



The Power of Experience®

# **Multifactor Authentication**

## *A Clear Identity = TM Success*

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# Agenda

- Your Identity
  - Importance
  - Defining
  - Building
- Closing Remarks
- Questions & Next Steps

# Why Do You Need a Clear Identity?

- Competition
- Globalization
- Solution Scope



# What is Your Identity?



**Global Scope**

**Industry Specialization**

**Customer Experience**

# The Importance of Market Identity: The Regional Bank

	<u>Advantages</u>	<u>Disadvantages</u>
<b>Large Global</b>	<ul style="list-style-type: none"> <li>• Resources to develop sophisticated, cutting edge solutions</li> <li>• Geographic reach</li> <li>• Safety and stability - “too big to fail”</li> </ul>	<ul style="list-style-type: none"> <li>• Too large for personalized relationships with all but largest clients</li> <li>• Little flexibility to tailor solutions except for largest clients</li> </ul>
<b>Med - Large Regional</b>	?	?
<b>Small Regional</b>	<ul style="list-style-type: none"> <li>• Flexibility to change and innovate</li> <li>• Strong ties to local communities</li> <li>• More resources than community banks</li> <li>• Personalized service</li> </ul>	<ul style="list-style-type: none"> <li>• Fewer resources than large global banks</li> <li>• Product innovation often lags large banks</li> <li>• Relationships and service are less personalized than community banks</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Highly personalized service</li> <li>• Flexibility to quickly change</li> <li>• Seen as a staple of the community</li> </ul>	<ul style="list-style-type: none"> <li>• Few resources for product development; rarely seen as innovators</li> <li>• May not have formal Treasury Management business</li> <li>• May be seen as less safe, less stable</li> </ul>

# Global Scope

# Defining Your Market Identity: Global Corporate Profiles

## Degree of Corporate Globalization



### Strictly Domestic

- Use only local currency
- Buy / sell domestically

### Tourists

- Domestic firms with minor global needs
- Occasionally pay or receive in other than home currency
- No Treasury or accounts outside home country
- Simple banking needs

### Emerging Global

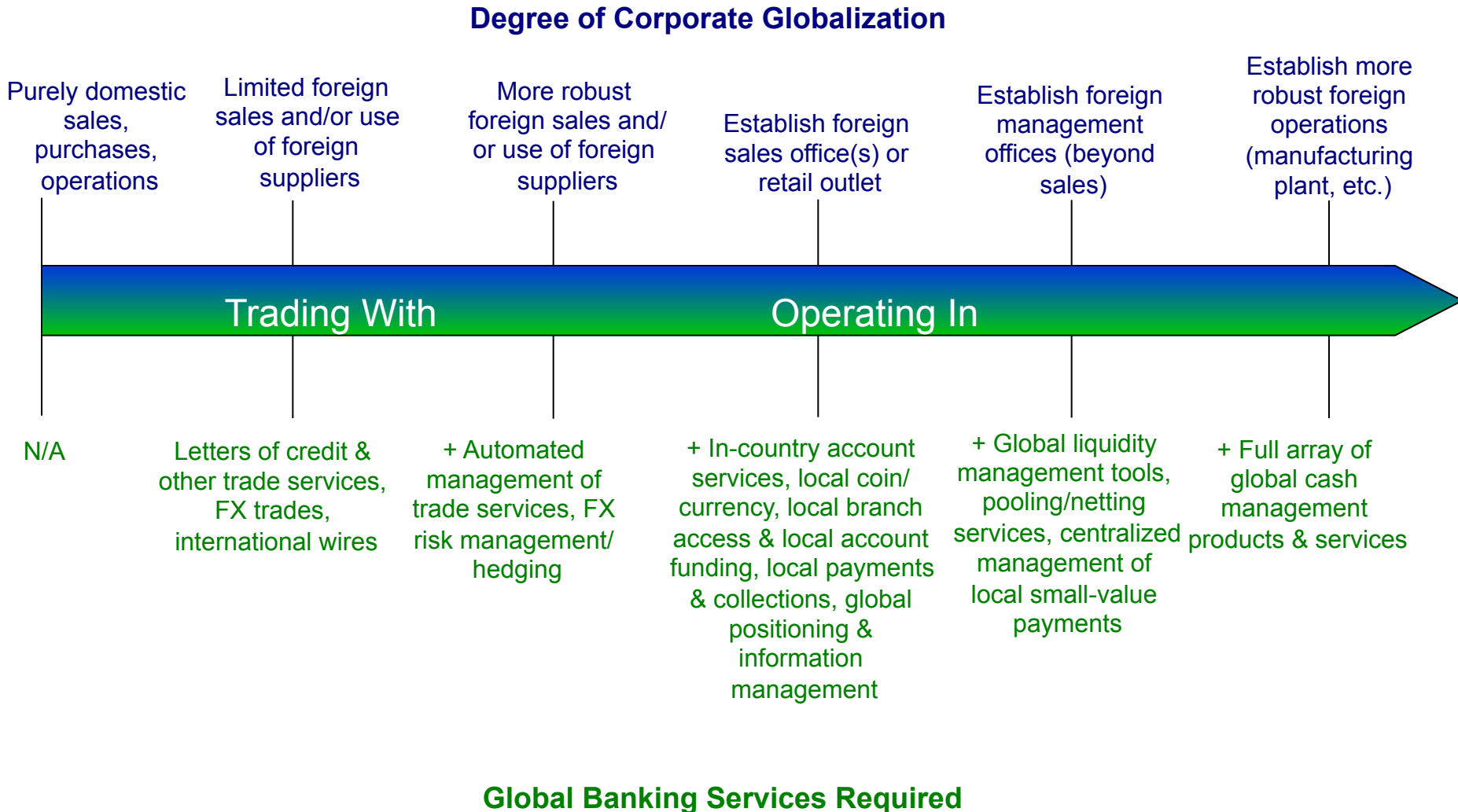
- Domestic firms with growing global needs
- Most operations in home country
- Some banking outside home country
- Confronting more complex treasury and working capital challenges

