

A PUBLICATION
FOR FINANCIAL
PROFESSIONALS

The Deluxe Knowledge Quarterly™ KQ2 2012

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CHANGING THE CONVERSATION

COLUMNS & DEPARTMENTS

- 1 Viewpoint**
by John Filby
- 5 Experience Matters**
Have You Decided?
by Martie Woods
- 8 Peering In**
Sweet Innovation
- 10 Collaborative**
What's In Store?
by Heather Vaughan
- 11 Strictly Small Business**
Lending Your Expertise
- 16 Stance**
Getting the Job Done
by Martie Woods
- 17 Events & Resources**

FEATURED ARTICLES

- 2 Playing to Win**
by JJ Hornblase
- 6 Under the Radar**
by Joshua Turnbull
- 12 Back to the Future**
by John Jantsch
- 14 The Gift of Presence**
by Will Marré

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Here are just a few of the inspirational ideas you'll find in this issue of *The Deluxe Knowledge Quarterly*.™ Try them at your institution — and see a real difference.

— The Deluxe Knowledge Exchange Team

Putting It Into Practice

Make a game out of it

Gamification creates desirable consumer behaviors and should be considered for every new banking product you develop. *Playing to Win*

Quantity matters less than quality

First identify what differentiates your institution in the marketplace, and the number of products you should offer will become apparent. *Have You Decided?*

Remember the underserved

U.S. households spend billions each year on alternative banking services. Some simple adjustments can get them spending with you instead. *Under the Radar*

Reverse-engineer your product development

Think about desired customer benefits first, and then work backwards to develop solutions that deliver on them. *Back to the Future*

Change how you think about products

Move away from designing accounts that serve a purpose and toward designing products that help customers complete a specific job. *Getting the Job Done*

Our Common Journey



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With this issue of *The Deluxe Knowledge Quarterly*, I'd like to take the opportunity to introduce myself. I am thrilled to be leading Deluxe Financial Services. After nearly 100 years, we remain one of the most recognized and respected brands in the financial services industry, and I am proud to be associated with it.

After 20 years in the financial services industry, I find it fascinating how Deluxe and the industry are going through similar transformations. Just like you, we are exploring innovative new ways to meet the needs of our evolving market without losing focus on the successful core offerings that propelled us to where we are today. Our respective transformations won't be easy, but they'll be worth it! Steve Jobs, one of the best innovators of our time, believed that "innovation distinguishes between a leader and a follower."

From our pioneering start as one of the first and best outsourcers to serve the financial services industry, we have continued with innovations like personalized checks (the current personalization movement had early roots), "on-behalf" calling center services and SwitchAgent — ever cognizant of our important role as a trusted brand extension to the banks and credit unions we serve. We are staying close to our clients as we move through our transformations together.

I am also excited to take an active role in our *Knowledge Quarterly*. This issue focuses on helping you think differently about products for your clients. You'll find valuable insights on everything from the benefits of thinking about your products backwards to product "gamification." As JJ Hornblass would say, 'Game on!' And as Steve Jobs would say, 'Lead on!'

Enjoy your read.

John Filby
President
Deluxe Financial Services

Playing to

by JJ Hornblass

How effective gamification equips banks and credit unions to gain a competitive edge.



*“After a certain point, money is meaningless.
It ceases to be the goal. The game is what counts.”*

— Aristotle Onassis

Not long ago, when my son was seven, I was walking him to school and he began telling me about a New York Giants football game. He went into great detail about the game: passes by Eli Manning, runs by Brandon Jacobs, a sack or two by Osi Umenyiora.

“We won,” he concluded.

“What do you mean ‘we’?”
I asked. “Aren’t you talking about the Giants?”

“Xbox,” he said.

Games are all around us. We play them, watch them, maybe even bet on them. In 2010, an idea came about that games — or, more formally, *game design thinking* — can help make other activities more engaging. This led to a whole raft of game-like applications (such as Foursquare) and ventures that produce social networking games (such as Zynga). There is even a burgeoning crop of companies bringing “gamification” to businesses worldwide (such as Badgeville, which recently received \$25 million of venture capital).

For the average banking executive, gamification may sound like nothing more than a fancy version of *Monopoly*. Bankers deal in real money, after all, and there is nothing playful about that. What possible role could games play

in banking? A big one, as it turns out. In fact, gamification should be a critical element of any — and possibly every — application for the retail or commercial banking consumer.

Rules of the game

Games are not just for fun. What a game creates is a sense of goals, achievements or “levels.” When you think about it, gamification is a central part of (arguably) one of banking’s most successful endeavors of the last 30 years: reward points. Achievements are one of the ways games foster “behavioral momentum,” which is the tendency of players to keep doing what they have been doing. Reward points create this very dynamic: a consumer receives points for a certain action — typically, using a credit card for a purchase — and those points encourage more of the same actions, which earn more points.

