



MCIF Service Bureau:

Get Success with MCIF
Without the Hassle



How many folks get results with Tony Little's "Gazelle"? You know the TV pitchman with the ponytail and the shorts (that no one should actually wear) that sells the dream of an effortless workout? Let's be candid, except for a smattering of you, most of us would pay someone to work out for us if we could. Why endure the pain of doing the work, or even committing the time necessary, when we could simply ask someone else who knows how...to do it for us?

This is an interesting concept.

For many marketers, learning to use an MCIF or even carving out the time required to manage one is either unsavory, impossible, or both. But why do it yourself? Why put yourself through the hassle when you can ask an expert to "work out for you"? Imagine all of the benefits of MCIF without the pain: real marketing intelligence, onboarding, and targeted direct mail lists right at your fingertips – without having to spend your time to pull it all together. Maybe your life echoes the words of 70's pop singer Carly Simon...*I haven't got time for the pain.*

With an ever skinnier marketing budget and fewer hours to get it all done, you may elect to reach out to an expert to help you gain measurable ROI from marketing. Many overworked marketers at banks, thrifts and credit unions have turned to an MCIF Service Bureau to get the benefits that only come through an MCIF. In this way, an MCIF Service Bureau is exactly like having someone else work out for you. You get the "abs of steel" and all of the gain, without the pain.

Why MCIF information is Important

OK, so what is the big deal about MCIF? Let's get real, many institutions have been around for over one hundred years without having one. How did you get by without one? Is the earth randomly spinning off its axis? Obviously your marketing and financial institutions can survive without an MCIF. Yet you cannot deny that having meaningful business intelligence about your market, your clients, along with identifying your risks and opportunities is imperative if marketing is to proactively drive sales

both efficiently and effectively. Without this knowledge, much of what can be done in marketing is guesswork. Yet once you buy in to the “MCIF knowledge is power” philosophy, you and your senior management will come to rely on this intelligence, as it sets the table for both your overall strategy and the tactics you will employ to deliver measurable ROI for marketing.

Many desire MCIF information and the complementary software tools to help them manage direct marketing campaigns. Others would add matrix mail and onboarding to the list, as this helps to cross-sell new clients and build loyalty quickly. Still others primarily seek the valuable strategic intelligence only available through an MCIF after it performs householding and profitability routines. Maybe you would like to map where your current clients are in relation to your branches? All are MCIF-worthy features that help you focus on and then accomplish specific marketing and sales objectives.

These days, finding MCIF software that is affordable and easy to use isn't difficult. Finding someone to operate it is fairly easy also. However, finding someone who has the sophistication about database marketing tools and technologies you need is more difficult. You don't just need to know which buttons to push...you also need to know what you are looking for and what the information is telling you. Having an experienced user or database marketing expert on staff to drive MCIF software is always best, if you have one. Unfortunately, most institutions do not.

So, how do you get the benefits of an MCIF if you don't have a qualified user on staff? For most it isn't the person as much as it is the time and laser-like focus required to achieve specific objectives. Unfortunately, most marketing departments are understaffed and underfunded. So it is no wonder that the need for outside counsel is often the right choice. In fact, using an MCIF service bureau may be better than using your own staff in many cases, as an expert sees the impact of successful projects across a myriad of institutions. And that experience is invaluable. This is why MCIF Service Bureaus have found favor with so many financial institutions that either don't have the staff or the time to manage an MCIF in-house.

In his book, *Good to Great*, Jim Collins made one point very clear. “The kind of information available to the average institution and the great one is about the same. The difference is, the great company will turn the data



they do have...into information they cannot ignore." This "information you cannot ignore" is provided exclusively by an MCIF. In the hands of an expert, an MCIF system is a lethal marketing weapon.

Are you struggling to use an MCIF you already have? Have you always wanted one, but knew for certain you were doomed to failure because you didn't have the time to manage it in the way you wanted to? In both cases, hiring experts to do it for you can deliver you into a new level of marketing status and management respect.