### Global

- Operate in multiple countries
- Treasury headquartered in home country
- May also have Treasury operations outside home country
- Significant and possibly complex banking activities outside home country

## Customer Segmentation

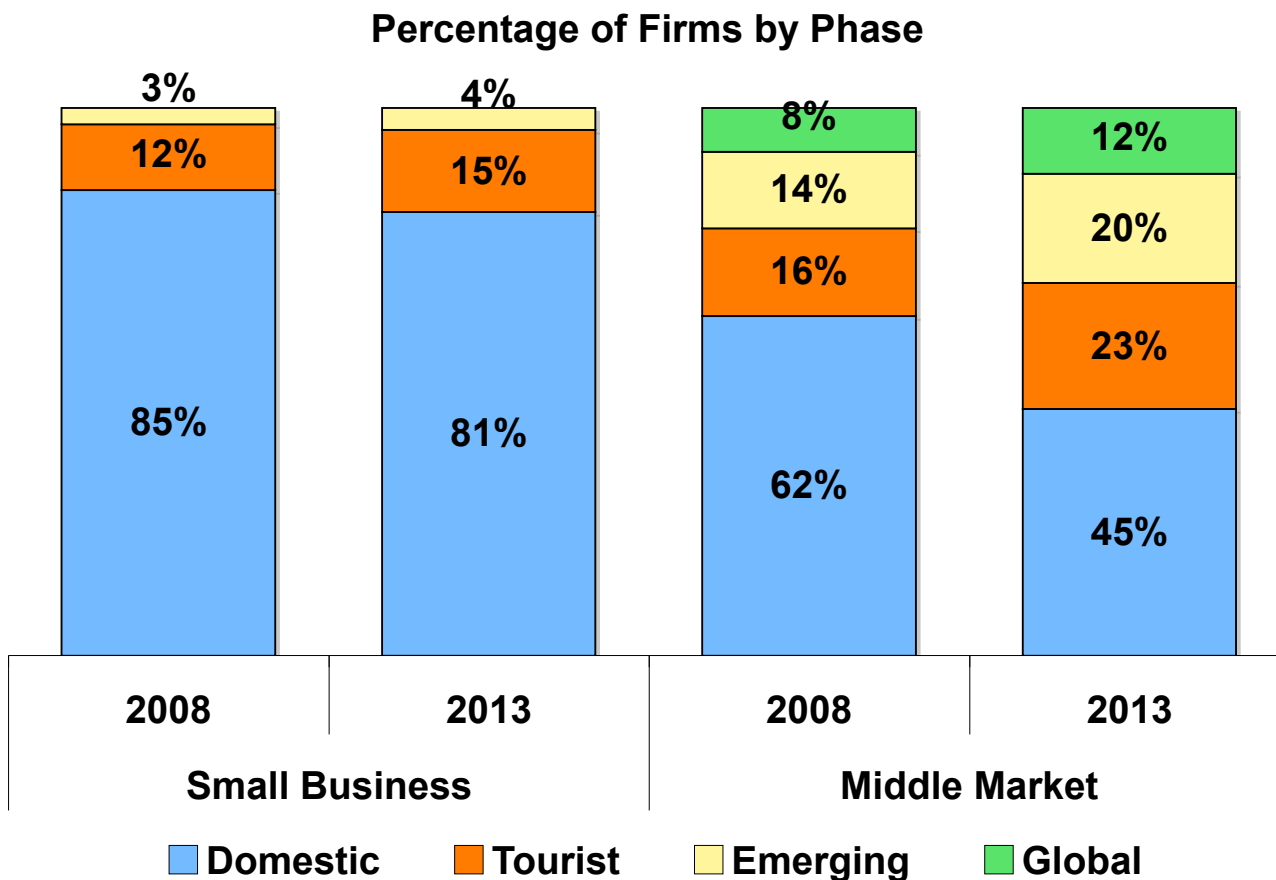
# Defining Your Market Identity: Global Banking Service Requirements





# Defining Your Market Identity: Global Life Cycle

Businesses are globalizing, with the extent of globalization becoming more profound