There is much more to games than behavioral momentum, however. Well-designed games can elicit all of the following reactions and effects:

- Engagement — by encouraging repeated participation
- Loyalty — by giving players satisfaction
- Time investment — by tying rewards to interactions or the duration of interactions

- Influence — by creating consumer experiences that cannot easily be replicated with competitors

- Search engine optimization (SEO) and user-generated content (UGC) — these reinforce each other

- Virality — by encouraging consumers to interact with friends

When we discuss gamification, it’s important to note we are not talking about adding gaudy bells and whistles to a mobile banking platform. There are much more subtle ways to incorporate gaming elements. For example, rather than simply accepting a remote deposit, financial institutions can compare it to a goal (“You have achieved 47% of your December deposits”) or create a sense of urgency (“This deposit will hit your account in 23 minutes”). As one gamification blogger explains it, games should include a framework for addressing emotions, motivations and behaviors in a proactive way to strengthen a consumer’s relationship to a product, technology or service. Each element of this framework resonates in banking.

Crafting your strategy

All of this might sound somewhat obvious — duh, rewards — but it requires

goals

banking applications that allow consumers to schedule future payments. This information is almost always presented in a linear fashion: “On X date, Y payment will be made.” To gamify this information, banks could present it as a dynamic cash flow calculation: “When Y payment is made on X date, considering Z income, it will have P influence on your cash flow.” The consumer is exposed to a more robust “score,” and a game is afoot, albeit a serious one.

Crafting your strategy

Where to begin? By breaking down consumer interactions and analyzing how they can be recast to elicit emotion or encourage a positive reaction. There are many tried-and-true game patterns, which should be easy to replicate in banking. Consider the following pattern, used by many of today’s most popular games: 1. Action 2. Success 3. Action 4. Action 5. Success 6. Register 7. Invite Friends.

High-quality games have a certain flow. The user doesn’t “win” right away. The user plays a bit, wins a bit, plays some more, wins some more, and so on. This also has implications for banking: namely, financial institutions can tease out interactions for an extended

period of time. Rather than rewarding consumers for a year’s worth of positive credit behavior, reward them weekly or monthly so they experience continuous accomplishment and appreciation.

When it comes to gamification, financial institutions have a built-in advantage. There is always a score: so much money in, so much money out. The question is how to present it. There is no need to reinvent the wheel here: countdown clocks, dials and graphs all work exceptionally well.

Gabe Zichermann, founder of Gamification.com, a blog dedicated to this topic, points out that the goal of gamification is to “engage users.” What more could banks and credit unions want? Engagement takes many forms, as exemplified by these novel gamification ventures (courtesy of Zichermann’s blog):

- **Spigit (spigit.com)** allows consumers to vote on brands, making a game out of the classic marketing imperative of A/B testing.
- **Bunchball (bunchball.com)** creates games for corporate software platforms. One of its products, Nitro for Salesforce, integrates with the popular CRM platform to create a game environment for sales.

- **LevelUp (thelevelup.com)** ties gaming to payments. The company, which offers mobile payments, facilitates loyalty by matching rewards to certain thresholds of payments. For example, LevelUp provides a \$10 reward after a customer spends more than \$100 with a specific merchant — and only then does LevelUp get paid. In this case, the game involves consumers as well as LevelUp and its merchant-clients.

All of this might sound somewhat obvious — duh, rewards — but it requires a truly different frame of mind. Most bankers tend to think in measurable terms: fees, interest income, services provided. Successful gamification involves much broader concepts: emotion, motivation, success, failure. Think of the chore of changing your mindset as, well, a game that can certainly be won.



JJ Hornblass writes the Bank Innovation blog (bankinnovation.net) about innovations in financial services, and serves as CEO of its parent company, Royal Media Group (royalmedia.com). He does not dare play Xbox with his son, who can beat him with one arm tied behind his back. JJ can be reached at hornblass@royalmedia.com.

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HAVE YOU DECIDED?

by Martie Woods

Product assortment is secondary to the value of the experience you create.

To find your ideal number of products, first **identify** what makes you different.



Let me tell you about a small town in Germany I visited recently. At its center, there is a bar crammed with tables, all waist-high. The waiters are unsociable at best, grumpy at worst. The bar serves one kind of beer, in one size. Tables are shared among strangers because the place is always packed.

Down the street, there is another bar that serves 100 varieties of Belgian beer. Want a sample? Done. Have a favorite already? Choose the largest size — basically a bucket. This place is always packed, too.

Then there are the others — a myriad of bars spread across town. Each offers a respectable number of beers, served by a reasonably pleasant staff. They are not packed.

Three days here gave me just enough time to develop a theory:

In the first bar, the no-frills approach creates a sense of community. You're elbow to elbow with people you've just met. Drinks arrive without anyone ordering, because who would turn one down? Prices are low, so it's easy to buy a round for your neighbors. The bar has one product: beer. What they sell? Camaraderie, fun, energy and a chance to make new friends.

In the second, equally successful bar, it's an entirely different scene. This place doesn't bring strangers together. They come together naturally through a shared love of Belgian beer. The bar's product? Many, many beers. What they sell? Entry to an in-crowd that is dedicated to a fun, sociable activity.

