

Marketing Career Roadmap:

How to become a member
of the Senior Staff



As you achieve more, you want more: more money, more recognition, and more responsibility. Yet maybe the one thing a marketing professional wants most of all is the respect of the Executive team within their organization. And by respect I mean to say, membership among that Senior Staff.

Are you included in the Senior Staff? Do you seek for this door to be open to you someday, if it isn't? If so, what are you doing to help yourself get there? The following thoughts are an outline of what you can do to help yourself and that which you must ask for. Please keep in mind that the culture of every institution can be very different. Balance these recommendations against the politics you experience at the local level.

Historically speaking, the Marketing staff (often a staff of one) is rarely included among the Senior Staff. In fact, most financial institutions still operate this way, today. Why has it been this way? Inertia, mostly...and maybe a hangover from the old regulatory environment which didn't permit pricing competition (as the Fed set the rates). Banks, Thrifts, and Credit Unions over the years have regarded marketing as a "cost" of doing business -- not an investment in your brand, strategic & tactical support for your institution's primary business goals, or a means to drive revenue & profit growth.

Marketing: It's not just advertising anymore!

While marketing still doesn't drive the business in "banking" as in other industries, the tide is turning. Financial Institutions have been changing their view of marketing over the past 12-15 years. Why? Take a look around...more competition (classic competitors both locally and nationally as well as new challengers that are from the internet, brokerage and insurance arenas) and because of the blurring of universal sameness. What I mean by that is it seems that each institution generally does the same thing in almost the exact same way. What makes anyone different? Indeed, what makes your institution different? It is in that quest for uniqueness, that Marketing is gaining power and influence. *That power is driven by information.*

To paraphrase the words of Jim Collin's in his book "Good to Great," "the kind of data that is generally available (about clients and the marketplace) to the *Great* financial institution and the *Average* one, is about the same. The difference is the *Great* one turns their data, into **information they cannot ignore.**" Your future growth is closely connected to the power of information.

3 Areas of Growth:

How will you personally grow to the point where you are seen as Executive Management material? Let's cut through the clutter, and focus on the key elements of your growth. There are three separate categories that will enable your elevation: what you can do for yourself, what you need to ask for, and enhancing your relationship with your CEO. Hopefully you will gain clarity into these concepts as we explore these different areas.



Do It Yourself:

Let me ask you a question: What is the one thing large mansion's have that normal homes do not? A library. Hmmm. How much do you read? If you do, is it John Grisham and James Patterson, or is it Jim Collins, Tom Peters, and Seth Godin? Is your reading based on your business life, or your personal life? Hey, reading for fun is great. But if you are not also reading a great deal for business growth, then you are bungling an opportunity to grow in the eyes of your management.

What should you read? Here is a list of books I recommend that you sink your teeth into:

Purple Cow, Seth Godin
Good to Great, Jim Collins
Angel Customers & Demon Customers, Larry Seldon and Geoffrey Colvin
Profit Growth Banking, Roxanne Emmerich
22 Immutable Laws of Marketing, Al Reis, and Jack Trout
Fish, Stephen Lundin, Harry Paul, John Christensen
EVEolution, Faith Popcorn
22 Immutable Laws of Branding, Al Reis and Laura Reis
Reimagine!, Tom Peters
Trends, Tom Peters
Marketing Financial Services, Bruce Clapp (ABA)
The Loyalty Effect, Frederick Reichheld
The Art of Better Retail Banking, Croxford, Abramson, and Jablonowski
How to Win Customers and Keep Them For Life, Michael LeBoeuf
The Next Economy, Elliott Ettenberg

There are of course, many more, but this should get you started.

Each of these books has meaningful management growth ideas. They each also offer practical advice on how to make your organization and your marketing department think differently. You need to begin (if you haven't already) to take responsibility for improving yourself and thereby making yourself more valuable to your current institution and the marketplace as a whole.

Another way to get more and become more is by attending seminars and conferences on marketing, profitability, and asset liability management. This will be discussed in more detail in the **Ask For It** chapter which follows.