Source: Treasury Strategies Corporate Treasury Research Program

# Defining Your Market Identity: Global Services Customers

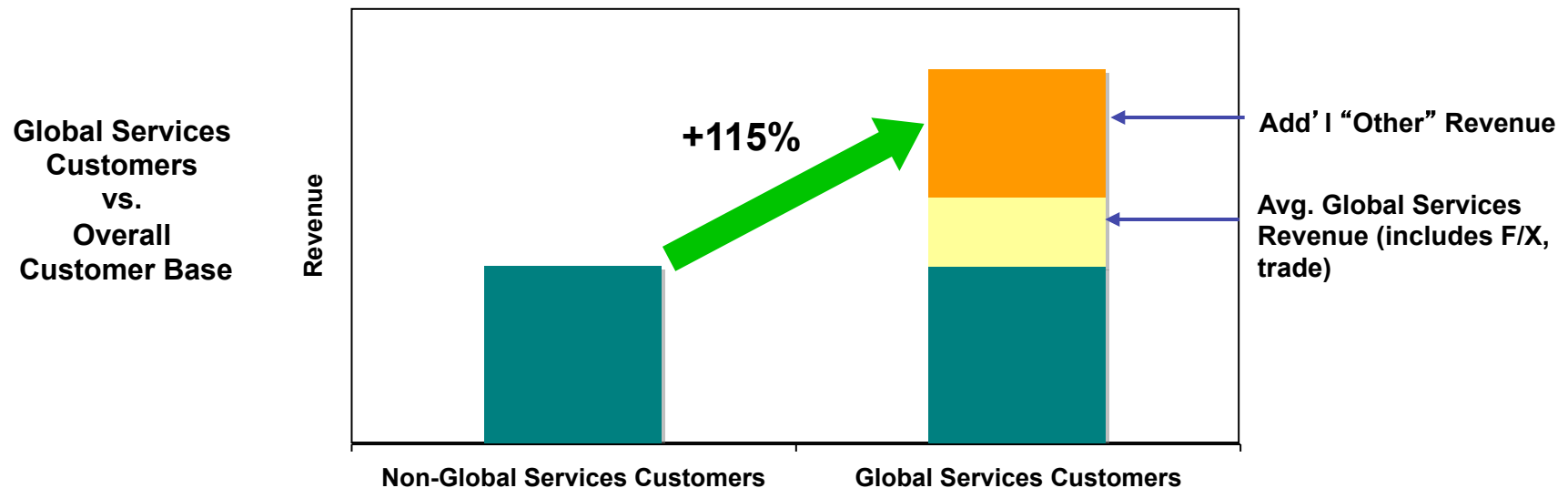
Firms with global needs **spend more** and **hold more balances**

- Global services customers generate 50% more revenue per customer than the average customer.

For every **\$1** global services customers generate in global services revenue, they generate nearly **\$2** of ancillary revenues

- Use more services (for example, FX)

Current Average Revenue Generated per Customer



Note: These numbers represent companies with revenue \$100 million - \$1 billion.

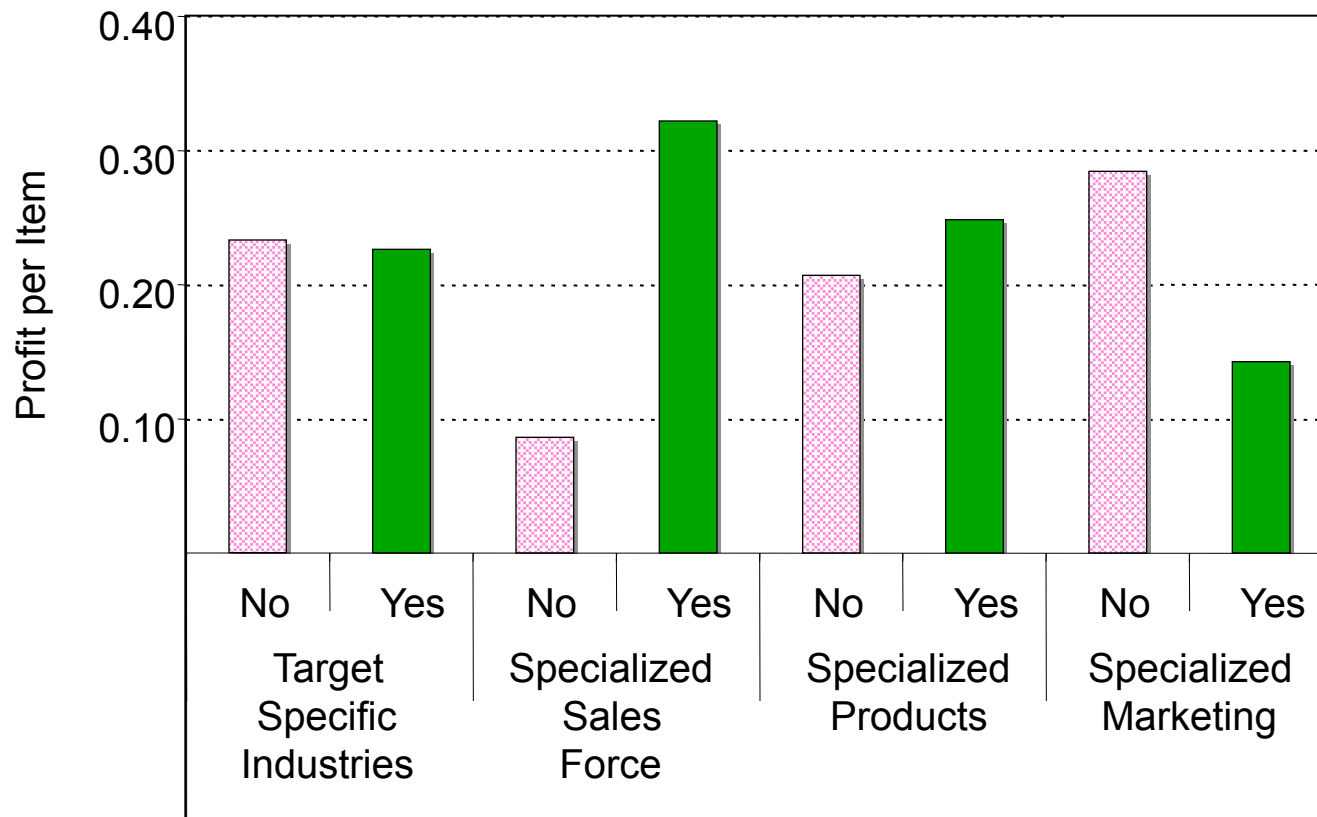
# Industry Specialization



# Defining Your Market Identity: Industry Specialization

## Targeting high-value industry verticals

- High-value: heavy transaction or high balance industries
- Banks that specialize by industry enjoy higher growth and profit