The others? They're just places to drink beer. What kind? Pick one. Will you meet anyone new? Not likely. Nobody's making memories at these places. Their product? Beer. What they sell? Beer.

Before you ask how many products to offer, first think about what you want to be. It's a tough question. But when you answer it, everything else falls into place.

Our Point of View

1. Experiences should be rooted in your story.
2. Experiences should explore and celebrate customer values.
3. Experiences should be purposeful and inspire the heart.
4. Experiences must be meaningfully measured.
5. Experiences live or die by stewardship.

4 UNDER THE RADAR

Underserved consumers spend billions on alternative financial services. Why are we letting them?

by Joshua Turnbull

Underserved consumers spend billions on alternative financial services. Why are we letting them?

Last October, the Center for Financial Services Innovation (CFSI) led our Innovators Roundtable — a group of senior executives from several financial services companies — through a half-day “underbanked experience” in New York City. Armed with subway cards, checks, cash and a list of transactions to complete, competing teams headed for the unfamiliar environments of Queens, Harlem and the Bronx.

While everyone shared a good laugh about the pawn shop owner who wasn’t interested in the gold Ivy League class ring (too personal, no resale value), there were other common reactions. Topping up a prepaid phone: incredibly easy

and quick. Cashing a payroll check: the menu clearly listed prices and employees were friendly. Inquiring about a small loan at a major bank: really confusing, bordering on humiliating.

Who are the underserved?

There were 30 million “financially underserved” households in 2008, and that number is surely higher today. The term itself is often misunderstood. Many people assume “underserved” refers only to those with low incomes, but the segment is actually quite diverse. It ranges from those who live cash-only lives to those who have a bank account and a mortgage but take out payday loans when times get tough. Fully 70% of the underserved have a bank account — and 60% of those who don’t have had one in the past. In fact,

nearly 30% of underserved consumers with a bank account make more than \$50,000 annually.

Why then, on average, do one-quarter of a bank or credit union’s customers regularly use alternative financial services? Because Jerry’s landlord won’t take a check and a money order costs \$3 at his bank. Because Sue gets a paycheck every Friday, but she is so cash-strapped she can’t wait for it to post on Monday. Because Maria tried online bill payment, but it overdrew her account before her deposit posted and the gas company penalized her.

Whatever the reason — unavailable services, bad experiences, a lack of understanding — consumers spend significant sums of

money outside of financial institutions. According to a CFSI/Core Innovation Capital estimate, that sum is \$45 billion.

Seizing an opportunity

Right now, regulatory changes are compressing income streams and upending longstanding business models. Underserved consumers are both less trusting and in greater need of financial institutions than at any time in recent memory. Many see this as an opportunity to fundamentally change how to serve this segment. Our June conference, at which 600 leaders gathered in San Francisco, highlighted some of these initiatives.

The models take many forms. A regional bank completely integrated a suite of check cashing, money transfer, bill payment and prepaid offerings alongside retail bank products.



As leader in consumer financial services, Joshua Turnbull consults at CFSI, the nation's authority on financial services for the underserved. In this position, he helps financial services companies — including large banks, retailers, small to mid-sized depositories, financial technology firms, and nonprofits — define strategies, implement business plans and launch profitable products. Visit cfsinnovation.com or follow @cfsinnovation on Twitter to learn more.

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A credit union launched stand-alone facilities located in between check cashers and liquor stores to provide alternative financial services and traditional credit union products. Another credit union introduced advanced self-service kiosks in convenient locations around town. And one community bank, after starting a check cashing service, commented on how surprised they were at the number of customers who paid to have checks cashed.

While approaches differ, there are four imperatives that are critical to success — both for consumers and institutions. These form the basis of the CFSI Compass Principles, standards for excellence in the design and delivery of financial services.

1. *Create an inclusive set of services.* How can you change offerings or introduce new services that meet a broader set of consumer needs? What are your customers doing with other providers that they would gladly do with your institution (and pay for it)?
2. *Build trust.* Think about the prepaid phone or the check casher: simple and transparent. Consumers know exactly what to expect and how the transaction works. How can we simplify our products and the way in which we communicate with our customers?
3. *Promote success.* Some free checking models exemplify a product that does not promote mutual success — the bank succeeds only when consumers overdraw accounts. How can product design promote good behavior and empower customers?
4. *Create opportunity.* How can you help customers prosper and grow? It could be as simple as incentives or removing obstacles to savings. Perhaps it's a credit-building opportunity or helping a customer manage spending.

By bringing the consumer's perspective and market insights front and center, CFSI has worked with financial services companies of all sizes to identify opportunities that create meaningful, lasting and profitable relationships with underserved consumers. And, while instructive, it doesn't always involve a trip to the Bronx.

What did you think of this article?

Share your thoughts by joining the online discussion at

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Peering IN

Sweet Innovation

A community bank partners with The Institute to optimize a major strategic initiative.

