

Situation

Like many large lenders, First Union National Bank had many overlapping product and customer management groups. For example, SME lending, deposits, investments and credit cards were all managed by distinct teams. The retail relationships of SME principals were also fragmented across many management teams.

First Union sought to improve customer relationships and profitability by coordinating and effectively deploying actions across the enterprise. They had three objectives:

1. Empower CSRs and branch tellers to more effectively serve customers
2. More effectively initiate and retain profitable customer relationships
3. Increase customer value by cross-selling existing customers.

Challenge

- Product profitability and relationship value were poorly understood
- Cores, customer service, and teller systems were all legacy systems
- Several core platforms needed to be integrated
- Solutions must be highly intuitive – to minimize teller & CRS training
- Real-time, external data interfaces needed to be integrated
- Profit and probability models were required for each marketing treatment
- Branches and product groups both functioned as profit centers

Solution

Produced multiple product and market action performance models using AI-aided forensic accounting and stochastic model development. AI reduced cost, improved precision, and accelerated delivery. We used these models to produce a CSR recommendation system, with personalized dynamic and pre-calculated offers and actions to advance customer and shareholder interests.

Broadened to cross-selling via product platforms, direct marketing, and ATM due to industry-leading success. Extended the system to utilize and drive *design of experiments*, a way to maximize the value of market testing, to accelerate the value of the decision system, and ultimately shaped new customer solutions and communication strategies.

Results

- 80% reduction in customer service requests that required multiple personnel
- Customer satisfaction increased to award winning levels. Handle time decreased.
- 35% reduction in cost to remedy problems. Increased customer retention.
- Exponential growth in cross-sell and customer involvement
- Drivers of customer and shareholder value were far better understood

Since

First Union was ultimately acquired by Wells Fargo. Years later, all major functionality remained in service.