Source: Treasury Strategies Wholesale Payments Study

# Defining Your Market Identity: Targeting High Value Industries

Aligning offerings with an industry's TM product and liquidity needs is key to growing market and wallet share

Which industry would be **High Value** to your bank?

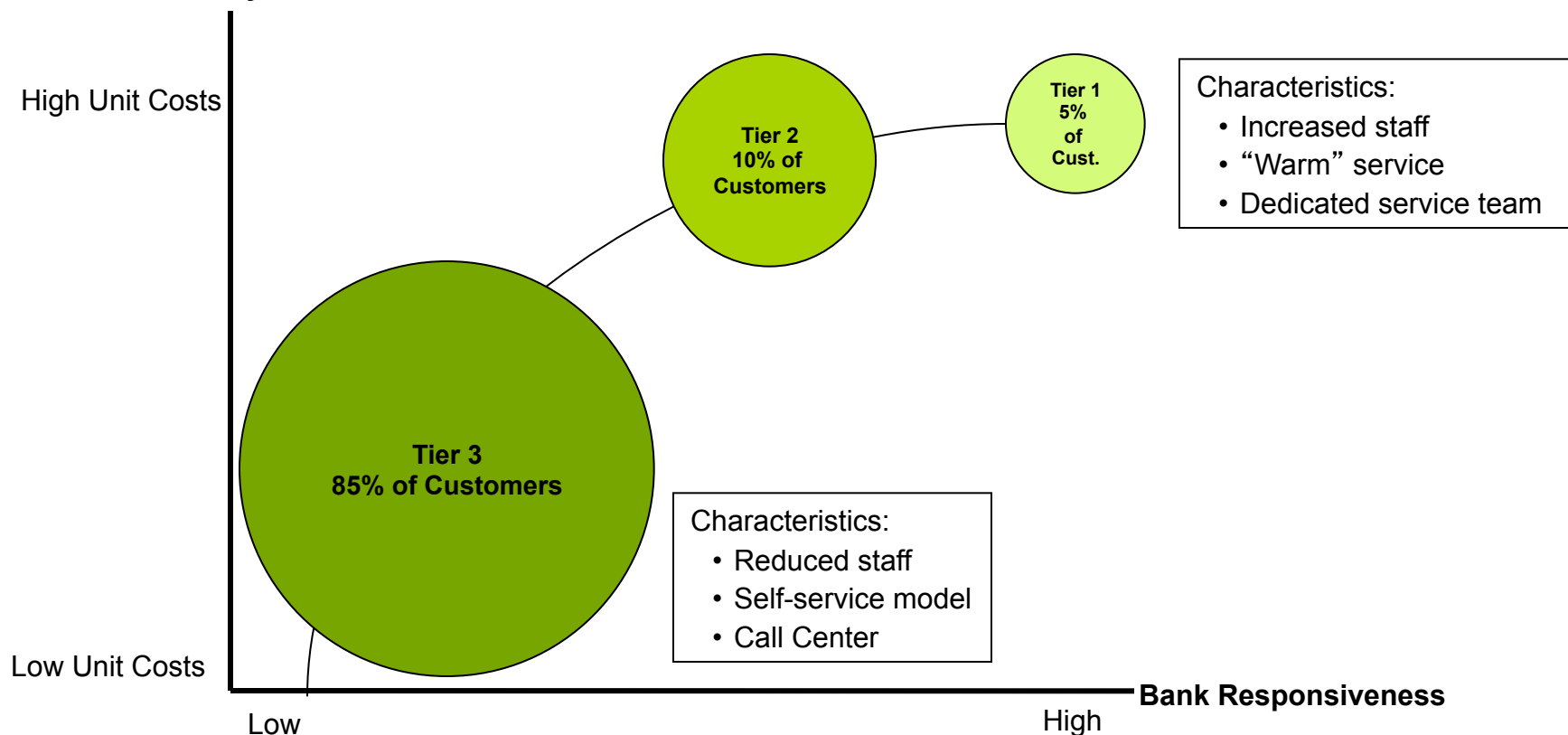
Industry	TM Sophistication	Branch Presence Importance	Global Needs	Alignment with TM Products	Credit Reliance
1	High	Low	Low	Low	High
2	Medium	Medium	Medium	Medium	High
3	High	Medium	Medium	Low	Low
4	Medium	Medium	Low	Medium	High
5	Low	High	Low	High	High
6	High	Medium	High	Medium	Low