PointBank
Flower Mound, Texas

PointBank knew it was onto something great. It had an innovative new product in the works that would be original, fun and highly beneficial to local merchants, bank customers and the bank's bottom line.

By fall of 2011, PointBank was deep into the integration of BuzzPointBanking, a program offering a fresh and clever twist on traditional points-earning programs. The web-based program, developed by Austin, Texas-based technology firm fisoc, would allow PointBank customers to earn points in two ways:

1. By making debit card purchases at participating businesses and elsewhere; and
2. Through various actions at the bank, such as maintaining a certain account balance, taking out a loan, or even posting comments about the program on Facebook or Twitter.

Accumulated points would be redeemed for gift cards or charitable donations. The program would also include a

"gamification" aspect that makes a contest out of earning points for customers.

"This was going to be the first points-earning debit card program in the communities we serve," said Ray David, Jr., PointBank President. "We had done thorough market research for more than two years and the potential looked excellent, so we were excited to get our version of the fisoc product rolled out."

A partner in strategy

As PointBank and fisoc continued to develop BuzzPointBanking, another seemingly unrelated event was scheduled for September in nearby Dallas: The 2011 Deluxe Knowledge Expo. This three-day Expo would present findings from The Deluxe Collaborative, which brings a group of banking industry leaders together to identify answers to the most pressing industry issues.

"I couldn't make the last two days of the Expo due to a scheduling conflict, but I was

so amazed by the first day that I flew some other members of our leadership team to the next Expo in Orlando," David said. "That's where we first learned about the Deluxe program that would help us make a strong product even stronger."

David was referring to The Institute from Deluxe (see sidebar), a program that takes financial institutions on a four-part journey to help them get new strategic initiatives to market with utmost speed and effectiveness. At the time of this writing, PointBank had completed two of the four sessions with The Institute.

"Our first meeting was an in-person mastermind session with three banks from other markets plus representatives from The Institute, which gave us valuable outside perspective," David said. "We recognized that the merchants will be the key element to our program's success, and The Institute presented us with great ideas for further developing our merchant program."

According to PointBank Executive Marketing Director Dawn Sprayman, another significant outcome from The Institute involved validation of target market.

"Our research revealed that women aged 35 to 54 were most into gamification, and The Institute confirmed our findings and provided insight on how to position our product," she said. "Women in this age group are the financial and purchasing decision-makers in most households and businesses, so there's lots of opportunity for the institution that earns their loyalty. By aligning our program with the right merchants, we knew we'd be in a prime position to become their bank of choice."

Tremendous early buzz

With launch just a few weeks away, PointBank management anticipates a strong start for BuzzPointBanking. The program has been optimized to resonate with both merchants and customers,



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- *Challenges your assumptions and gets you ready to go to market in a new way*

Become a member of The Institute today. We'll help you complete your strategic work more quickly, efficiently and successfully.

To learn more about The Institute:

- Contact Martie Woods at martie.woods@deluxe.com or call 651-787-1492
- Contact Heather Vaughan at heather.vaughan@deluxe.com or call 651-787-2777
- Visit The Institute page on DeluxeKnowledgeExchange.com

including those in the bank's primary target market of women aged 35 to 54.

In addition to increased sales from participation in the program, merchants receive numerous cross-promotional benefits, including ads running on branch TVs and ATMs, mobile banner ads and targeted emails. A mobile phone app is also being developed that allows customers to find participating merchants in close proximity to their current location.

Approximately 250 merchants have already signed up with the program, and that number is expected to double within five months. Each merchant is charged a nominal monthly fee, with a pricing structure that encourages participation by reducing that fee as debit card volumes increase.

"I'd recommend The Institute to any bank that is in the midst of a major strategic initiative," David said. "It offers tremendous insight and a valuable reality

check, and I've seen firsthand how this up-front strategic thinking pays itself back."

Sprayman cites peace of mind as another key benefit from working with The Institute.

"The Institute brought our program to the next level with a whole new layer of ideas, insights and strategic detail that minimized the unknowns," Sprayman said. "We feel more confident than ever about going forward with BuzzPointBanking."

What did you think of this article?

Share your thoughts by joining the online discussion at

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WHAT'S IN STORE?

Consumers don't see banking as a retail experience. Insights from the Collaborative can help us change that mindset.

by Heather Vaughan



How do you think consumers view your retailing efforts? What they say might surprise you. It certainly surprised us as we researched our 2012 Collaborative topic, *Thriving by 2015: Retailing Profitable Solutions*.

As you might guess, consumers don't see a connection between banking and retailing. When we asked them about retailing, it was easy for them to discuss fashion, home goods and electronics. But when we pressed them about banking, they struggled. "Retailing and banking don't go together," they said.

We can change this perception, but only if we think differently about retailing. We need to apply retailing principles more innovatively in our banking environments, so consumers have compelling reasons to *shop* with us.

