

How Well Does Your Organization Stack Up?

Many financial institution executives are finding that their ideas for organic growth are growing obsolete in today's rapidly changing competitive environment. This is happening to industry giants as well as smaller community banks and credit unions.

Listed below are insightful questions to help you understand where your organization stands in developing a contemporary market-driven approach.

Instructions: For each question, grade yourself on a scale of 1 to 5:

- 5 = We are well positioned on this point
- 4 = We have necessary competencies to do the job
- 3 = We have satisfactory abilities
- 2 = We need improvement
- 1 = We are not positioned well at all in this area

Markets

1. We understand the current demographic (including ethnic) composition of our markets and forecasted trends, and the effect it will have on our future business. *Score* ____
2. We have a deep understanding of all major market segments, their expected rates of growth, and which are high opportunity and low opportunity segments for our company. *Score* ____
3. We have a good grasp of what attitudes our public is taking toward our company and toward our products and services relative to our competitors. *Score* ____
4. We have good information on what changes are occurring in consumer lifestyles and values that have a bearing on the company's target markets and marketing methods. *Score* ____

Customers

1. We have current information on how our customers and prospects rate our company and our competitors, particularly with respect to reputation, products, service quality, our sales force and price. *Score* ____
2. We have a deep understanding of how different classes of customers make their buying decisions for financial products. *Score* ____
3. We understand the evolving needs and satisfactions sought by our customers. *Score* ____

Competitors

1. We have good information about our competitors; including:
 - Who are the major competitors by geography?
 - What are their strategies?
 - What are their strengths and weaknesses?
 - What are the sizes and trends in market shares?
 - What trends can be foreseen in future competition and substitutes for our products?*Score* ____

Sales & Marketing Strategy

1. Our corporate objectives are clearly stated and they lead logically to our marketing objectives. They guide marketing planning and subsequent performance measurement. *Score* ____
2. Our marketing objectives are appropriate and attainable, given the company's competitive position, resources, and opportunities. *Score* ____
3. We have a sound marketing strategy for achieving the objectives; and it includes the following components:
 - Identification of primary and secondary target markets
 - Positioning statements on how the company plans to differentiate itself in the marketplace
 - Definition of the key components of success*Score* ____
4. Sufficient resources are budgeted to accomplish the marketing objectives. *Score* ____
5. The marketing resources are allocated optimally to prime market segments, territories, and products. *Score* ____
6. The marketing resources are allocated optimally to the major elements of the marketing mix. i.e., product development service, sales force, advertising, promotion, direct marketing, and collateral material. *Score* ____
7. The company is well organized to gather, generate, and screen new product ideas. *Score* ____
8. The company does adequate concept research and business analysis before investing heavily in a new idea. *Score* ____

Continued on other side...

How Well Does Your Organization Stack Up? (continued)

Organization

1. There is a high-level marketing officer with adequate authority and responsibility over company activities that affect the customer's satisfaction. *Score* ____
2. There are good communication and working relations between marketing, sales and operations. *Score* ____
3. The product management system is working effectively and product managers are able to plan profits, not just sales volumes. *Score* ____

Information & Measurement Systems

1. Our marketing intelligence system is producing accurate, sufficient, and timely information about our customer base and identifies significant variances to averages. *Score* ____
2. Marketing research being adequately used by company decision makers. *Score* ____
3. Sales forecasting and market potential measurements are soundly carried out. Sales quotas are set properly. *Score* ____
4. Control procedures (monthly, quarterly, etc.) are adequate to insure that the annual plan objectives are being measured and achieved. *Score* ____
5. We analyze periodically the profitability of different products, markets, territories, and channels of distribution. *Score* ____
6. We examine and validate periodically various marketing costs. *Score* ____
7. We understand the profitability of the Bank's different products, served markets, territories, and channels of distribution. *Score* ____
8. We use this information to determine whether or not the company should the Bank enter, expand, contract, or withdraw from any business segments and what would be the short- and long-run profit consequences. *Score* ____

Pricing

1. We have clear pricing strategies, objectives, policies, and procedures, and prices set on sound cost, demand, and competitive criteria. *Score* ____
2. The company's prices are in-line or out-of-line with the perceived value of its offer. *Score* ____
3. The company uses price promotions effectively. *Score* ____

Distribution

1. We have clear distribution strategies and objectives. *Score* ____
2. There is adequate market coverage and service for our priority segments. *Score* ____
3. Our approach integrates all customer touch points including brick and mortar and electronic channels. *Score* ____
4. Our on-line banking site is at least as good as our major competitors. *Score* ____
5. Our delivery approach is a competitive advantage for our company. *Score* ____

Sales Force

1. We have clear objectives for our sales force. *Score* ____
2. The sales force has high morale and is a competitive advantage for our company. *Score* ____
3. The sales force is sufficiently trained and incentivized. *Score* ____
4. Our procedures are adequate for setting quotas and evaluating performance. *Score* ____
5. Our sales force is perceived positively in relation to our most important competitors' sales forces. *Score* ____

Now, add your scores and divide by 40. If your average score is 4 or above, you have good news. You are fairly well positioned as a "market-driven" and "customer-centric" organization.

If you scored 3 or below, you've clearly got some important work to do to be competitive in today's marketplace.

This survey is not the full answer to becoming customer-centric, but it does offer one major mechanism for pursuing the desirable and necessary tasks of maximizing your opportunities with your customers.