# Customer Experience



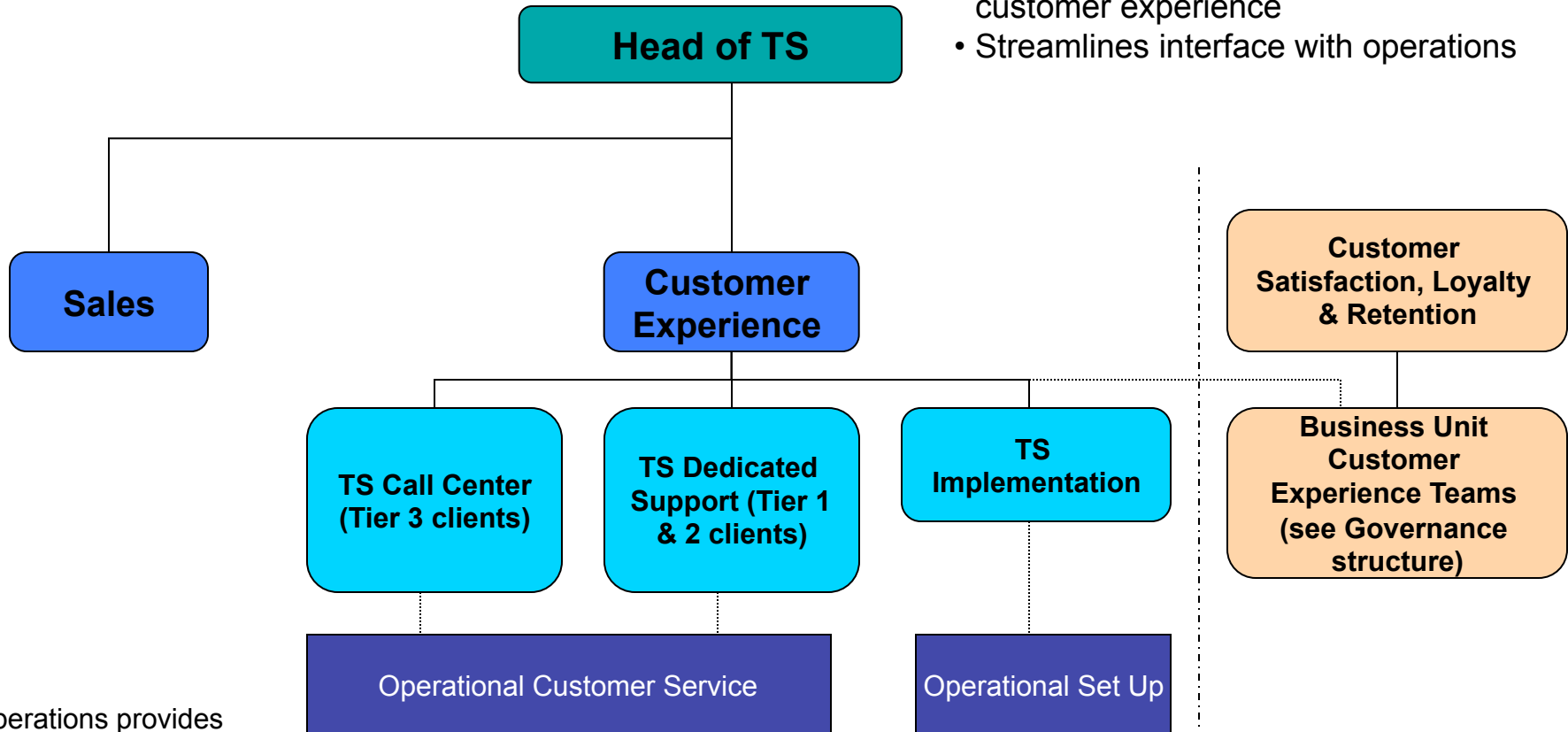
# Defining Your Market Identity: Service Segmentation Model

## Process Efficiency



# Defining Your Market Identity: Customer Experience Organization

- Central Customer Experience team
- Coordinates / integrates all aspects of customer experience
  - Streamlines interface with operations