How Can an MCIF Service Bureau Help You?

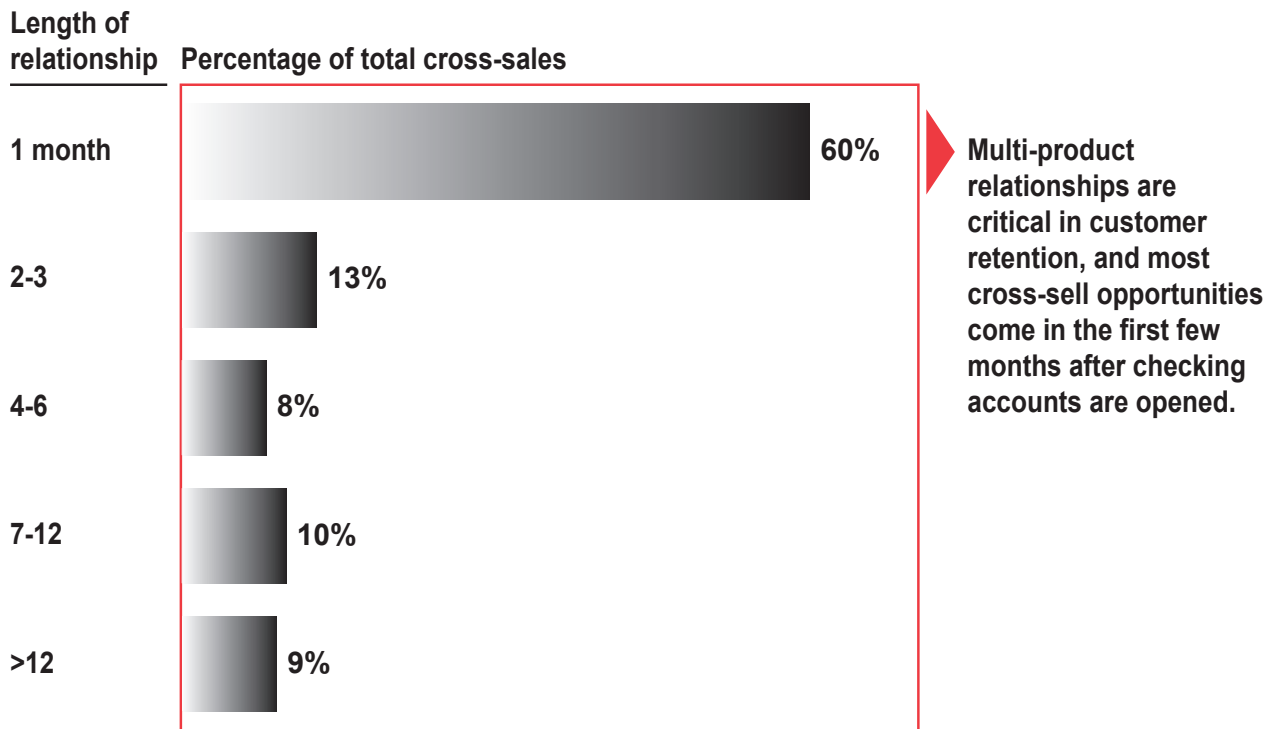
Let's examine a few of the specific projects with which MCIF experts have found success. You should not be surprised to see a number of endeavors discussed that you might find yourself currently undertaking, without the aid of an MCIF or its business intelligence. Imagine your response rates, performance and influence with better Intel!

Retention – According to a Celent Communication 2003 study, the average financial institution will lose 14.6% of their clients each year. How many are you losing? Even if you do know, you must still be able to take action with this knowledge to help you successfully retain a higher percentage of your existing clients.

Often, reaching out to every client is a huge undertaking. This is why many successful efforts focus exclusively on reaching out to the few hundred relationships which make your profit possible. In most institutions, only 200-300 household relationships deliver all of your profit. Huh? Yes, it is true. **Only a few hundred client relationships bring in all of the profit for your institution.** Said another way, lose these high value clients at your own risk. These folks make bonuses possible. Focusing on these clients will serve two benefits: improve your retention rate (and thereby minimize your profit risk) on your high-value clients; and enhance your cross-selling among those who can impact growth the most. Applying the right tactics to fit your unique situation is what a database expert does. The data leads you, but your ability to interpret the information and take measurable action is invaluable.

