BEST PRACTICES

A Collection of Best Practices for:

Banking

Includes Detailed Best Practices for:

- Lines of Business
- Retail Branch Operations
- Back Office Operations

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Banking Best Practices

Business Banking

Banking

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The Business Banking line of business encompasses products and services specifically designed for small and medium-sized businesses. This include many products/services that retail customers used - but they have been tailored to serve business - including checking accounts, credit cards, savings accounts and transfers. Business Banking customers typically expect specialized customer service and account maintenance-related support.

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Best Practice 1-A

⚙ Provide Incentives for Businesses to Have Multiple Banking Accounts With the Same Bank to Improve Customer Experience

Provide incentives for businesses to purchase multiple products or have multiple banking accounts (this can include business checking accounts, savings accounts, etc.) from the same bank (this includes lower interest rates, fees, etc.). This, of course, precludes offering businesses a wide range of affordable services they can use (this includes commercial checking, customized cash management products, etc.). Ensure, furthermore, that interested and potential customers are provided with standardized checklists and an online resource (typically through the bank's online portal) that allows them to be fully aware of all the required documentation and information they need to bring/submit to bankers in order to open the desired bank accounts/services.

Typical Practice (the Status Quo): Provide businesses with a large suite of affordable products and services (this includes commercial checking, customized cash management products, etc.) they can easily understand and use. Answer any and all inquiries (whether in-person, through phone calls, in emails, etc.) concerning what documentation and information businesses need to provide (such as the Tax ID, social security number, etc.) in order to open business accounts and/or purchase banking services. It is the responsibility of the business to be prepared when attending a account-opening appointment.

Benefits of this Best Practice: Businesses typically need to have different banking accounts in order to serve different needs (i.e., accounts that serve as a place to gather money brought in, a place for money that will be used to pay bills, money used for investment purposes, etc.). As such, providing businesses with a large range of account types and services as well as incentives to have those accounts/services in the same bank not only increases the business' ability to keep their operations organized, but it also increases customer loyalty and ensures their continued business with the bank. Furthermore, providing interested and potential customers with a standardized checklist and an online resource (typically through the bank's online portal) focused on what information and/or documentation is needed to set up the desired services and/or bank accounts not only reduces the instances of misunderstandings and missing information (which increases the cycle times required to open the account or start the services), but it also reduces the number of inquires given to bankers, thus allowing them to move on to other tasks.

✚ **Related KPIs:** Cycle Time: Small Business Account Opening, New Business Checking Accounts Opened per Branch

Best Practice 1-B

Develop a Client Training or Orientation Program to Improve Customer Experience

Develop a new client training or orientation program that asks the client how they plan to utilize the bank's services, how frequently the client anticipates making deposits or other transactions, who will be making the transactions, etc. Introduce the client to other banking associates who may be helping to serve the client's account. Make plans with the client to discuss how often the bank will follow-up with the client to check that their needs are being satisfied.

Typical Practice (the Status Quo): Ensure that bank associates review products/services that were purchased by the business. He or she should provide the client with their contact information and encourage them to reach out if they have any further questions or needs from the bank.

Benefits of this Best Practice: Customer-focused training or welcoming activities make the account opening process focused on building long-term relationships. This will help to keep customer acquisition and retention costs low and will make the client look at the bank not just as a service provider, but more of a business partner in the future.

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