How much do you involve yourself in pricing decision on products or on asset liability management (ALM)? You must begin (again, if you have not already). Exceptional marketers must understand and be involved in managing margin risk and pricing at their financial institution. After all, Pricing is one of the commonly referred to "4 P's" of marketing (Pricing, Place, Promotion, and Product.) Marketing's direct involvement in pricing is fast becoming a fundamental need in every institution.



Study your financials. If you don't understand something, ask for an explanation from your CFO. You must fully understand how your Bank, Thrift, or Credit Union makes money, and how a changing rate environment creates real risk to your bottom line. To this end, as you become comfortable with ALM, you need to be included on the asset/liability committee. Nothing says I am important like being a part of the inner pricing decisions that affect your institution's health.

Another important step in growing as a marketer is becoming literate on your organization's goals and objectives. Begin to ask some tough questions about your institution's position in the marketplace and about your clients. Your Senior Management may know, but most do not. Some answers you may need to push for. But in *asking these questions alone*, you will elevate how you are perceived at your institution.

How does Senior Management plan on growing? What brand or uniqueness would management claim your institution represents in your market? How does the market perceive you? Does it match-up? (Hint: It doesn't, usually.) Do you, or does Senior Management, know who your top clients are? In banking, it is not commonly known that only 1-2% of your client relationships deliver 100% of the profit! In Credit Unions, this number is in the 8-12% range of member relationships. Do you know what percentage of top clients and all clients leave you each year? FYI: The *average* churn of relationships is 14.6%, according a study by Celent Communications in 2003. This level of churn means that you have to replace 14% of your client relationships, and all of their accounts & profit each ye ar, *before you can even grow*. This is compelling information. And it may come as somewhat of an epiphany to you. I hope so. Then again, I hope you already know it and are acting on the stark reality it presents.

How do you get the answer to these questions, if you don't know? This is one of the many benefits that MCIF software and services provide. Do you have one? You need one. If you have one and aren't using it for these strategic purposes, get some training and get going! I'll discuss getting an MCIF (or CRM solution as some call them now) in the next section, if you don't have access to one already.

As a marketer you must begin to think strategically. Marketing is no longer simply about creating an ad, coordinating an agency's efforts, or a developing a marketing program; although these functions are a part of the job. Marketing must be focused on enhancing the franchise and creating shareholder value. You have to build strong relationships with I/T and your financial folks, and have a real understanding of the line function so that you can help them serve clients more effectively and efficiently. You must begin to think like your CEO does. I'll get into this greater detail as we start the final section, **Think Like a CEO**. At the end of the day, every department in your institution is fighting for resources. You must deliver profit with yours. If you do, you will get more recognition, responsibility, and money.



The popular speaker, consultant and author Tom Peters, refers to this personal evolution as the branding and launching of a new product, Me, Inc. You are the CEO of Me, Inc. Who are you, and what do you stand for? What makes you different? What strategy will Me, Inc employ to grow? Do you know?

In the end, you must take some power. Power is not something that is usually given to you; it is something you take. Take the lead on some initiative and act like you own it. Ever want to be an actor/actress? Act the part, and people will respond to you. Obviously, there is a balance between what you can take, and what you need to ask for. You can take initiative in all things marketing...but you must ask for things that have traditionally fallen outside that parameter.

As you can tell, growing as a marketer places a great responsibility on you. You alone are responsible for you. Be committed to your profession, yourself, and your job. In the end, if you lack commitment, you won't grow in the eyes your management team. Keep in mind, most financial institutions will not give you this counsel from within. Yet, as you develop your skills, it will amaze you how people will respond to you differently. You can do it!

Ask For It

To grow as a marketer, you need to learn more about marketing, and what marketing's role can be. Often, you must ask for the privilege of learning how you can more effectively manage your job, provide more value, and get better connected within your management team. What do you have to do to get what you ask for? You have to be willing to learn new things and be proactive. You cannot remain an order taker (reactive). You must stop thinking of yourself as a "worker-bee". To become of greater value, often you have to ask, as you won't be invited.

Would it interest you to know that the majority of marketers who attend the ABA School of Bank Marketing & Management (SOBMM) program are already a part of their Senior Staff and on their ALM committee? Yes, this is also true in the Credit Union equivalent. Does this mean that you have to be recognized as valuable, before an institution will invest in you? That is how it seems to work. You can get there beforehand though, if you ask.