Banking purchases tend to be one-time, event-driven activities. As bankers, our traditional marketing and sales processes reinforce this habit. Virtually all other retailers use buying cycles to encourage repeat purchases. The spring collection arrives, garden tools

fill the aisles, new gadgets appear on endcaps.

By not creating buying cycles, we miss opportunities to entice consumers to visit us regularly and make predictable purchases. We must create demand instead of waiting for consumers to act.

In fact, when it comes to banking, consumers assured us they don't make "purchases" from us. They don't "shop" or "buy" anything — they merely "open accounts."

Clearly, there is a disconnect. We advertise product and train our teams to sell, but consumers still don't think they are in a retail environment. What consumers really want is help with their goals. We need to rise to the occasion.

One final thought: As we explore retailing experiences for consumers, we are keeping four important principles in mind. Each of these will keep consumers coming back for more:

1. *Be mindful.* Be aware of consumers' lives outside banking, and engage them the right way.

2. *Keep it fresh.* Incorporate variety, uniqueness and interactivity — be fun.

3. *Add value.* Help consumers achieve their "Job-to-be-Done."

4. *Use F.I.T.S.* Create "Fair, Intentional, Timely and Simple" communications and solutions.

Good news: we have the power to create positive retail experiences for customers. How? Stay tuned — The Collaborative is on it! Keep current with our findings at:

- DeluxeKnowledgeExchange.com/CollabBlog
- DeluxeKnowledgeExchange.com/Facebook

Heather Vaughan is the Experience Director at Deluxe, overseeing the strategy and direction of the Deluxe Knowledge Exchange. She leads a team responsible for the development and implementation of the Deluxe Collaborative Experience, The Deluxe Knowledge Quarterly publication, and the Deluxe Knowledge Expo. Heather has also been heavily involved with the Deluxe Collaboratives, which have resulted in the development of innovative new solutions for Deluxe clients.

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MINDFUL
SIMPLE
FRESH

LENDING Your Expertise

Tips for helping you help small businesses become good loan candidates.

Small businesses face tight competition and tighter credit. Securing a loan has become increasingly difficult. Unfortunately, some business owners may see financial institutions as an obstacle to the resources they need to take their companies to the next level.

Below are some tips for helping you reverse this perception from barrier to enabler. All of these suggestions underscore the notion that you are on the small business owner's side, and that you possess a wealth of relevant expertise to help them qualify for their next loan.

- *Help them look good on paper.* Many small business owners don't realize that to be accepted for a loan, their loan application must meet stringent underwriting requirements and receive several tiers of signatures. They will appreciate your expertise in helping them prepare their companies to look good on paper.
- *Think big picture.* Bankers still tend to focus on getting the loan business, sometimes dismissing customers who may need to pursue lending from another source. However, this money will eventually have to be deposited somewhere, so it pays to be resourceful regardless of whether they borrow through your institution or not.

Consider expanding your toolset beyond the transactional — and even what you offer. For example, getting to know and recommend excellent organizations like SCORE and the Office of Small Business Development Centers (SBDCs) is a great way to make more valuable resources available through you.

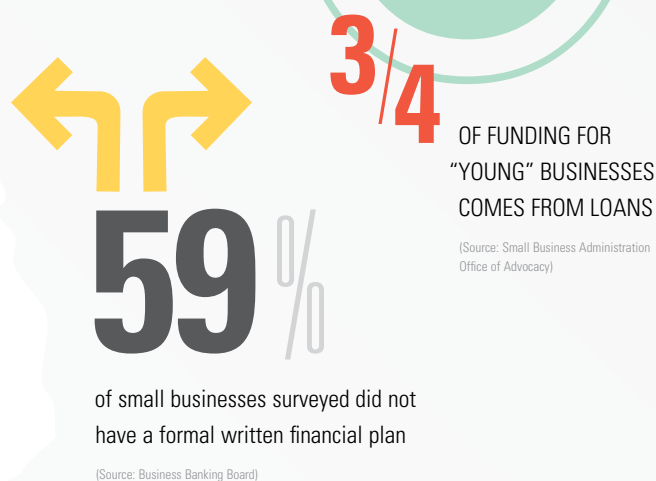
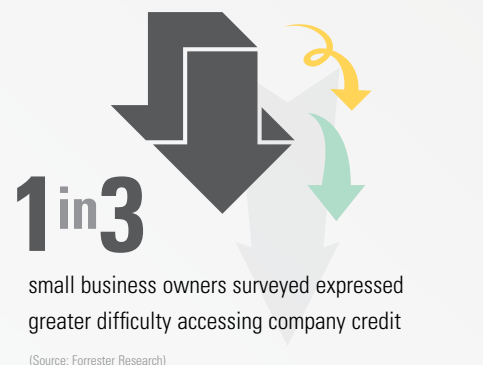
- *Be patient.* Resist the natural tendency to recommend your products, and instead simply listen and understand. Be willing to help startups through the basics, such as learning QuickBooks and creating a solid business plan. Such patience and nurturing will ultimately lead to a stronger-looking loan candidate — and position you as a trusted partner in the eyes of the small business owner.