Onboarding – Onboarding is a fancy name for a cross-selling initiative to gain loyalty and additional sales from new clients. Today, less than 20% of all banks, thrifts and credit unions have a formal onboarding strategy. This is largely because they lack the time to get it done. This is a darn shame too, as so much of the power and benefit of an onboarding program is your control. Can you afford not to do it?

FIGURE 1: Time is of the essence*



* Source: 2003 benchmarking study of eight large U.S. banks by BAI Research and MarkeTech Systems International

Onboarding programs can be varied and sometimes complex, yet most are very simple to implement. Regardless, a recent study showed that 60% of cross-selling success comes within the initial 30 days of a new client relationship. This means that you will miss out on the easy cross-sales by not onboarding. Your dream of



locking up these relationships long term will also be in jeopardy without quickly reaching out to new clients. Without the expertise, how will you get the results? This is another reason why accessing the experience of a seasoned MCIF user or consultant is a wise investment. Think about it...you spend a lot of marketing and sales effort to bring on new relationships only to see them leave within 90 days. How is this good, long term?

While a simple cross-selling strategy is better than nothing...experts point to significantly higher cross-sell ratios and retention rates with more sophisticated onboarding programs. Is there a reason not to start onboarding? Carve away a part of your marketing budget and begin. With an effective onboarding program, you will not only keep your new clients, but you will also sell more into these relationships as well.

Loan/Deposit Growth – Tactically, every marketer is compelled to drive sales for more loan and deposit accounts. Yet where will the soil be most fertile? Without information on your existing relationships how will you know? By examining your current client base you will find many opportunities for loans and deposits which before had been unseen. In addition, with special market share Intel from Claritas (and others) you will find the “low hanging fruit” of market opportunity for specific products and household segments within your market.

In order to efficiently and most effectively get ROI from your direct marketing efforts (and marketing as a whole), you must finely target small segments of your client base and your market(s) to gain measureable results. Skilled database users can drive this strategy and highlight the real benefits produced in marketing by proving revenue, profit, cross-sales, and retention. Growth for both loan and deposits is assured.

Lifestage Codes & Key Demographics – More than 90% of banks, thrifts and credit unions do not utilize the power of household demographics (net worth, age, income), lifestage coding (behaviors) and/or market demand for product information, to segment their clients or identify market opportunity. Therefore, the opportunity for you to exploit this data and leverage it

for growth in your market is just sitting there. It is unrealized potential. The candy bar is on the table in front of you, and all you have to do is grab it... In addition, taking action with this knowledge will make your marketing dollars go farther than they are today.

Knowing both the key Intel about your clients and specifics related to market demand for products enables you to deliver a one-to-one client experience. Candidly, once you know the kind of data available with an MCIF and appended demographics, you will struggle to remember how you ever lived or marketed without it. Yet knowing who your clients are and what they want is the first step in being relevant to them.

Getting Results and Respect

Our research shows that only about one-third of all bank or credit union marketers are on the senior staff. Why? The main reason: marketing isn't seen as a primary driver of their institution's success. Think for a moment. If you were able to provide meaningful MCIF intelligence, take action on what you find, and then measure and prove your ROI...would management look at you differently? Would you get your ticket to the big room?

Shareholders at every institution want profitable growth. Growth cannot happen without creating more sales leads, closing more sales opportunities and reducing client attrition. The knowledge only available in an MCIF is imperative to get all of this done. Yet if you don't have the time or the internal expertise to manage an MCIF solution, hire experts to drive it for you in an MCIF Service Bureau. Get the results you want to provide and exceed the expectations of your management. Think "Thigh-master...for MCIF." Hire someone to do the MCIF work for you!



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