

**CRM,
Yada, Yada, Yada**



In the Seinfeld TV series, many things were purposefully unsaid, mostly for the sake of storytelling brevity. In place of the details were the filler words,...yada, yada, yada. Mostly, the details that were left out weren't relevant (or funny). However, in the world of CRM, you can't yada, yada the details, because it is in the details where success or failure resides. And there have been too many vendors quick to slap you on the back with a CRM yada, yada, yada.

So, let's stop the insanity. We all know that CRM stands for Customer Relationship Management. But it starts out as something simpler and easier to grasp Customer *Retention* Management. In this gentler version of CRM, we must first identify and understand from whom our business and profit comes. You've no doubt heard of the 80/20 rule. In a profitability context, this is where 80% of the profit comes from 20% of the clients. I think you would agree that this holds true for banking, as well. Would it surprise you to know that the 80/20 rule is more like the 150/10 rule for your institution? It's true. For most every bank, the vast majority of profit comes from a small percentage of client relationships. This also means that there is great exposure to our bottom line, by not serving the needs of these clients well. If they leave so does the growth and profitability of the bank.

To that end, we must identify who our most profitable & valuable customer relationships are, and what products they buy. We then need to reach out to them and find creative ways to strengthen their relationship with us. Enhancing a relationship can take many different forms. A few examples are: adding a product or service to the existing pool of accounts owned by each of these relationships, getting new electronic ties to existing accounts (like direct deposit or direct debit), and recognizing the top client relationships. It's amazing how the last one can have an incredibly long-lasting impact to the banking relationship.

Classic CRM in the broad sense cannot be achieved without first being smart about retaining your most valuable assets – your top customer relationships. Customer *Retention* Management makes great sense because it so cost effective. And because ROI can be easily tracked and measured it makes great sense for cost conscious community banks.

Retention focused CRM does require three key elements to assure success. Yet each of them is manageable, and makes solid business sense. The first element is the backing of the CEO, Sr. Management, and the Board. Without their support, departments may quarrel over priorities. The second key to success is having a vocal and respected champion of the cause within the bank. Usually this is the CEO, but it can be someone designated by the top dog. The last element that must be agreed to in advance is establishing goals. These 2-3 measurable objectives will confirm that our customer retention effort is effective on a simple ROI basis. With these three key elements in your pocket, you can march to virtually any technology vendor and find a love connection.



Broad-based CRM on the other hand, is hard to measure and even harder to employ. Can it be done? Of course. But success with full-blown CRM requires many intricate components, and I dare say that most institutions will be unable to collect the necessary ingredients to cook up success. Exceptional leadership however, can cut through the nonsense quickly to keep you focused and on track with any initiative.

CRM has been given a black eye by those who put forth the yada, yada mantra. Please don't be smitten with the smooth talking yada, yada technology. You see, Customer *Retention* Management is where successful CRM resides. Take control of your key business asset, your top client relationships. Retain, grow, and manage these critically important client relationships to exceptional profits and security.

Marketing Solutions

[MCIF Software](#)

[MCIF Services](#)

[Onboarding/Matrix Mail](#)

[Retention](#)

[Loan/Deposit Growth](#)

[Strategic Marketing Consulting](#)

[Creative Agency](#)

[Direct Mail Fulfillment](#)

Sales/CRM Solutions

[Referral Tracking](#)

[Comprehensive CRM Software](#)

[Cross-selling](#)

[Sales Consulting](#)

[Pipeline Management](#)

[Goal & Incentive Tracking](#)

[Contact Management](#)

[Real-Time Solutions](#)

Compliance Solutions

[CRA, HMDA & Fair Lending Software](#)

[CRA & HMDA Services](#)

[CRA Solutions](#)

[HMDA Solutions](#)

[Fair Lending Solutions](#)

[Community Development Tracking](#)

[HMDA LAR & CRA LR Submissions](#)

[Compliance Consulting](#)

[CRA Exam Management](#)

[File Reviews](#)

[Fair Lending Process & Risk Assessment](#)

[Comparative File Review](#)

[Data Integrity Audit](#)