



MAKING POINTS: MIKE LAWSON, COMERICA

MIKE LAWSON, SENIOR VICE PRESIDENT OF RETAIL OPERATIONS, IS A 20-YEAR VETERAN AT COMERICA. HIS BACKGROUND INCLUDES BRANCH MANAGEMENT, OPERATIONS, CUSTOMER INFORMATION, TECHNOLOGY, SALES MANAGEMENT AND SALES TECHNOLOGY.



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FIDELITY INFORMATION SERVICES: WHY WAS COMERICA INTERESTED IN REFERRAL MANAGEMENT? WAS IT DUE TO INDUSTRY TRENDS? CURRENT ECONOMIC CONDITIONS?

Mike Lawson: A lot of organizations, banking and non-banking, are trying to become more sales focused, and we're no different. Our goal was two-fold. First, we wanted to put some integrity around referral tracking. We had good energy around making referrals across business unit lines, but we didn't have a lot to go on to prove that. Certain units were active in referring back and forth, but others were not – especially our financial partnerships, where you can get some good referral activity.

Our second goal was to create a culture around referrals, so we needed a tracking and measurement system. If you can measure it, you can begin to manage it. The combination of technologies we're using from you gives us the ability to do that.

So it's really not an industry thing for us, nor is it an economic thing. It was about generating revenue through increased referral activity.

FIDELITY: THE TOUCHPOINT SOLUTION IS PART OF A LARGER INITIATIVE YOU CALL “CONNECTIVITY.” CAN YOU TELL US ABOUT THAT?

ML: We have very good pockets of selling. What I'm not sure we have are the necessary connections between business units that would help us better meet our customers' needs. Connectivity is a company-wide program with an emphasis on creating a more powerful sales culture. There are a number of significant technology and non-technology initiatives involved. Referral tracking is an important initiative that supports connectivity.

FIDELITY: HOW DOES CONNECTIVITY MAP INTO YOUR OVERALL RETAIL DELIVERY STRATEGY?

ML: In the retail side of the bank, we have a vision about how we will use TouchPoint® to advance sales, sales management, service quality and efficiency for both branch and call center. We see that as a very important investment we need to make.

The beauty of it is that you not only get a common platform on which you're building capability, but you also get turn key



ability to share that information, share referrals, share relationships, top-of-the-house sales and sales management reporting and referral reporting. All these are very important in terms of trying to gauge sales and sales success and generate revenue.

FIDELITY: WHAT WERE THE KEY BUSINESS AND TECHNOLOGY DRIVERS THAT CONNECTIVITY WAS DESIGNED TO SOLVE?

ML: On the business side, the key driver was simply to create more revenue, particularly along the lines of fee income revenue. We do a really good job with small business, middle-market companies and private banking for the affluent, but we don't often take advantage of the chance to refer affluent owners/ managers of these companies to private banking. That's why connectivity becomes important. Most banks organize around segments; for us, those are the middle-market, affluent and mass-market segments. As you target those segments, you build divisions and sales teams around them. There's good opportunity to cross over from one segment to another for referral purposes. Connectivity is really about connecting these business divisions for that purpose.

On the technology side, we're focused on skills-based activities such as consulting and relationship management, in which technology doesn't play a traditional role. The traditional role in bank technology has been to automate high-volume activities and improve productivity – a little different role for technology, especially for Comerica. Its responsibility is to bring enabling tools to front-line relationship managers to give them more capabilities for selling and referring. Referral tracking is one of those kinds of things. We can make it a lot easier for one individual to refer to another, follow up on that referral, track it and get paid for a closed piece of business. It creates integrity

around that and really allows us to create a culture around selling and cross-selling.

FIDELITY: HOW MUCH DID MULTI-CHANNEL ARCHITECTURE PLAY INTO YOUR REQUIREMENTS?

ML: It was important. Some of our current architecture would have made any new architecture, regardless of provider, better than what we had. Comerica has systems that are state-of-the-art and other systems we've been using for a long time and have no need to replace. However, in the case of branch and call center, we still had some very old systems. This is a major leap forward in architecture.

As it relates to channels, we took the time in our RFP activities to try to look not just at branch and call center, but at web and relationship management delivery. We felt that TouchPoint was best positioned both from an architecture and functional point of view to serve needs across the bank for sales and relationship management – not just in branch and call center. This gives us the ability down the road to not only outfit our branches and call center with TouchPoint, but to also extend it to other relationship management areas. Then we'll be operating on a single platform across the entire bank. That's really been our vision.

