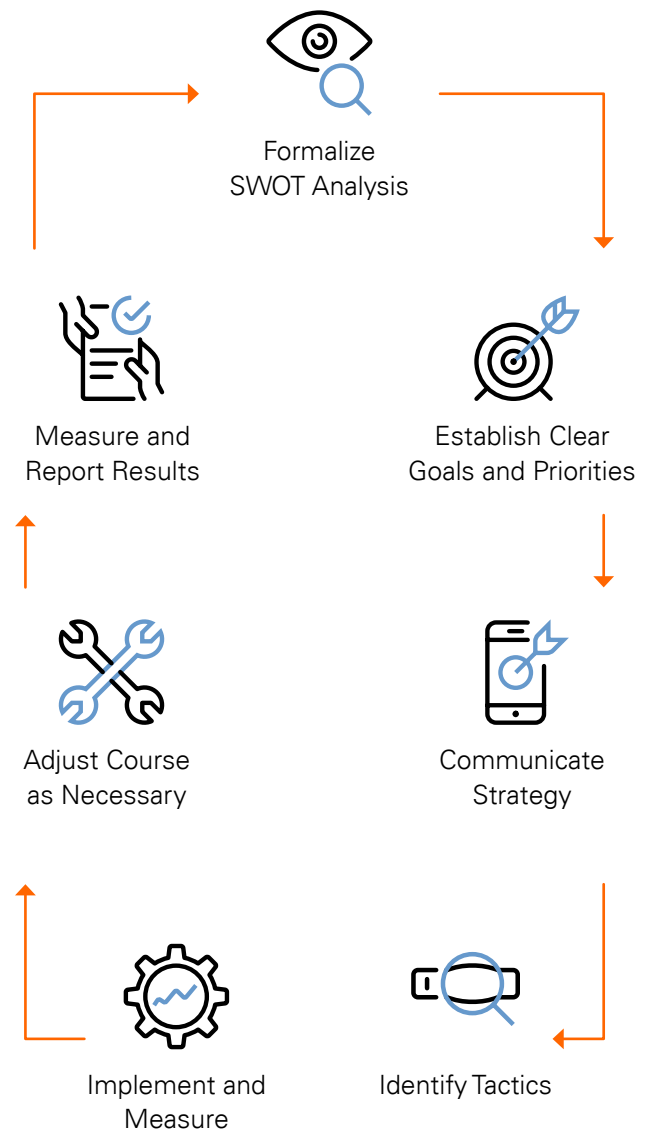


Rinse and Repeat: How the Urban Dictionary Applies to Financial Institutions

Strategic Planning Is More Than
Just an Annual Chore

The Urban Dictionary defines the term “rinse and repeat” as “procedures or tasks that require repetitive action.” Strategic planning is one such activity for financial institutions. It is a process that, when done properly, should always be progressing. Too often, the strategic planning process is a task to check off a to-do list each year. In many institutions, it is narrowly focused on the budget and setting a target for growth, and the planning is limited to the executive level of the organization. These plans often result in mediocre performance. There is a better way.

An effective strategic plan leverages data and analytics while encompassing all associates. Instead of an annual process, it evolves to become a continually referenced roadmap for top performance. The best plans use data to set goals and priorities that are clearly communicated and then acted upon. Results are measured, and the course is adjusted as necessary. This iterative process should be clear enough that team members can leverage the plan when making decisions about allocating resources, setting priorities and establishing new initiatives.



Data-driven organizations have been proven by many studies, such as [Performance Analytics](#) from Raddon®, a Fiserv company, to outperform their competition. In short, strong performers plan to plan. Prior to executing a strategic plan and setting a vision for the future, organizations need to know where they stand today. There are several key areas for a financial institution to consider, such as understanding today’s environment, your competitive position, the market’s perception of you and the market opportunity. Benchmarking these areas at the outset enables you to establish key performance indicators for ongoing measurement.

Understanding Today's Environment

Post-pandemic interest rates are low, causing compressed margins. Loan demand is weak, and government stimulus intervention has led to an influx of deposits for most institutions. Financial institutions are focusing on digital channels and optimizing the branch network while balancing the need to generate additional revenue while reducing costs.

