



## "Moo-ving" Through Customer Episodes

by [Steve Brown](#) Topics: [business customers](#), [performance](#), [strategic planning](#)

**Summary:** As competition heats up, keeping the attention of banking customers is critical. Bain & Co. provides a report on "customer episodes". We explain how these episodes may help.

You ever wonder about the person working just down the hall from you? Sure they are a colleague and very nice, but something seems a bit off too. After probing a bit more, you realize you have finally put your finger on it. They appear to be among the 7% of Americans who believe chocolate milk comes from brown cows or even worse the 485 who said they had no idea where it comes from! Moo.

As you work each day to capture more customers, perhaps a discussion around chocolate milk with prospects (including a cookie) might be a great ice breaker. Who knows, but keeping the attention of customers is critical as community banks compete with fintechs, and others, with innovative products and services.

To learn more, let's take a look at what Bain & Co. suggests around evolving "[customer episodes](#)" in a new report. Some of the highlights include a concept around enhancing the customer experience through "episodes", which can not only add value for your customers, but also strengthen the relationship between you and your customer.

These episodes include the activities that customers perform when they have a task to complete or a need to fulfill. For instance, "I want to pay a bill online," or "I want to buy a home" or even "I want to dispute a fee."

In order to develop the optimal customer experience through these episodes, the reports suggests banks first detail as much as possible for each step in an episode. Take the episode, "I want to open an account", for example. Appropriate steps might include evaluating the options, applying to open an account, receiving approval or rejection, getting ready to use the account, receiving and activating a debit card and possibly registering for and receiving digital access.

Going through episodes in detail helps banks better design and manage the process for each one. To fast-track development, banks can employ small, cross-functional teams to drill down easier and faster. Some teams are now even using Agile methods to quickly launch products on a limited basis, and then use feedback from customers to build out successive versions.

One bank reference in the report now has more than 250 teams managing episodes with Agile methods, and the bank is realizing measureable gains. One example of this is from a team that was able to develop an auto-finance mobile prototype in one week, an assignment that would have lasted six months or more.

As community banks know, it isn't just about enhancing customer experiences in digital channels. Most customers still interact with the bank through some mix of digital and human processes. Agile episode management could be useful to delineate specific steps no matter the source.

As the tech world encroaches upon the banking world, community banks have many attributes that can help you better compete. Using your high touch service, while also keeping in mind how you interact with customers through each step of an episode can help. In this way, your teams can maximize the customer benefit of doing business with you, while winning over more appreciative customers along the way.

# ECONOMY & RATES

Rates As Of: 08/06/2018 11:23AM (PDT)

Treasury	Yields	MTD Chg	YTD Chg
3M	2.01	-0.01	0.63
6M	2.20	0.01	0.68
1Y	2.41	0.00	0.68
2Y	2.65	-0.02	0.76
5Y	2.80	-0.05	0.59
10Y	2.93	-0.03	0.53
30Y	3.08	-0.01	0.34
FF Market	FF Target	Fed Disc	
1.91	2.00	2.50	
SOFR	Prime	Unemp	
1.86	5.00	3.90	

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## BANK NEWS

### M&A

1) State Street Bank and Trust Co. (\$250B, MA) will acquire financial data firm Charles River Systems (MA) for \$2.6B in cash (100%), as it seeks to increase its opportunity in wealth advisory solutions. Charles River generated \$300mm in revenues last year. 2) Keystone Acquisitions (TX) will become a bank holding company and acquire the voting shares of Ballinger National Bank (\$42mm, TX) for an undisclosed sum. 3) Brentwood Bank (\$619mm, PA) will acquire Union Building and Loan Savings Bank (\$33mm, PA) for an undisclosed sum. 4) Spirit of Texas Bank (\$1.1B, TX) will acquire The Comanche National Bank (\$358mm, TX) for \$55.9mm in cash (22%) and stock (78%) or 1.65x tangible book. 5) Synovus Bank (\$31.3B, GA) will acquire Florida Community Bank (\$11.5B, FL) for \$2.9B in stock (100%) or 2.3x tangible book. 6) Veritex Community Bank (\$3.1B, TX) will merge with Green Bank (\$4.4B, TX) for \$1.0B in stock (100%) or 2.5x tangible book. 7) Athens State Bank (\$132mm, IL) will acquire National Bank of Petersburg (\$150mm, IL) for an undisclosed sum. 8) The First (\$2.3B, MS) will acquire Farmers & Merchants Bank (\$480mm, FL) for \$80mm in cash (20%) and stock (80%) or 2.06x tangible book. 9) Summit Community Bank (\$2.1B, WV) will acquire First Peoples Bank (\$131mm, WV) for \$25.5mm in cash (50%) and stock (50%).

### Job Cuts

Regions Bank (\$122B, AL) said it will cut 500 more full time positions this year in addition to the 700 it has already eliminated as a part of company's "Simplify and Grow" strategy.

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