FIDELITY: WHAT SET THE TOUCHPOINT SOLUTION APART FROM OTHER VENDORS?

ML: We settled on TouchPoint for a host of reasons. Architecture probably wasn't the thing that made the major difference. That was important, but there are a lot of good companies with decent architecture. It was that Fidelity was one of the few companies that does a good job filling needs across channels: call center, interface to Corillian and web, branch and human delivery (commercial lenders,



private bankers and other relationship managers), and that's been our focus. Most of the other companies were strong in one area, but not as strong in the other. Another factor is that price, in terms of licenses and services, was very reasonable. Finally, based on the other customers we talked to, you have a good reputation for on-time, on-budget delivery – a critical factor for us.

FIDELITY: CAN YOU TELL US A LITTLE MORE ABOUT WHY YOU CHOSE TOUCHPOINT?

ML: We were in the middle of a large RFP process that was not directly related to our connectivity program, but focused more on branch and call center technology. We had researched the vendors, which led us to the belief that TouchPoint could not only fill some of those needs, but some of our broader connectivity needs. We did a thorough analysis and felt TouchPoint was best positioned to fill our needs from a call center and branch point of view. But you also have strong capabilities with relationship management and referral tracking. It was coincidental that we were in the middle of a referral process and that the capabilities of TouchPoint lent themselves very well to the things we were trying to do with connectivity. The most near-term thing for us was referral tracking.

FIDELITY: WE ALSO HEAR A LOT ABOUT ROI. WERE THERE KEY METRICS THAT HELPED YOU FUND THIS PROGRAM?

ML: We developed cost-of-revenue models on the connectivity program, figuring if we could push up referrals and sales and cross-selling between certain divisions, and then on a broader base across the company, it would result in a significant amount of fee income, and that would result in a better PE ratio and better overall performance for Comerica. Then we asked what kind of cost that would support. There's a host of different things we are investing in to create that sales capability, that culture. Referral

tracking is just one of them. So referral tracking by itself did not undergo an ROI analysis, but Connectivity as a whole did. Referral tracking is one of the cost components of it.

FIDELITY: WHERE ARE YOU WITH THE ROLLOUT OF TOUCHPOINT REFERRALS, AND WHAT KIND OF FEEDBACK ARE YOU GETTING FROM END USERS?

ML: We have rolled it out to everyone in the company, with the exception of our branches. Feedback has been great. The design started out with a really good concept, which was to make it as easy and fast as possible to make a referral. So we're really trying to keep it simple in response to front-line needs, not make this a complex exercise. If we do that, there should be no excuses for loading, tracking and moving referrals through the system.

What we've seen so far is somewhere in the neighborhood of 700 referrals. The system's been on desktops for about a month, and that doesn't even include branches with huge referral volumes. If you exclude the branches, there are about 7,000 desktops on which this is now operating, and we've had about 40 percent of the people sign on and look at it. It's early yet, so those are good numbers.

FIDELITY: CAN YOU GIVE SOME ADVICE TO SOMEONE WHO IS LOOKING AT THIS TYPE OF PROJECT?

ML: First, deal with the cultural issues before you invest in technology. You need a good gauge of your cultural challenges, barriers and assets when investing in sales and sales management technology or relationship management technology. The biggest mistake people make is to assume that by buying the technology, the needle will move on revenue or deposits. In many cases, we've given our relationship managers a financial goal with no dialogue

around the process – no consideration of how the culture needs to change. You have to deal with cultural issues first, and then you begin to determine how to apply technology. Only then will your technology investment bear the most fruit.

My second piece of advice has to do with defining requirements. We thought we had not only good documentation, but a level of detail and thoroughness better than most other banks. Yet we were shocked at the level of detail and the thoroughness of the documentation that Fidelity delivers as a part of how they manage and implement projects. It's a real bonus. My recommendation is to build your team around TouchPoint's methodologies and processes. The FODs and FSDs that are a core part of the process are very important, very thorough, and you need to

make sure you allocate people and time to those to make sure they are absolutely in sync with your expectations for the product and documentation the TouchPoint team is delivering.

FIDELITY: GIVEN THE EXPERIENCE AND THE RESULTS, WOULD YOU SAY YOU MADE THE RIGHT CHOICE?

ML: On referral tracking, I know we made the right choice. On the branch and call center side, our folks are very satisfied. We had a couple of people dedicated and their only job was to go through this, and Fidelity did the same. When you have that level of dedication, it's going to work out. We believe we made the right decision.



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