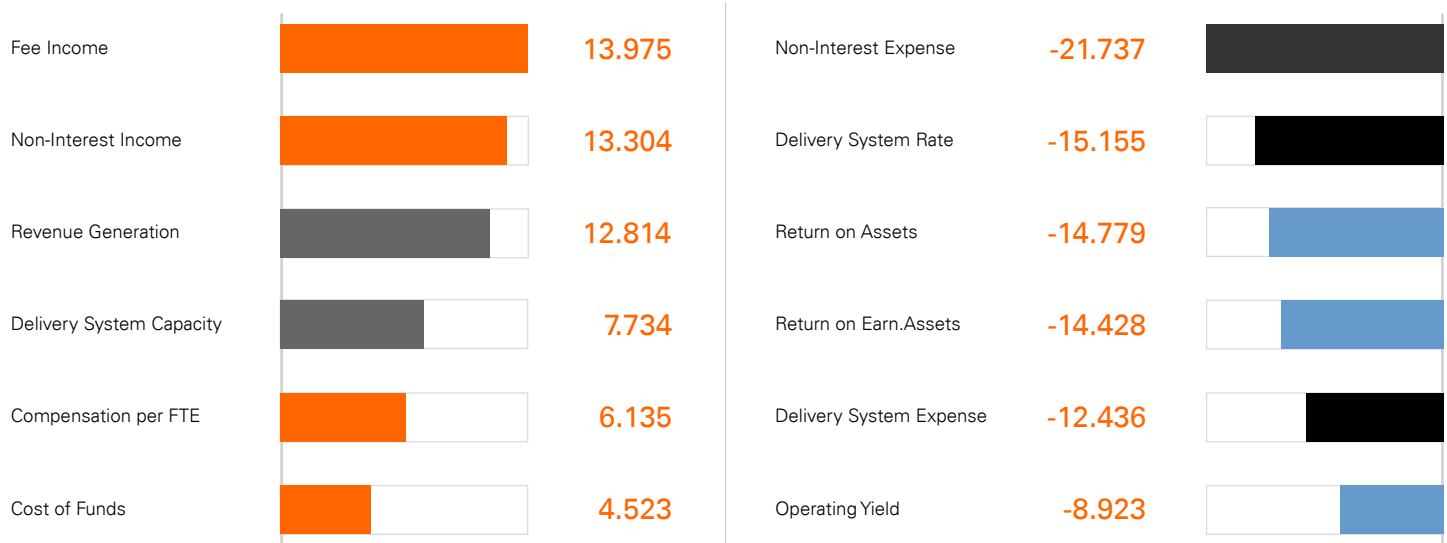
These kinds of factors are important considerations in the strengths, weaknesses, opportunities and threats (SWOT) analysis. Staying abreast of industry trends ensures that the financial institution stays relevant in this dynamic environment. Leverage the expertise of vendors, industry trade groups, and peer networks to keep your finger on the pulse of your industry and your market.

Determining Your Competitive Position

Benchmarking your performance against peers enable you to understand your strengths and weaknesses as compared with other institutions in your local market or with a similar operating strategy. Call report filings make the analysis easy, and software solutions such as [BankAnalyst® Financial](#) or [CUAnalyst™ Financial](#) from Fiserv put intuitive reporting at your fingertips. Knowing what you do well can help you maximize your strengths, and identifying opportunities can help guide change.

Business Intelligence Solutions Peer Group

● Exceptional ● Strong ● Moderate ● Suboptimal ● Weak ○ Not Classified



Source: CUAnalyst

Consulting the [FDIC Annual Summary of Deposits](#) is an ideal way to help understand your market share for each branch office and your organization as a whole. By trending this information, you can see if you are gaining or losing market share. Identifying the institutions gaining market share and analyzing their product offerings, digital channels and marketing tactics can help you discover initiatives that resonate with local consumers and businesses. Those losing market share may provide clues to potential threats or be a target for a takeaway strategy.

Going deeper, you can partner with a firm such as [Raddon](#) to benchmark your household share of wallet, loan mix and product penetration. This type of insight helps you determine if you are building strong relationships with your accountholders. If you find that you lag behind top performers, you can add tactics to your strategic plan to help increase wallet share, such as implementing an onboarding program, next-likely-product initiatives or front-line incentives for referrals.

The Market's Perception of You

Taking the time to understand if you are hitting the mark with clients and the community reveals another data point that helps shape the strategic plan. How can you know if the actions you are taking resonate with your audience if you don't ask? Various types of surveys have proven effective at eliciting feedback from your accountholders, community members and employees.

