



You CAN Conquer the Next Banking Tsunami: An Early Warning System Against CX Disasters

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SUPPORT EXP
Real-Time CX Analytics from Diagnostics to Action



From December tornadoes to record-breaking heat, our attention seems to be captured by extreme weather. Of all the hazardous weather events, major tsunamis are thankfully among the most infrequent. But when they DO occur, they can have a dramatic, catastrophic impact on our lives and property – for example, when an underwater volcanic eruption in the South Pacific triggers a tsunami so powerful its effects can be felt thousands of miles away!

As with violent forces of nature, the effects of sudden change in financial consumer behaviors can be devastating if senior executives are not focused on the right indicators – or not prepared to deal with the outcomes. Support EXP's **5-Step Proven Model for CX Success** serves as an essential Early Warning System that elevates financial institutions over banking industry tsunamis. Our comprehensive and proven process pinpoints potential and developing CX challenges, then preemptively informs with intelligent action to intercept them. Leveraging leading indicators rather than lagging indicators, it prepares you to not just withstand the effects of the next major industry disruption, but to identify its root cause(s) ... before it happens! *What better way to make it through the next catastrophic event than to avoid it in the first place?*

Shock Events – Natural and Financial

The four stages of the tsunami lifecycle parallel a financial institution's potential CX disaster following a *shock event*:

1. Initiation

- Natural Tsunami: A large and sudden undersea disturbance, most frequently an earthquake, generates a series of long ocean waves.
- FI Tsunami: A *shock event* like a core conversion, a merger, or the introduction of a new banking channel generates a rise in customer dissatisfaction, friction, and ultimately customer attrition. Workforce issues like persistent, rapid turnover can also threaten your ability to provide service that lives up to your standards and your customers' expectations.

2. Split

- Natural Tsunami: The initial series of waves divides, with one group radiating out into the deep ocean and another travelling toward nearby land.
- FI Tsunami: Some areas of your organization will be impacted more directly or severely than others by the shock event. The front lines, for example, will bear the brunt of your customers' initial reaction. You must allocate your resources to counter the effects. But you need sound intel to get to the root of the problem and determine where your efforts will have the most beneficial results.



3. Amplification

- Natural Tsunami: Wave height increases, along with the distance between wave crests as they travel toward land. The leading wave becomes steep.
- FI Tsunami: With fluctuations in consumer tolerance, a little problem can quickly grow into a major issue. As financial consumers migrate to digital, your online banking and mobile app need to provide an experience consistent with your other delivery channels. One bad experience – e.g., being stuck on hold indefinitely with the call center – can be shared with many other consumers very quickly in this age of social media. A single irate customer could have a disproportionate impact on your reputation.

4. Run-up

- Natural Tsunami: A peak of the tsunami hits, inundating the shore above sea level. A larger tsunami may come onshore like a fast-rising flood or a wall of turbulent water; it can flood low-lying coastal areas more than a mile inland.
- FI Tsunami: The effects of the triggering event – customer attrition, employee turnover – are felt throughout your organization, to a degree and duration determined by your foresight, preparation, and resilience. Your frontline employees, including call center, third-party contact centers and digital support, may be overwhelmed without proper resources and supporting infrastructure.

In both the natural and financial worlds, these stages are progressive and interdependent. But the magnitude of the initial, triggering event and speed through the cycle can vary greatly. Sometimes it builds slowly and stealthily; other times, you will detect it sooner but have very little time to react!

It can be difficult to predict when and where a threat will arise. There is often little surface evidence early on, so it takes specialized, sensitive equipment to detect the little rumbles that may precede a large-scale disaster. When real tsunamis occur, warning systems can give those in the area at risk time to evacuate. Foresighted communities prepare for a tsunami threat with thoughtful land-use planning and building design.

What are you doing to prepare for, examine, and understand the next banking tsunami – its drivers, its potential impact, the things you can control and the things beyond your control?

Executives of financial institutions, like those living in a tsunami hazard zone, are bracing for the business challenges sure to come in 2022. As with an undersea disturbance, unseen friction in the customer experience grows exponentially – with potentially devastating results! Because of uncertainty about what form the next threat will take, an agile, responsive early warning system in the form of leading indicators is the best way to be prepared.



Leading versus Lagging Indicators

Though some financial institutions are resting on *lagging* financial indicators, in reality *leading* indicators are the best way to mitigate the impact of that next shock event on your balance sheet. Simply, it's the "ounce of prevention" approach! Metrics like Strong Core Earnings, Net Income, and Capital Growth will not be affected early on. Relying on them can create a false sense that things are going smoothly and according to plan. By the time the disruptive waves are reflected in the balance sheet, the tsunami has made landfall. At that point, bailing out and restoring what has been lost is a daunting task – it can be done, but it could have been avoided.

The value of leading indicators is that they actually enable you to take informed action to intercept the future. And the most valuable leading indicators are those that show in real time what's happening when customers encounter systemic friction or troubling hotspots, whether in the digital user experience, in-branch interaction, call center communication, interactive teller machine/video remote teller experience, etc. This in-the-moment reality dictates whether financial consumers stay with you – or not. It also determines how they will speak about you "out there" on social media.

Taking your cue from leading indicators has an obvious advantage. This is where the best of leaders maintain a perpetual focus, so there is less to recover from later. Think of it as preemptive "damage control," replacing the idyllic hope that "things will not be as bad as you are imagining" with solid leading indicators that actually result in predictable and desirable outcomes.

Are you tracking these Leading Indicators/Early Warning Signs?

