

## CIBC SCORES SALES SUCCESS WITH ENACT

**CIBC deployed EnAct to align and integrate CRM innovations designed to boost more profitable sales and service.**

Canadian Imperial Bank of Commerce is a dominant player in the Canadian market, with \$281 billion (Canadian) in assets, 1,400 branches, 47,000 employees, 7 million individual customers — plus 325,000 small business and more than 10,000 corporate customers, and the fourth largest PC customer base in North America.

Like many other ActionSystems clients, CIBC was an industry leader when it came to information and segmentation for customer relationship management. The bank had already made significant investments and commitments in the CRM field, but was still challenged to convert the IT into new value-enhancing behavior at the point of customer contact.

CIBC had already developed and deployed one of the industry's most extensive customer data warehouses, with two years worth of information on 1,500 data points on their clients. They had a sophisticated customer profitability information, based on activity-based costing rather than the balance/spread standard. They had created a new segmentation scheme that effectively segmented customers on both value and potential. The bank was also a leader in creating a sales culture, with extensive sales and sales management training. As a result, the front line was already attuned to selling, and front line management employed an intensive system of routines, incentives, and rewards.

But, as they looked at their ability to affect profitability after all this CRM investment, they noted several shortcomings. The customer information was not making its way to the front line, where the customers interact. The emphasis on sales culture, routines, and incentives had successfully increased sales volume, but often at the expense of customer value. More than half of the customers had only one account, customer satisfaction was low, as was retail revenue, and morale was in need of a boost.

What they needed, they determined, was a formal mechanism for CRM.

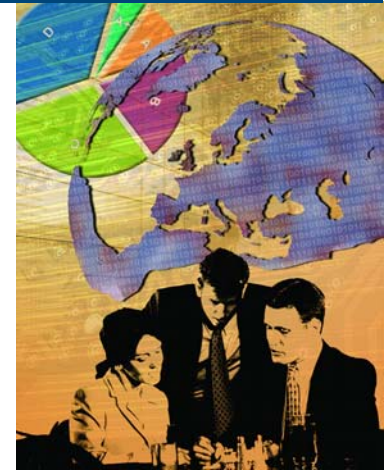
It was at that point the bank took a long look at ActionSystems' solution and decided that it could drive better results by marrying the bank's sophisticated central intelligence with the local market expertise.

### WHAT DOES CIBC MEASURE FOR SUCCESS?

John Jenner explains below. (*Note: EnAct was first deployed at CIBC in a pilot in 19 branches under the name Managing Local Markets or MLM.*)

#### EMPLOYEE SATISFACTION - FRONT LINE

"MLM has elevated our employees' confidence in understanding clients and taking care of their needs. Historically, they had never been given this rich information. We provide them all the details on our clients: the customer profitability, product relationships, the relationship potential, model scores, etc. When they actually took this information and started to work with it, they had a better understanding of what their clients were about and what they wanted out of the relationship. This knowledge made them more confident and very much more proactive and able to adjust to the dynamics of the client relationship."



**CIBC already had a data warehouse, customer profitability, customer segmentation, sales culture and sales management. But they were not integrated at the point of customer interaction.**

**"We measure our success three ways: employee satisfaction, customer satisfaction, and of course, financial metrics."**

— John Jenner, *Director, Relationship Sales and Customer Marketing*

## EMPLOYEE SATISFACTION - SALES MANAGEMENT

"Introducing this process across the country has been like a magnifying glass. Those areas that were already doing sales management and sales activity before *MLM* see this as a blessing to them. It actually helps them be more productive in support of the specific strategy. As for those areas that have not been doing sales management, *MLM* opened their eyes to the value and the opportunities of bringing a disciplined approach into the environment."

## CUSTOMER SATISFACTION

"Here is a great example on delivering a high-level of customer satisfaction through *MLM*. A few months ago, when the stock market was taking the financial world on a roller coaster ride, the *MLM* tactic was for the branches to go to the software and ask for "Anybody who has an equity-based investment relationship with CIBC both within and outside retirement plans." They took those lists and actually proactively phoned those clients and said, 'I know you're concerned. We're on this roller coaster of a stock market ride, but the financial plan that we did with you is solid. We're here to ride that roller coaster with you.'

"We got phenomenal responses back from our customers saying that they were thrilled we actually approached them. Normally they would say, 'You are only interested in us when you want to sell a product.' We were not selling a product. We were just telling them that the advice we had given them was sound and solid and that we were with them. A lot of the feedback was, 'I did not even hear from my broker.' 'I didn't hear from the other bank that I dealt with.' 'I'm very impressed that CIBC was here for me in the bad times as well as the good.'"

## BOTTOM-LINE FINANCIAL RESULTS

"As we measured the impact of *MLM*, we wanted to have a clear picture of what incremental revenue could be attributed to this initiative. We identified peer branches that matched the same revenue growth as our pilot branches for *MLM* and followed their growth rate for one year before launching *MLM* nationwide. Now there is no doubt about it — we have seen tremendous incremental growth as a result of *MLM* compared to the control branches. We have been seeing up to two times the revenue growth as a result of *MLM*... *MLM* branch revenues have consistently outperformed peers by an average factor of 1.6."

## SHAREHOLDER VALUE

"*MLM* has made for a great story to take to Wall Street. We have presented to them a number of times, and there seems to be a high level of satisfaction that we are going in the right direction with our Customer Relationship Management initiatives.

— Tom Brown (*Tiger Fund Management*) in particular has been impressed."

