

Touchstone

Burgeoning South Carolina bank strikes a new gold standard in customer service

by Carol Patton

“Everything we do is tested against one standard: Does it make it easier for customers to do business with us.”

**—Lee Daugherty,
First Reliance Bank**

Customers of First Reliance Bank in Florence, S.C., can't wait to see what their community bank is going to offer next.

Besides the usual free checking and online banking, each of the bank's five branches sports a coin exchange machine in the lobby that's free for anyone to use. Customers can contact a call center with banking questions or a 24-hour urgent call line if their debit card is stolen or if they need to place a stop payment on a check. The bank even sends along one of its representatives to accompany homebuyers during closing.

Other perks include extended lobby hours during weekdays (from 8 a.m. to 8 p.m.); a courier service for commercial customers; and a

waiver or reimbursement of ATM charges from all banks for customers with an account balance of over \$2,500.

First Reliance Bank, a mere six years old, has nearly doubled its assets (from \$200 million to \$380 million since June 2004) and is on track to meet its long-term goal of \$500 million in assets by 2008, says Rick Saunders, the bank's president and CEO, who has worked in community banking for more than 20 years. In a recent customer survey—in which 20 percent of the bank's customers responded—First Reliance received a satisfaction rating of 96 percent.

Making a Mark

Facing enormous competition from other established banks in the

At Your Service—First Reliance Bank in South Carolina has made customer service its top priority. In addition to free checking and extended lobby hours, each of the bank's five branches sports a coin exchange machine.



main street focus

Charleston-area marketplace, such as Wachovia and Bank of America, First Reliance's programs and daring marketing approach have driven it into



Things to Come—This artist rendition depicts a teller line of the future, capturing the look and feel of a retail operation, says First Reliance Bank's community banking officer, Lee Daugherty.

the fast lane.

When First Reliance opened in August 1999, after Saunders and other bank officers raised \$7.2 million in capital, the founders' only plan was to create a different environment in which they had operated over the past several decades.

"After we opened the bank, it didn't take very long to realize how short-sighted our primary focus was," says Saunders. "I felt I was shortchanging the staff, customers and shareholders. So I sat down and established a vision for our company—we want to be the largest and most profitable bank in South Carolina."

Currently, the asset size of the Palmetto state's largest home-grown bank is roughly \$13 billion, but Saunders remains undeterred. He notes that out of 107 banks in the state, First Re-

liance already ranks among the top 20.

Early on, Saunders and other officers visited highly successful banks across the country and identified companies in different industries—mainly hospitality and automotive—that excel at distinguishing themselves from their competition. Then they began borrowing customer service ideas from posh hotels like The Ritz Carlton and upscale auto dealers, such as Lexus and Mercedes Benz, says Lee Daugherty, First Reliance's community banking officer. He

explains that community banks, like hotels and car dealers, are all in the business of providing top-notch customer service.

Still, the community bank's executives needed help in customizing those ideas. So within the last two years, they hired a series of very particular consultants.

"We actually employed a consulting group that worked with The Ritz Carlton," says Daugherty, adding that First Reliance executives didn't want their bank to resemble others that seemed like dressed-up post offices or motor vehicle departments. "We said, 'Design [our lobbies] so that customers want to be here and forget the fact that we're a bank.'"

For example, each lobby will offer a concierge and be divided into individual banking stations.

With help from directional sound, customers at each station will also hear different advertisements about bank programs. Even the walls will be put to good use by displaying various marketing messages.

Another consulting firm focused on crafting a groundbreaking approach to customer service, while a third helped overhaul the bank's employee training and orientation process. Now each of the bank's 110 employees must attend a reorientation every year, sort of a refresher course on the bank's values and procedures. The ongoing development of employees keeps them squarely focused on creatively serving customers.

Service Checklist

Some customer service approaches First Reliance adopted are those observed by high-end retail stores. Every morning, for instance, employees at every branch spend 10 minutes identifying a customer service focus for that day. Whenever customers enter the bank, employees must greet them by name within 30 seconds or ask them their name. Another performance-grading activity, referred to as "Everything Speaks Every Day," involves outside firms that routinely check whether the bank's real-life performance regularly lives up to its high standards. The nearly 12-page checklist the bank uses might seem to address trivial matters, like the cleanliness of branch windows and parking lots, but the continual evaluation process is intended to maintain extremely positive customer perceptions that the

bank is first-rate and committed to excellence.

Several activities result from the ongoing process. A landscape crew arrives each morning to replace dead flowers or plants in outside flowerbeds and to remove leaves and other debris from the parking lot. Others come in repeatedly throughout the day to clean the front doors, removing even the slightest hint of a fingerprint, or clean bathrooms, especially countertops that typically collect water.

In showing appreciation to its customers, the bank also sponsors giveaways, referred to as “Wow Events,” where each customer in its lobby on a given day is pre-

sented with a small gift. A gift is selected that has never been offered by another bank and has some value beyond marketing. One time, it presented customers with a nine-volt battery the Friday before Daylight Savings Time so that after changing their clocks, customers could also replace the battery in their smoke alarm.

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That’s also the reason why the bank established a technology and operations center and, in June 2004, a call center. At the time, the bank only supported two

branches and was just about to open a third. Customers at the larger of the two branches—which had surpassed \$100 million in assets—began complaining about lengthy call back times.

Now, one year later, the center receives 9,200 calls every month. Roughly 70 percent of the calls are from customers, while the remaining 30 percent are from employees inquiring about new bank policies or procedures.

The Right Fit

But there have been growing pains. Some employees just weren’t comfortable with change, especially when it occurs at a

main street focus

rapid pace, or working in an environment that demands high levels of customer service. However, high performers love it, Saunders adds. So the bank eventually hired a human resources consulting firm to assist with developing an interview and hiring process that identifies the right people who thrive within the bank's philosophical approach.

Saunders says the firm helped First Reliance distinguish itself as a talent-based organization. It isn't uncommon for job candidates to sit through two-hour interviews aimed at profiling their natural talents in order to place them in the most

appropriate positions.

"The best people drive the best results," he says. "We've got to identify those people more rapidly and the high performers much quicker."

No matter what program his bank supports, Saunders says, employees are always at the heart of its success. If a person with the right talent isn't in place, he says, even the most creative initiative will fail. That's why the No. 1 component of the bank's business plan ensures that the best bankers are hired. That is just as important as finding the right locations for its branches.

Meanwhile, First Reliance

plans on opening more branches in two new markets within the next two years. Its vision of being the biggest and best community bank in South Carolina guides its daily decision-making, such as only implementing programs that can be measured in terms of directly benefiting customers.

"We want to know there's a payoff for the customer when we put any program in place," says Saunders. "Our focus and purpose really centers around making a difference in everybody's life that touches our organization." **ib**

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