We'd like to thank Larry Rush and Sid Landman, two mentors with SCORE who helped supply the ideas for this article. SCORE is a nonprofit that provides counseling and mentor programs to small businesses nationwide.

- For more information on SCORE, visit SCORE.org
- For more information on SBDCs, visit sba.gov/content/small-business-development-centers-sbdc

SMALL BUSINESS

by the numbers



What ideas do you have about helping small business customers become excellent loan candidates? Share them online:

DeluxeKnowledgeExchange.com/KQ212SmallBiz

GOING TO THE FUTURE FROM THE PAST

by John Jantsch

The Marketing Hourglass

1. KNOW — Ads, articles, referred leads
2. LIKE — Website, reception, email newsletter
3. TRUST — Marketing kits, white papers, sales presentations
4. TRY — Webinars, evaluations, nurturing activities
5. BUY — Fulfillment, new customer kits, delivery, financial arrangements
6. REPEAT — Post-sale customer surveys, cross-sell presentations, quarterly events
7. REFER — Results reviews, partner introductions, peer-to-peer webinars, community building

Generating more customer-centric offerings by reverse-engineering your marketing.

For the last few years, I've been writing and speaking about a concept I call the marketing hourglass. This concept takes the outdated idea of the marketing funnel and re-imagines it as a more powerful — and more logical — tool for educating prospects, marketing your products and creating the kind of experience that keeps customers coming back for more.

It's important to realize that your job as a marketer doesn't stop when the sale is made. This is only one step in a much larger, multi-phase process that takes people who don't know who you are and what you offer, and transforms them into genuine advocates for your bank or credit union.

This process combines my definition of marketing — getting someone with a need to know, like, and trust you — with an intentional effort to turn beliefs into actions: try, buy, repeat, refer. The key is to systematically develop meaningful touchpoints, processes, products and services for each of the seven phases of the hourglass (see left page).

First things first

Far too many financial institutions attempt to jump directly from Know to Buy and then wonder why it's so hard.

By gently moving prospects to Trust, then offering low-cost ways to Try, the ultimate conversion to Buy gets much easier.

To start your thinking about the marketing hourglass and the gaps that may exist in your own organization, answer these questions:

- What is your free or trial offering?
- What is your starter offering?
- What is your “make it easy to switch” offering?
- What is your core offering?
- What are your add-ons that increase value?
- What is your “members only” offering?
- What are your strategic partner pairings?

Turn it upside down

When you are developing new products, the trick is to turn the hourglass over. Amazon has been working in this way for many years, and with great success. Instead of starting with an idea for a product, they write the press release. This exercise helps Amazon's product development teams focus first on customer benefits: what customers will be excited about, what problems the new product will solve, and why it is better than other offerings.

By working backwards, you start with the ultimate goal of turning repeat buyers into strong advocates. How do you want advocates to tell others about your new product? What will they say about it?

Then think about how to turn a one-time buyer into a truly loyal (repeat) customer. Will you send out a satisfaction survey? Invite them to a product preview?

Next, figure out the steps to closing the sale. Make sure the buying process is simple and quick. Prepare to deliver outstanding service. Think about providing a bonus or other incentive.

After that, decide how to get potential customers to give your new product a try. Will they get a free trial period? Will you host a webinar?

Think about building trust with prospects. You might set up a sales presentation that goes into detail and answers questions about the new product. Or put together a personalized marketing kit.

Backing up even further, how will you encourage prospects to get excited about your new product? How will you present it on your website? How can you reach out and interact with prospects? Are you going to set up a social marketing campaign?



John Jantsch is a marketing consultant, speaker and author of Duct Tape Marketing and The Referral Engine. He is also the founder of the Duct Tape Marketing Consultant Network, an organization that trains and licenses small business marketing consultants around the world.

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Finally, determine how best to make your new product known. Consider which advertising media offers the right fit. You might need Google or Facebook ads. An article-driven marketing campaign can also help get the word out.

Working backwards works. It gives your team an important opportunity to answer customers' and prospects' toughest questions before they're even asked. As with any goal worth accomplishing, visualizing the end result makes it easier to see what direction you need to take.

What did you think of this article? Share your thoughts by
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THE GIFT OF PRESENCE

by Will Marré

We absolutely, positively know that intimate, trusting relationships are the single greatest cause of personal happiness. Love is far more satisfying than money, ambition, houses, cars, even vacations. With love, there is no loneliness. Without love there is no happiness. We all know that. So why don't we practice it?

Mostly we are too busy.

Many people I coach complain about their chronic lack of work/life balance. That was Carl. He has a very demanding job with an endless stream

of email, conference calls and meetings. When I met him he was juggling lots of competing priorities, and was in a violent storm of demands and commitments constantly swirling in his work and family life. He was dying inside.

Carl arrived home most nights about 7 p.m. — too exhausted for real quality time with his family and always preoccupied with his work. Dinner consisted of his Blackberry by his side and the drone of the television in the background. While Carl pretended to be fully present, asking questions, issuing praise and demanding superficial obedience from his boys in a cadence that appeared engaged, the truth was he was disengaged, and his family knew it.

