

# Core Deposit Growth Is Heating Up

Are you back in the business of gathering deposits?



**CROSS**  
FINANCIAL

**“If you believe business is built on relationships,  
make building them your business.”**

*— Scott Stratten*

**“You can make more friends in two months  
by becoming interested in other people than  
you can in two years by trying to get people  
interested in you.”**

*— Dale Carnegie*

**“You don’t build a business. You build people,  
and then people build the business.”**

*— Zig Ziglar*



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## RETHINK THE VALUE OF CHECKING ACCOUNTS

The recession produced a flight to quality. Customers looking for the safety of FDIC insurance increased their deposit balances and bank liquidity increased. Then regulatory changes reduced the revenue potential for some overdraft and NSF programs and income opportunities declined. The increase in liquidity and the limits on potential revenue resulted in a steep reduction in the promotion of checking accounts.

A decade later, the liquidity is gone and banks are rethinking their priorities to promote checking accounts. Banks are still pursuing deposits to address their balance sheet composition, but this time around they are also emphasizing the importance of checking accounts as an entry point to building relationships across additional financial service categories. The ability to generate non-interest income from a primary relationship is again generating favor.

If you are challenging your staff to attract checking accounts embedded with convenient services, hoping they will refer customers to another area of the bank, you're not alone. Many bank management teams believe they can attract new accounts and their staff will, in turn, broaden the financial relationship. Unfortunately, the presence of single service households at community banks, typically falls between 35% to 50%, suggesting that cross-selling is less than optimal.

Frontline staff and relationship builders need to go beyond taking the order and fulfilling customer requests. They need to be supported by relationship training, effective core systems, functional technologies and a customer-centric culture championed by engaged coaches. Banks can no longer complete the transaction and allow a potential relationship to sit idle until the next maturity date or a change in the customer's life stage.

**Product knowledge, suggestive selling, and referrals are required to expand relationships.**

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## THE SOLUTION HAS MULTIPLE PARTS

So, how will your bank set the stage for relationship growth? Promoting checking accounts can generate leads and produce new accounts. This is a fantastic entry point for relationship expansion that will be driven by the customer's financial needs. That covers the first stage of relationship development.

The second part of success is your staff. If your staff is trained to identify opportunities and discover financial needs, the journey begins when the checking account is opened. In the absence of those skills, the journey ends with the new account and will only return when the customer identifies an unmet need. Unfortunately, by the time the customer uncovers their next need, they may be in the presence of a competitor.

Make relationship development a strategic initiative and invest generously in your implementation. Ask your management team to make customer acquisition and relationship growth top priorities. And, if you need a couple of ideas to get things going, start here.

1. Prepare your staff to deliver an outstanding customer experience.
2. Promote checking accounts to establish the foundation for a primary relationship.

**When employees focus on the customer, success follows. Challenge your entire staff to improve each customer's financial condition.**



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