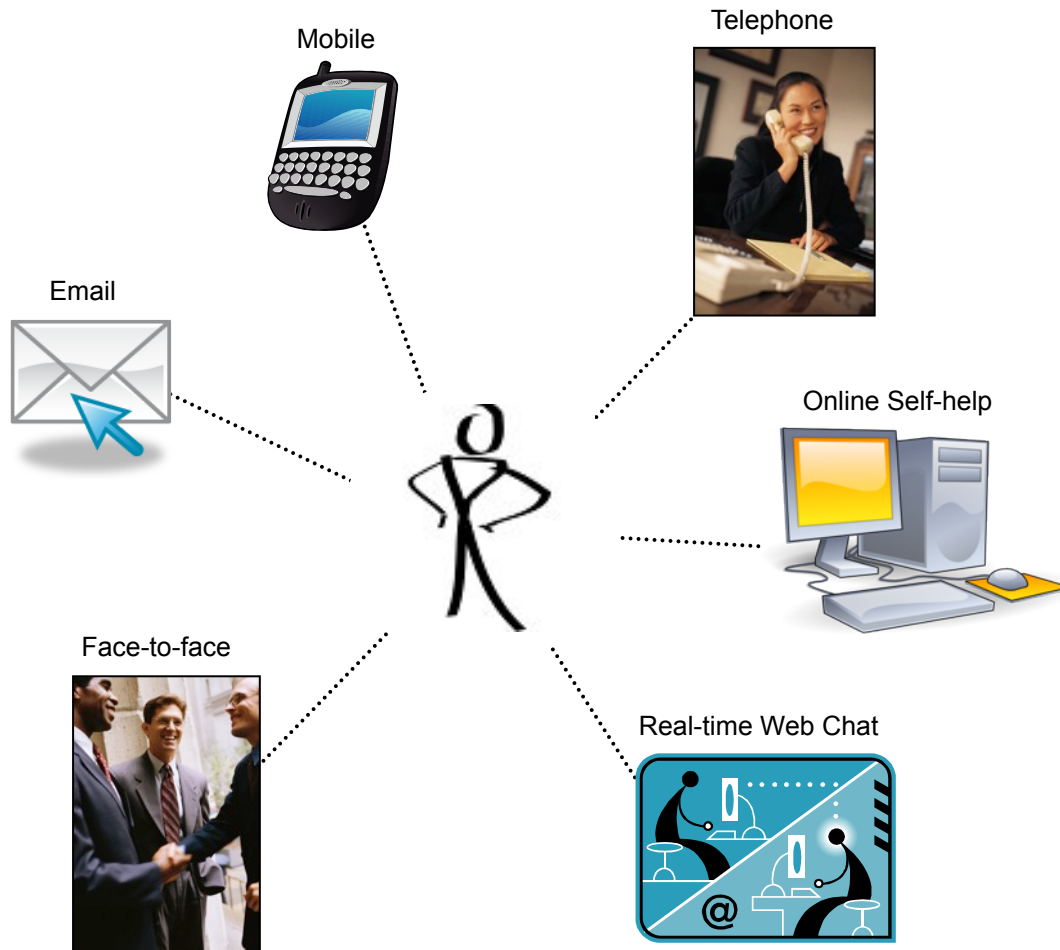


Operations provides

- Segregation of duties
- Specialist knowledge
- Enhanced customer experience



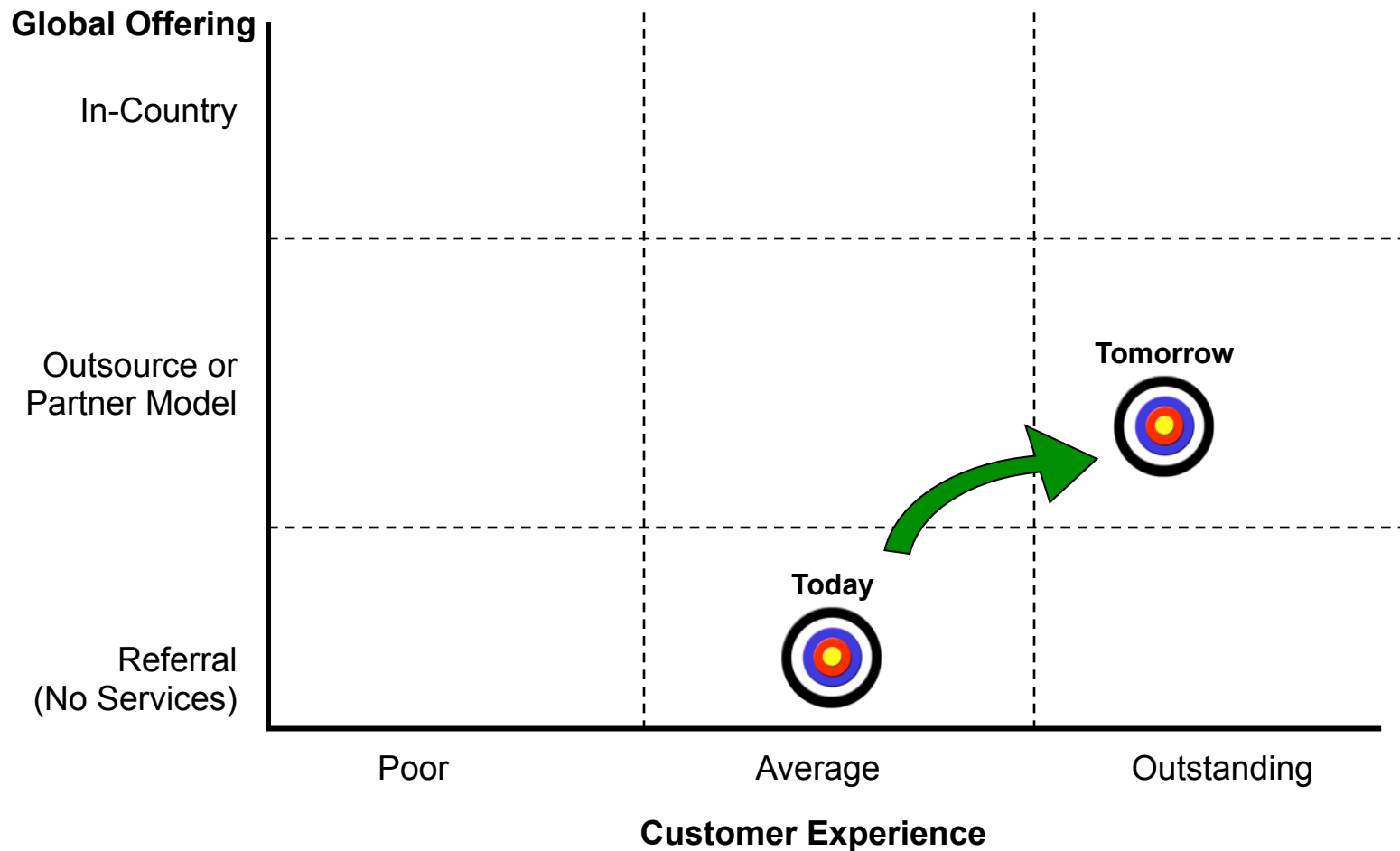
# Defining Your Market Identity: Service Channel Integration