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## AN ORGANIZATIONAL MAGNIFYING GLASS

"*MLM* also serves another valuable, unexpected role. It has become a magnifying glass for us. It helps identify other opportunities or other processes that are outside of *MLM* that need to be addressed. For example, it helped us see that we were not investing enough in our regional managers - in training them on sales skills, sales presentations, sales management, while we tended to overdo the product knowledge training. *MLM* helped us identify those individuals that felt ill-equipped to deal with clients, their objections, and concerns. I think we would have missed that if not for *MLM*."

## MAXIMIZING CRM INVESTMENTS

"With *MLM*, we are taking the best of both worlds — central and local. We are taking the best we can get from actual customer information, so we are maximizing the central intelligence. At the same time, we are sharing that intelligence and information with

our front line staff, and maximizing their local knowledge and helping them implement very specific and targeted sales efforts against best opportunities."

— Vit Hrdlicka, *Director, Relational Sales and Marketing*, CIBC,  
in a speech to the BAI Sales Management and Branch Banking Conference

### **MULTI-CHANNEL APPLICATION**

"*MLM* is helping us tremendously in dealing with multi-channel issues in CRM. For instance, our high-value clients are assigned a financial advisor who resides in the branch network. Through *MLM*, we can empower that financial advisor to know what is best for each of the clients in his or her portfolio. Then the financial advisor can determine which channels are best for fulfilling the client's needs — in-person (the financial advisor), telephone banking, PC banking, Web, ABM, or a combination — and then allocate resources accordingly."

— John Jenner, *Director, Relationship Sales and Customer Marketing*

### **THE CIBC BRAND**

"Between the *MLM* process and the resulting consistent interaction we now have with our clients, we can create and support and create a very, very strong brand in the marketplace. Only about 20% of the brand can be driven by advertising and marketing. The rest is up to the interaction with the customer."

— John Jenner

### **CULTURAL/BEHAVIORAL CHANGE**

"What really lights up their eyes at the front line is when we go into the software, because that's when they get to start looking at their customer data and start seeing what they can do with it and start taking a more targeted approach."

— Wendy Pilon, *MLM Coordinator*, CIBC,  
in a speech to the BAI Sales Management and Branch Banking Conference

"Before *MLM*, our main measure was achievement of sales in a product area. How many mortgages did we sell? How many investment products did we sell? Now, with *MLM*, we look at key leading indicators around our activities: number of appointments, numbers and dollars in sales. We also track ratios: calls to appointment, appointments to sales, and average dollars sold per appointment. This helps us focus our activities in the right place."

— Mabel Lee, *MLM Field Technical Advisor*, CIBC, in a speech to the  
BAI Sales Management and Branch Banking Conference

"*MLM* has given me the opportunity to capture sales leads based on my branch and market potential. I've been able to combine the technology available, using the *MLM* program, and my knowledge of my clients and area to plan my activities. That has the biggest impact."

— CIBC Branch Manager

"This is the tool we have been waiting for."

— CIBC Branch Manager

"*MLM* brought the strategy to the front line. I have got total buy-in and involvement. My people are building more client relationships than ever."

— CIBC Branch Manager

"The best testimonial of the front line's embrace of this tool is this: they changed the acronym of *MLM* from Managing Local Markets to Making Lots of Money."

— Vit Hrdlicka, *Director, Relational Sales and Marketing*

## “IMPLEMENTING CUSTOMER MANAGEMENT SOLUTIONS”

Meridien Research Report  
September 1998

### RESEARCH DIRECTOR, BILL BRADWAY

*"...Initially, 19 branches in two separate local market areas were selected for the pilot along with an equal number of control branches. One of the findings from the planning process was the realization by branch managers that volume-based analysis of customers (e.g., total deposits) did not always equate with high value to CIBC.*

*The pilot branches were equipped with a stand-alone version of ActionSystems' application and a branch-level customer database extract from the (the bank's data warehouse). This database extract included customer-level information on products and services, the customer and account level profitability calculation, and selected customer analytic application results. The pilot branch managers were trained by ActionSystems to use the process to analyze their respective customer and market information to identify new sales opportunities. This training provided detailed guidelines for developing sales initiatives for managing customer level contacts.*

The pilot was designed to run for one year, but the initial results and lessons learned led management to accelerate the development of a network-wide deployment schedule. In addition to quantified results, management was surprised at the endorsement of the ActionSystems initiative by the pilot branch managers. This "cultural" acceptance was directly aligned with improved business results at the pilot branches.

The pilot branches effectively executed locally-designed sales tactics and improved the leverage of national marketing campaigns. For example, the pilot branches, by using individualized local market strategies, were able to generate a 50% response rate vs. a branch-wide response rate of 15% for the centrally-planned and executed campaigns.

**Looking Ahead.** ...The objective is to position the bank and its staff with superior capabilities to enhance and guide a customer's evolving relationship. *MLM* is a strategic enabler that allows the branch manager and relationship officers to focus on the right customers and understand the set of services that will meet the customer's needs. Finally, the bank will be able to continuously measure opportunity management results on a consistent monthly basis to stimulate better overall results and more rapidly identify and share best practices... *MLM* allows the local manager to decide how particular customers can most effectively be served, either locally, centrally via the bank's call center, or electronically.

The bank has now developed a timetable for a system-wide implementation...."

**"MLM takes the power of centralized intelligence and moves it out to the front line. We've definitely bought into the process, and we're absolutely very happy."**

— James C. Allen  
Senior Vice President  
Relational Sales and Marketing  
CIBC