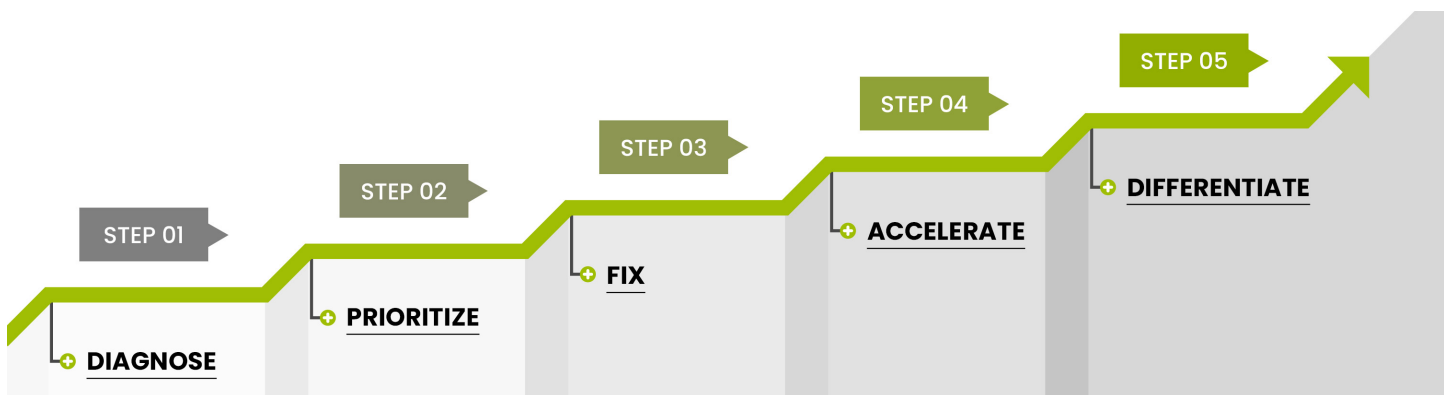
- Increase in volume of customer complaints, especially about a certain product, channel, etc.
- Expanding range of customer complaints
- Escalation of customer complaints to higher level executives
- Proliferation of "one-off" bad experiences into systemic CX issues
- Influx of Call Center activity because the customer couldn't complete the transaction in the channel in which it began

Ultimately such instances have visible impact, through lagging indicators of customers minimizing their business with you or even closing their accounts. This situation is not hopeless, but recovery will require quick, pinpointed and deep analysis to focus executives' attention in the right direction: your customer relationships. Sustaining these relationships will ensure that the financials remain strong. So when the next wave hits, it won't wash away the present leadership.



Is there a way to fix what's been ignored or what is in the early stages of problematic impact? The answer: Yes, without a doubt. It will take work and a bit of time – but it is time well-spent, putting you in control.

Here's how to do it: A 5-Step, Proven Model for CX Success –



- 1. Diagnose:** Start with a clear picture of where you are today. Use comprehensive measurement to uncover CX friction preventing you from living up to your brand standard or to your customers' changing expectations.
- 2. Prioritize:** With pinpoint precision, identify your CX "hot spots" throughout all Products, Processes, People and Channels, so executives can determine exact areas of focus in alignment with business objectives.
- 3. Fix:** Identify key themes and insights emerging from the CX data, and adopt specific steps toward remedying "hot spots" and/or systemic issues at the root level.
- 4. Accelerate:** Use ongoing executive-level insight, to inform your CX strategy and drive its execution, shortening the time to action.
- 5. Differentiate:** This is where you want to be! Backed by key performance metrics, build a visible culture of service quality that grows customer loyalty and sets you apart.

Like the stages of a tsunami, each step builds on the previous, until you regain your losses and surge toward differentiation, standing out from the competition! You won't show up at your board meetings empty-handed. Not only will you have a solid plan, you will have progress and measurable results.



Here's what one of our clients had to say about their experience using our 5-Step Model for CX Success to create a clear line-of-sight to their objectives:

“**Support EXP's partnership has provided the member service accountability construct necessary for our service goals. Support EXP provides support through a clearly benchmarked and transparent program accessible to Credit Union leadership and which can be cascaded to all employees through coaching and development. Through our collaborative efforts, we have implemented a holistic approach which focuses upon the key drivers most important to our membership. They have helped us navigate COVID-impacted service disruption and are providing insights to shape our service priorities in a way that is progressively responsive to changing member experience preferences.**

– Joy Wilson, SVP and Chief Administrative Officer | ORNL Federal Credit Union

Building a Disaster-Proof Strategy

The next tsunami in the banking industry is not a matter of “if.” It is a matter of “when.” Support EXP's 5-Step Proven Model for CX Success can help you not just survive the event, but thrive based on your ability to manage it.

Our model is a blueprint for purposeful/intentional change, driving your organization toward your identified key objectives, like increased customer loyalty and sustained revenue growth. It increases responsiveness to pressing problems, and gets you in front of potential issues, more than reliance on lagging indicators ever could. It builds a floodwall against a rush of negative CX drivers – not just the initial swell, but successive waves as well.

This is a plan focused on practical results. It is a strongly reliable predictor of disasters headed the banking industry's way. It recognizes and responds to the shorter time you have to strategize and act now, in a market where consumers are increasingly intolerant and impatient. Most importantly, it equips you to anticipate change and get ahead of it, so that what may be a shock event for others is another opportunity for you to prove your ongoing value to your customers.

Get in touch with one of our CX experts today to get started on the first step to your own success!



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