# Building Your Identity



# Building Your Market Identity: Where Do You Want to Fit Tomorrow?



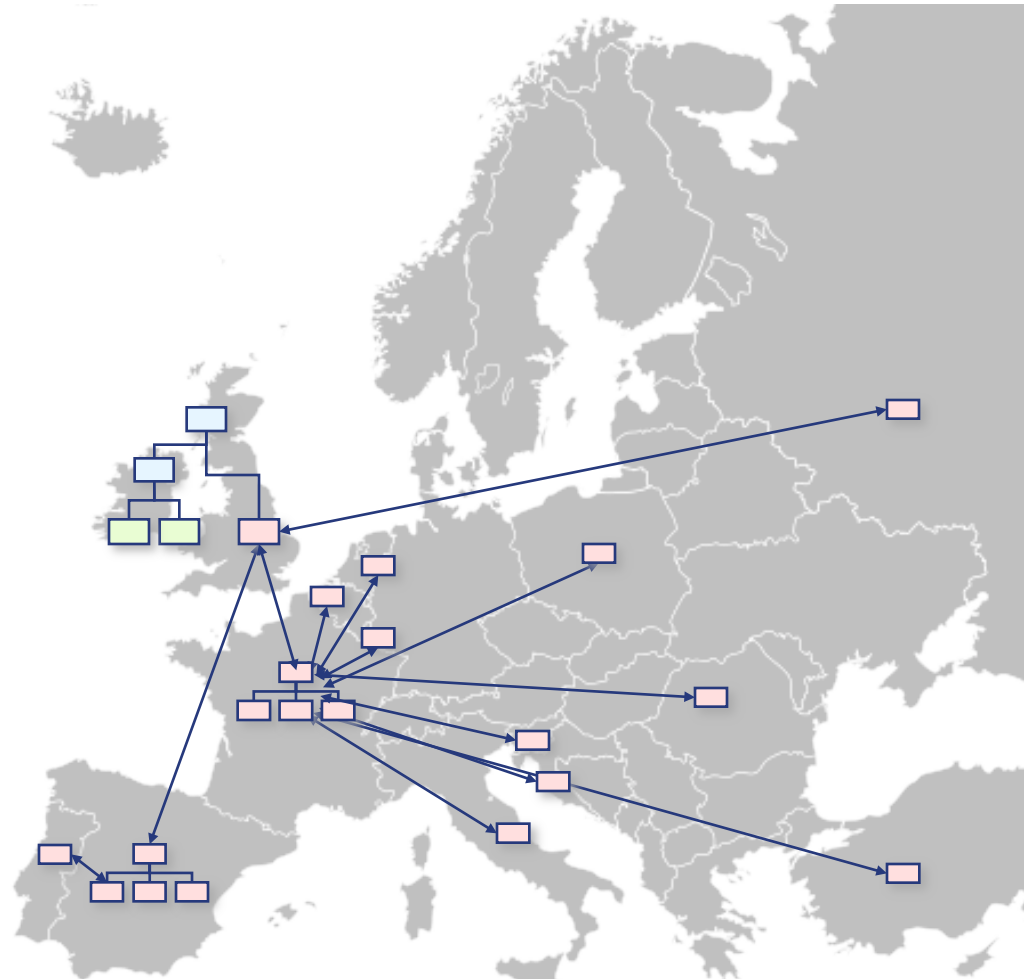
# Building Your Market Identity: Global Scope

