Channel Innovation in Financial Services

A Practitioner’s Guide to Development and Integration

By Sandy Vaci

Book 2 in the Keys to Sales Success series
Introduction
Why this book?
How do I set up a sales agent network? How will I control it? How much time will it take to build? How should I layer functionalities across different electronic channels? How to design the best contract for brokers and alliance partners? Are there any templates I can trust to evaluate potential branch locations? What to ask for in terms of customer relationship management (CRM) to best integrate my sales channels? How should my service quality benchmarks change across channels? What works, and what does not, in ‘social media’ channels? What could be the next big thing in internet banking? What is ‘community banking’ and how can I use it to build my network?

If you ever asked yourself questions like these, this book is for you.

How is it different?
The idea behind the book is to give you, the reader, a practical guide through the many different channel possibilities that exist today in financial services. The focus is on the practical: with examples, implementation templates, case studies, ‘to dos’ and ‘watch outs’. Practical also means looking at frequently neglected channels such as intermediaries, sales agents, branch agents and alliance deals. While social media is more fashionable these days, third-party channels are still a good bet for an immediate, practical way to boost scale and flexibility, and to cut costs.

What does it have?
We start with the basics of branches: location selection and layouts. Next comes outsourcing to local entrepreneurs, via branch agents or franchises. Independent sales agents and building and managing third-party relationships are also discussed. We also examine remote electronic delivery: internet, phone, mobile, kiosks, ATMs, even ‘virtual banking’ and social media channels.

How will it help me?
By the time you finish this book, you should feel comfortable evaluating, recommending and starting to build any of the channel options reviewed. You will know what to expect, what to watch out for, how to cover the downside and how best maximise the potential. And, hopefully, you will have a few creative ideas of your own, using the examples from the book and developing them in different ways. And if you are not a practitioner yourself, then you will learn how to help those who build your channels and what to expect from them in return.

Above all, I hope this book makes clear what I believe in:

◆ Real people, consumers, customers, come first. Whatever the channel, however futuristic it looks, we should constantly focus on how we can best serve the people to whom we owe our profit: our customers. It follows that ‘real world rules’ apply – if we can address real needs better than the competition, we will win. Let them get drawn into technology. Let us get immersed in customer focus.

◆ It makes sense to own the customer relationship, rather than the channel that links us. Channels cost money, relationships make money. The main challenge is to control my distribution (what and how it delivers, for how
much money) without actually owning it. The next challenge is to integrate new developments into what I already have, rather than throwing away what I have built so far.

I hope you will enjoy and benefit from this survey of channel innovation. If you have any comments, please contact either the publisher at enquiries@searchingfinance.com or me directly at sandyvaci@yahoo.com.

You can also contact me at the above e-mail address if you need more in-depth help or support. That is what I do now. I help companies become the best, by helping them integrate global best practices into what they have – instead of advocating throwing away your current practices so that I can sell you something new…

If you feel there are things missing on sales basics, sales processes through the different channels and sales management practices, I have a suggestion: why not check out my other book, ‘Sales and Sales Management in Financial Services: A Hands-on Guide to Global Best Practices’, also published by Searching Finance. It deals with the many components of sales and gives examples of global best practices in each area. It is the perfect companion guide to this review on channels.

This book is actually Book 2 in a three-volume series entitled ‘Keys to Sales Success’. The first two books will soon be followed by a third, ‘Segmentation and Marketing in Financial Services – Best Practices from CRM to FMCG’. It will review the latest marketing practices and how they support the sales process. Together, these books form a complete hands-on guidance package for sales professionals.

Happy reading!