When asking for continuing education, you must offer some benefit to your institution in return. After all, they will want to know what is in it for them. How will you be more valuable if you go? I am comfortable that after reading through the recommendations listed in this document, that you will have a suitable answer! Gaining insight from a school you attend, and/or conferences and seminars is imperative. You must ask that some of your budget dollars or that of HR's training budget be allocated to you. I know you are now beginning to see why, but you need to express this desire and need to your superior.



Who is your superior by the way? Another way to improve yourself is by asking to report directly to the President or CEO of your institution. Think about it...isn't your CEO the chief marketing officer at your institution? Your mission in Marketing is tied directly to the vision this person is charged with delivering. How better for you to help them achieve their goals than for you to report directly to them. Ask for your supervision to be transferred to the President or CEO, if it is not already.

When you think of the things you in your role as a marketer need to understand about your business (as described in the previous section), you need the tools to do your job. Having information is the pivot from which you do everything. As mentioned before, *"you need to turn your client information and data, into information that cannot be ignored"*. How do you do this? By using an MCIF. The acronym MCIF stands for Marketing Central (or Customer) Information File. Essentially, an MCIF brings in all of the account data for every client you have, from every system you have and then merges that data into a client database. From there, an MCIF places accounts with common ownership into Households (or rooftops). This function is incredibly valuable in this new information age of marketing. Then your MCIF will perform profitability on each account; roll up the results for each Household relationship, and by product, etc. all the while balancing to your institution's general ledger (G/L). Once this is done, you can easily answer almost every strategic marketing question you, your Senior Management or even the Board of Directors may have about your institution. Now, do you see the power that Marketing can have?

In addition, an MCIF can help you tactically re-price products, effectively target specific clients and prospects for special offers/promotions, retain high value relationships, evaluate your delivery channels against your client base's needs, and more. An MCIF is the primary strategic information tool for a financial institution. It is the tool you need to do your job. Without the information an MCIF provides, a Bank, Thrift, or Credit Union will flounder in driving results from marketing. You cannot be all that you can or need to be without one. So, you need to ask for an MCIF. Get it in the budget. Used effectively, an MCIF will pay for itself many times over each year. Use the examples available herein, ask for case studies from vendors, seek help from your peers, and ask your state associations or marketing groups that you are a member of if they can offer some assistance to get the approval. The benefits of an MCIF are enumerable to you personally, and to your institution.

When you have enhanced your reputation within your organization through the investment you have made in yourself, and through the investment your institution has provided, ask to become a part of the Senior Management Committee, if you have not already been asked. Also prepare to be on the ALM Committee, and ask to be a part of it.



What is your title? Does it reflect the value you provide to your organization?

Unfortunately, in “banking,” you are as respected as your title says you should be. Some of you are already a Vice President. Some hold the “Director of Marketing” label. You must be a Vice President, reporting directly to the President or CEO. An SVP would be better. In order to accomplish the formidable tasks that you have, you must have the respect within the organization to get it done. Often, respect is only conferred on you by your peers when you have such a title. While we all wish this weren't true, we must accept it as the reality we must live with. In time, you must ask for your due.

Are you waiting for someone to invite you to the dance? There is no better way to get there than to ask for a seat. When you are ready, you will know it. Then walk to the edge of your experience and jump. Your ability to grow depends on you valuing yourself, which in turn will help you articulate your value to the organization you serve.

Think Like a CEO.

The third leg of this developmental growth platform addresses your relationship with your CEO. You must become a strategic confidant. If you have ever heard Paul Diesel (member of the faculty at School of Bank Marketing & Management) speak on this subject, then you are already ahead of me. If you haven't had the pleasure, stay tuned.

In order to gain the attention of the CEO, you must begin to talk about and be concerned with the same things as your CEO. You must take the things you do today and rephrase them into terms the CEO understands and cares about. Only then will the CEO feel that you are on his/her wave length. Does this make sense?