Accountholders can educate you on whether the best-in-class service you aim to offer is truly adequate and effective. If it's not, you can quickly pivot and incorporate tactics to improve, such as training programs or delivery modifications. Community surveys let you know if branding, and marketing tactics convey the intended message and have the necessary reach, so that any needed modifications can be made. Your employees, especially those on the front line, are another valuable yet often overlooked resource. Asking for staff input reinforces accountability but also empowers them, encouraging employee satisfaction and engagement.

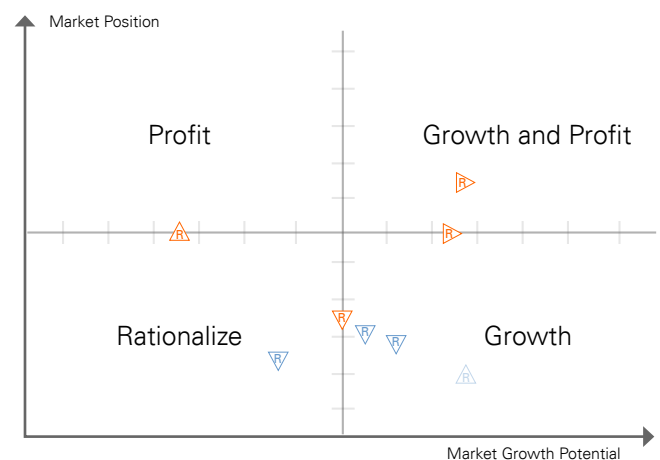
Your Market Opportunity

Setting realistic goals is fundamental to an effective strategic plan. You can only do so if you measure and understand the opportunity available in your market, in terms of loan and deposit growth expectations and the prevalent consumer and commercial segments. A robust market assessment will enable you to validate your goals and determine how much growth can be achieved naturally, versus growth requiring a takeaway strategy to capture business from competitors. This insight helps guide budget allocations in areas such as pricing and marketing, where more resources are needed in competitive situations.

While every branch should be working toward the common goals of the strategic plan, the underlying tactics should be tailored based on market position and potential. Legacy branches that have strong market share in saturated markets focus on retention and cross-sale tactics, while a de novo location in a growing market prioritizes new accountholder acquisition.

Retention

Cross-Sales



Takeaway/Consolidate Office

New Accountholder Acquisition

Source: CUAnalyst

Rinse and Repeat

Once the preplanning data gathering is complete, use the knowledge gained to formulate your plan. Focus on four or five key priorities at the organization level. These strategic priorities will lead to unique tactics for each functional area, but all will work toward the common goal. For example, if improving accountholder satisfaction is a strategic priority, the call center will employ tactics to reduce caller wait times, while the branch office staff will focus on greeting accountholders when they enter the location and saying accountholder names during transactions.

Strategic priorities should be measured on a regular basis and tactics adjusted as necessary. Use the data you have available, even if it isn't perfect. Just be sure to measure results. And it is okay to be creative, if you don't have an exact match. For example, tracking the quality of the accountholder experience in the branch could be measured by the number of unique products and services by household, based on the assumption that satisfied accountholders are more willing to deepen their relationship with your institution.

The strategic planning process is continual. Top-performing organizations leverage data and analytics to set a course, track progress and measure success. While the overarching strategy can be set at the top of the house, it needs to be communicated thoroughly so each business unit can identify tactics supporting the plan, along with corresponding metrics to evaluate success. By regularly measuring results, you can quickly determine what is working and where you have an opportunity to adjust course to reach your destination.


About the Author

Anne High brings more than 20 years of financial services experience to her role as director, Bank Intelligence Solutions, Fiserv. In addition to serving as a senior strategist with Fiserv, she has held leadership roles in finance and marketing, along with serving in retail and operational areas of banks and a captive finance company. As a former Bank Intelligence Solutions user in the bank environment, High brings expertise in the practical application of the tools for strategic planning, peer analysis and market planning.



Connect With Us

For more information about
Fiserv:

 800-872-7882

 getsolutions@fiserv.com

 [fiserv.com](https://www.fiserv.com)

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization. Our solutions help clients deliver financial services at the speed of life to enhance the way people live and work today.

Visit [fiserv.com](https://www.fiserv.com) to learn more.