I have heard this story endlessly as our technology era has erased the old rhythms of work, love and play in ways that are simply destroying happiness. Humans are not naturally designed to thrive under conditions of relentless stress...so we don't. Instead, we cope.

But what we want is love.

Intimate, loving, spontaneous, enjoyable relationships require two regular investments. Time and attention. What's tough is that the whole rest of your world wants your time and attention. Your work requires it. But so does the Internet, YouTube, Facebook, 24-hour news, every advertiser, every politician. And yet we need to keep a firm grip on whom we give our attention to.

A decade of research from Columbia University shows the single most powerful way to establish life balance is to faithfully have daily dinner with loved ones.

So what happened to Carl? He did as I suggested and committed to giving his family three hours of full, engaged presence, three hours off the grid every night to invest in his most important relationships. When Carl walked in the door every night at 7 p.m., he shifted his full attention to his loved ones. He spent 30 minutes playing with his sons — wrestling, catch, Frisbee. When his family sat down to dinner, he was naturally attentive to what was being said and felt around the dinner table. After dinner, Carl helped his wife, who also worked, with dishes, laundry and homework. Basically, the next few hours were spent as a team in a rhythm of work, support and communication that builds trust, rapport and friendship.

How long do you think it was before Carl's family noticed the difference in him and his attentive presence? You guessed it. The change in his family culture was virtually instantaneous — and transformational.

So here is the key to having meaningful relationships and great evenings. It is the intentional gift of focused attention. Here are a few tips that amplify the benefits of fully engaging with our loved ones.

1. *Take five minutes after work to breathe deeply and listen to calming music.* This will help create a new inner state and put away all electronic devices.
2. *Mindfully hold your intention on your loved ones* by thinking thoughts of advocacy for their happiness.
3. *Mindfully invest yourself in seeking to understand their inner world without judgment.* We all long to be valued for our uniqueness and not criticized for our failings.
4. *Greet each loved one with loving touch.* Loving touch is nonsexual. It generates oxytocin, a brain chemical that stimulates feelings of emotional trust, safety and closeness. Keep it comfortable rather than weird, but find natural ways to physically connect.
5. *Seek to know why loved ones think what they think and feel what they feel.* Don't judge their logic, yet don't be afraid to occasionally prompt them to think in different ways.
6. *Throw yourself fully into your loved ones' activities.* Be fully present at dinner, helping with chores, homework, watching a TV show. Don't multi-task. Make every act sacred by giving it your full and fun attention. Whether it's folding laundry or taking out the trash, it isn't hard to switch to mindfulness.
7. *Create a bedtime ritual with your partner.* Watch something funny on TV, read side by side, or hold hands. Just make it your special time.

The gift of presence is love. The gift of love is happiness. We only create those gifts if we intentionally create the time to be present.



Will Marré is CEO and founder of the ThoughtRocket Innovation Studio, a new online leadership development platform providing up-to-the-minute leadership research and training called Apple to Zappos detailing what successful organizations are doing to thrive in the 21st century. Will Marré is also the cofounder of the Covey Leadership Center where he brought The 7 Habits of Highly Effective People to millions of executives and managers worldwide. He also heads the advisory board of the Human Performance Institute (a Johnson & Johnson company) and is an Emmy award-winning writer of a public television learning documentary. For more information, please visit willmarre.com

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Getting the Job Done

A winning new approach to designing and developing products.

by Martie Woods

Many financial institutions still engage in product-centric thinking, servicing and selling. They use internally focused language while squeezing customers into the least-ill-fitting product option.

Consumers have put up with these practices for years — but that was before alternative-banking options became so strong. That was also before consumer expectations were reshaped by the likes of Apple and Amazon, who have mastered the skill of anticipating customer needs, personalization, and offering products that help customers get things done.

It's not too late to fix the situation. The first step is to recognize that customers and members don't care much about "accounts." They care about how your solutions fit their life and financial behaviors. Your customers have "jobs" they want to get done, and they "hire" products, services and brands to complete those jobs.

In our research, consumers said, "Help me ...
... with cash flow."
... control my finances."
... spend wisely."
... grow my business."
... pay my employees."

Banks and credit unions possess the knowledge, services and connections to help customers do these things. But they're not doing them. Why? Because many lack the necessary solutions.

It is essential to redirect how you think about products: from designing accounts with a single purpose ("hold my money") toward offering controls that help customers get jobs done. This places product in a new light, while no longer forcing the customer to choose the existing product option that causes the least pain.

Putting product to the test

To test the ideas described above, we developed a hypothetical product prototype and sought feedback on it from customers across the country. The prototype was designed only to a point. Customers started with the basics and then modified it to design a solution that fit their needs, jobs and financial lifestyle. Together, banker and customer "co-designed" what eventually became the product of choice for the customer.