As Paul Diesel would say, the CEO is interested in three things: 1) Revenue and profit growth, 2) managing your rate spread (if you don't know what this means, you need to), and 3) growing the long-term value of your financial institution's franchise in the marketplace. Are you comfortable in talking with the CEO about these things? If not, then candidly, you are not ready to ask to be invited to the dance.

Your CEO is all about returning value to the shareholders...that is what keeps him/her awake at night. Are you on that same page? Get there. You need to know what your CEO is thinking about...loan growth, deposit growth, margin risk, new branches, acquisitions... In the end, you need to be instrumental in helping your CEO create the strategy for growth at your institution. Marketing and positioning are fundamental to this goal. But as we have discussed, most financial institutions don't view marketing in this way. They must. And with you leading the way, at least yours will.

What are the key concepts that CEOs and CFOs use that you must understand? Let's start with ROE, ROA, and ROI. Have you mastered these terms? To get in that meeting with your fellow Senior Staffers, you must.



ROE – Return on Equity. Equity is the money that the shareholders have placed in the business. They want a return for this investment. The CEO is interested in delivering this, as his/her job is dependent on producing an effective return. If anyone can get 5% for their money in a CD, that CEO better be producing a much better rate of return. A good ROE for a bank is in 15-16% range. Anything greater than that, is well, great! *Is your Community Bank an S-Corp? Get with your CEO/CFO to understand how this impacts your ROE.* While Credit Unions don't usually emphasize ROE, a non-profit Credit Union should expect an ROE (or its equivalent) in the 6-8% range.

ROA – Return on Assets – If I asked how many total assets your institution has, you would likely be quick to answer. That number sets a standard financial performance measurement for what your institution's expected return and growth should be. Your organization needs to leverage these assets (loans, investments, real estate, furniture, etc.) into profit. Are you getting the return from these assets that you should? How does your ROA compare to similarly sized and styled institutions? CEO's love to compare how they are doing in comparison to their peers. It is how they keep score and prove to the Board of Directors that they are competent, if not brilliant. You should be seeing an ROA of 1.2 or better at you Bank/Thrift. At your Credit Union, a category one rating from NCUA requires a 0.8 ROA. If you don't know what your institution's numbers are, ask, or get on the FDIC.gov or NCUA.gov web-sites. They each make reports available that describe every *institution's* performance.

ROI - Return on Investment. A CEO is willing to spend any amount of money if the return is worth it. What does worth it, mean? Please refer to ROE and ROA. Many times, your organization buys things that will have no impact on revenue growth or profits. They are simply acquisitions necessary to do the work of "banking." From a marketing perspective, your entire budget should be driven off an ROI model. How can you provide a return on your marketing investment better than your ROA? Want to get noticed. Make marketing a profit center, instead of a cost center.

In talking with dozens of CEOs around the country, I have found them almost universal in thought as to how marketing can help them. The answer: bring them information that is relevant to growing the business, and develop positive ROI business opportunities through your marketing activities. You need to be a little like Bud Fox (Charlie Sheen in the movie "Wall Street"), but with greater integrity and honesty. How can you impact the growth of your financial institution today?



A final thing that CEO's are concerned about is Risk Management. This area ranges from data security, bank secrecy, privacy, and overall compliance. These areas represent a ticking time bomb. Are you even aware of how, from a marketing perspective, you impact the Risk Management of the organization? If not, spend some time with your compliance officer. He/she will clue you in on the wonderful world of regulatory compliance. And once your eyes have been opened, you will understand why there is likely grey hair on the head of your CEO. There is a reason why the word "risk" is in the statement risk management.

Which Chair is Yours?

Once you have embarked on the journey to become a member of your institution's Senior Staff, you will have already changed. It is amazing how the simple act of projecting yourself in a new role, automatically sets your subconscious on its journey. Congratulations! You will now likely begin to be drawn to areas of decision making and involvement in which beforehand, you may have chosen not to participate. It is in these forums that you will begin to change how people see you, and soon where you will see how they regard you differently. Won't that be fun?

Remember it isn't just one of these areas from where your real growth will come. It is from each of them. Take responsibility for your own professional growth, ask for the tools to do the job right, and begin to engage with your CEO in the language of their existence. When you do, it is only a matter of time before you will ask, "which chair is mine?" in the Management Committee meeting.

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