## Measure and identify

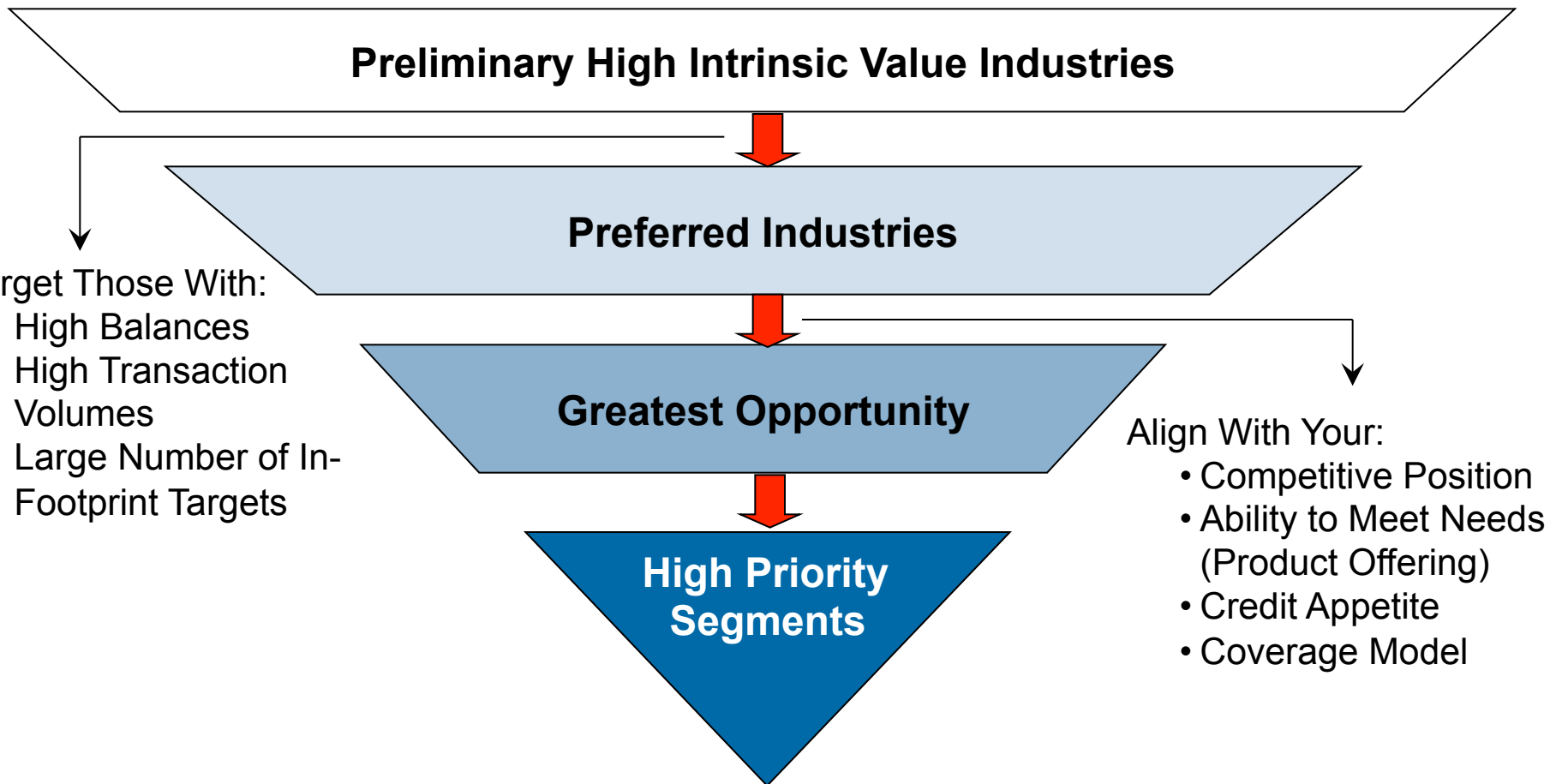
- Major customer locations
- Outbound payment needs
- Global liquidity needs

## Determine

- Build or partner?
- In-country or correspondent?
- Service model



# Building Your Market Identity: Industry Specialization

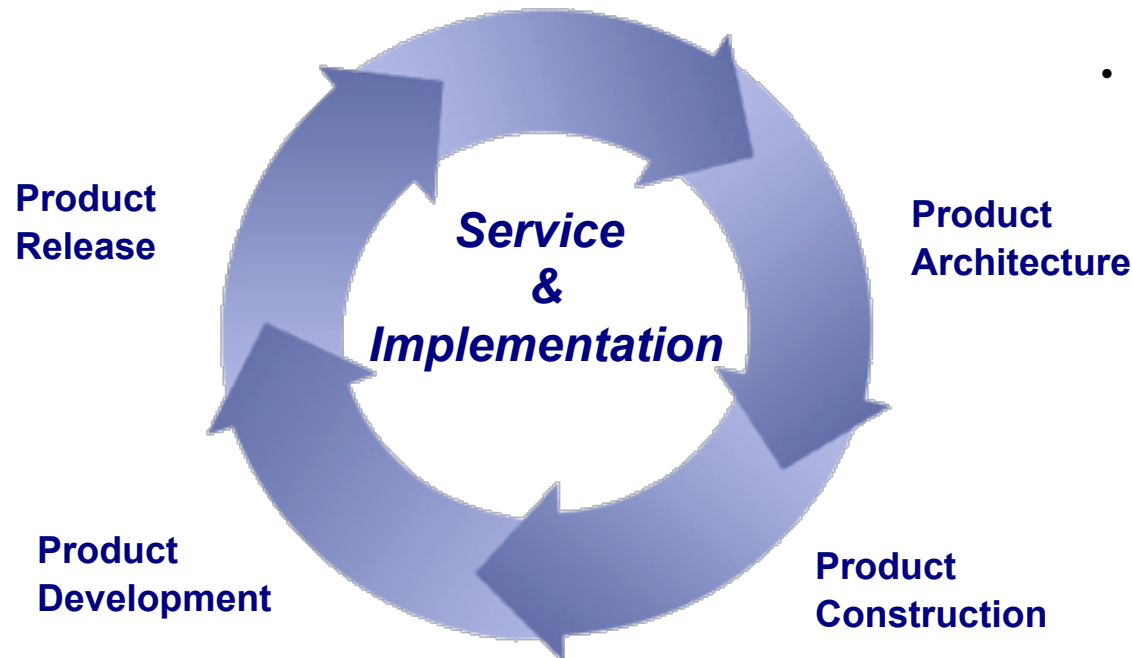


## Product Development Cycle

Customer Needs



Product Concepts



### Why incorporate with Product Development?

- Drive activity to low-cost channels
- Build for customer segmentation
  - Customer size
  - Nature of need
  - Build customer personas
- Ability to automate

# Benefits

Higher market and wallet share

More satisfied customers

Higher margins

Extended relationship life

Stronger internal clarity

## Closing Remarks

Define who you are and who you want to be

Globalization adds complexity but can't be ignored

Industry focus, done well, is a winner

Service model and service channel strategy can be key



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