In our study, we had consumers:

1. *Choose their focus.* What job did they need to get done?
2. *Set their controls.* Which features were important to them for job achievement?
3. *Calibrate.* We conducted pattern analysis to confirm prototype alignment with the original focus.

Once they understood product details, consumers filled out a survey indicating their willingness to switch to and pay for the product. Those who responded most favorably confirmed that:

- This product was more relevant to their lives than their traditional bank product.
- This product would increase their satisfaction.
- They would recommend the product to others and consider giving more business to their institution.

Perhaps most important, those interested in the product were also willing to pay for it. These are the same people who said they would leave their institution if forced to pay for their traditional banking product. The message was clear: You can't simply start charging for a product that was formerly free. You need to design new products that add value by helping people get their jobs done.

From hypothetical to real

Because the co-created solution was developed in a hypothetical design environment and tested as a concept, there were no barriers to overcome. But to bring the concept into the real world, sell the solution and make money, you'll have to triumph over obstacles.

The easy way out is to assume you won't be successful at leading a product revolution, because it requires too much research or too much technology development.



Martie Woods is Vice President and Chief Experience Officer at Deluxe. With expertise in consumer psychology and buying behavior, Martie's charge is to improve customer engagement and loyalty throughout the financial services industry. In her 12 years at Deluxe, Martie has been a leader in driving the company to focus on customer-centered decision-making and innovation.

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Or that you're doomed to failure because your core processor or marketing departments won't support your efforts.

These concerns are valid, but they aren't stopping a handful of financial institutions from charging ahead.

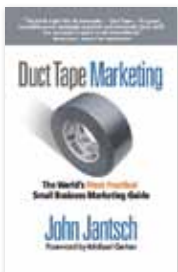


BOOKS, BLOGS, EVENTS, ETC.

Bank Innovation — Blog/Social Network
BankInnovation.net



Bank Innovation tracks and encourages innovative thinking in financial services. The site records innovation successes and failures through the dynamism of a social network, where bankers of common ilk come together to share ideas and insights. Industry professionals will find a unique and lively forum for sharing information, reading news, posting blogs and e-networking with colleagues.



Duct Tape Marketing: The World's Most Practical Small Business Marketing Guide
by John Jantsch

This succinct, entertaining and easily understandable book is full of practical guidance for helping small business owners develop strategic marketing plans that facilitate long-term success. According to Jantsch, effective marketing should be simple, affordable and “sticky” — just like duct tape. *Duct Tape Marketing* clearly explains the mechanics of marketing, while punctuating the discussion with countless insights that can be immediately put to use.



Deluxe Knowledge Exchange Blogs
DeluxeKnowledgeExchange.com/blogs

Our Knowledge and Collaborative blogs feature a collection of valuable insights from industry experts and the Deluxe Collaborative. Continually updated posts cover a wide array of relevant topics — everything from innovation, leadership and customer acquisition and retention to employee engagement and the customer experience. We invite you to join the discussion today!

Upcoming Conference Appearances

July 17–18, 2012 | Chicago, IL

Marcus Evans 8th Edition Customer Experience

Using Research to Establish Customer Experience and Innovation as a Key Priority

Martie Woods, VP & Chief Experience Officer,
Deluxe Corporation

Topics covered will include:

- Developing research engines to stay close to the target market and raise the bar on the experience
- Investigating the role of ethnographic research in driving insight and innovation for enhanced customer experience initiatives
- Exploring the customer-centric research process and the value of the iterative qualitative and quantitative approach
- Implementing the customer strategy model for enhanced insight across the enterprise
- Understanding how two case studies changed business strategy at Deluxe (The Collaborative and Project Rev)

marcusevans.com/marcusevans-conferences-event-details.asp?EventID=18976&SectorID=39

September 12, 2012 | Traverse City, MI

Community Bankers of Michigan Annual Convention

Undaunted: Thriving in the New Banking Climate

Heather Vaughan, Experience Director,
Deluxe Corporation

October 6–9, 2012 | Austin, TX

IBAT 38th Annual Convention

Finding and Retailing to Customers

Heather Vaughan, Experience Director,
Deluxe Corporation

ibat.org/annual-convention

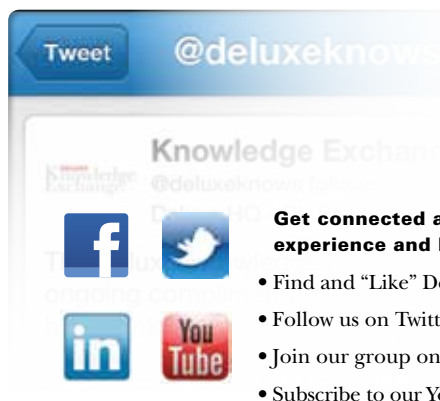
October 28–30, 2012 | Dallas, TX

Loyalty 360 Engagement & Experience Expo 2012

Using Research to Establish Customer Experience and Innovation as a Key Priority

Martie Woods, VP & Chief Experience Officer,
Deluxe Corporation

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