

# Next-Generation Retail Delivery Strategies in Banking

**Jim Burson**, Partner  
**Sam Kilmer**, Partner  
Cornerstone Advisors

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# Today's Takes: How to...

1. Create next-gen delivery model
2. Personalize experience from three pillars
3. Forecast and support self-service sales
4. Grow business across target market segments
5. Build right strategy combining options
6. Pick right investments and partnerships

“Digital transformation is a buzzword that provides false hope that financial institutions will get to an endpoint and ‘transform.’”

**Brian Alfano**  
Chief Digital Officer



# **YOU DON'T HAVE TIME FOR THE BS, SO LET'S GET DOWN TO BUSINESS**

**NO HIDDEN BUSINESS ACCOUNT FEES** →

**UP TO 5.01% APY<sup>1</sup> SAVINGS ACCOUNT**

**QUICK AND EASY BUSINESS LOANS** → **AS LOW AS 8.5% APR<sup>2</sup>**

**BUSINESS CREDIT CARD WITH REWARDS PROGRAM** → **UP TO \$50,000**

**TOOLS TO MAKE YOUR BUSINESS RUN SMOOTHER** →

**ACTUAL PEOPLE TO TALK TO** →

APPLY NOW



# Cost of Funds

70%

Of Bank & Credit Union  
Executives are Concerned

Up from 8% in 2021

# Efficiency, Noninterest Expenses, Costs

# 53%

Of Bank & Credit Union  
Executives are Concerned

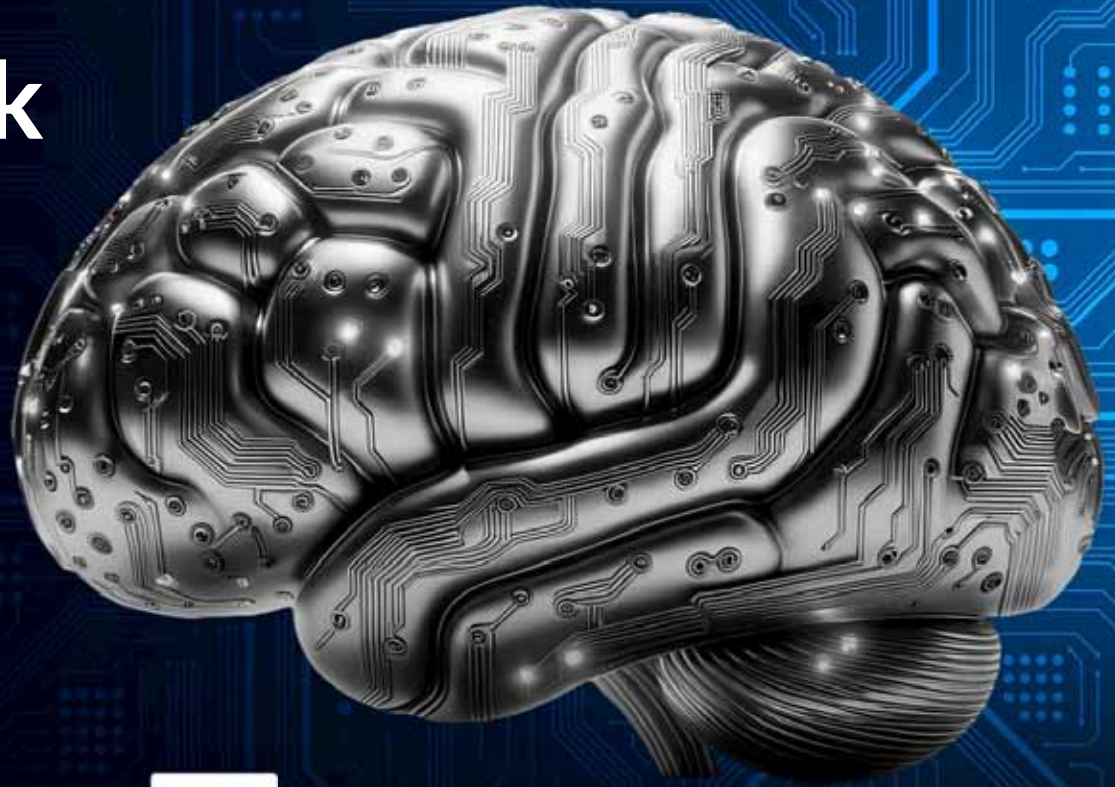
Up from 17% in 2021

# Deposit Gathering

48%

Of Bank & Credit Union  
Executives are Concerned

# Building the Smarter Bank



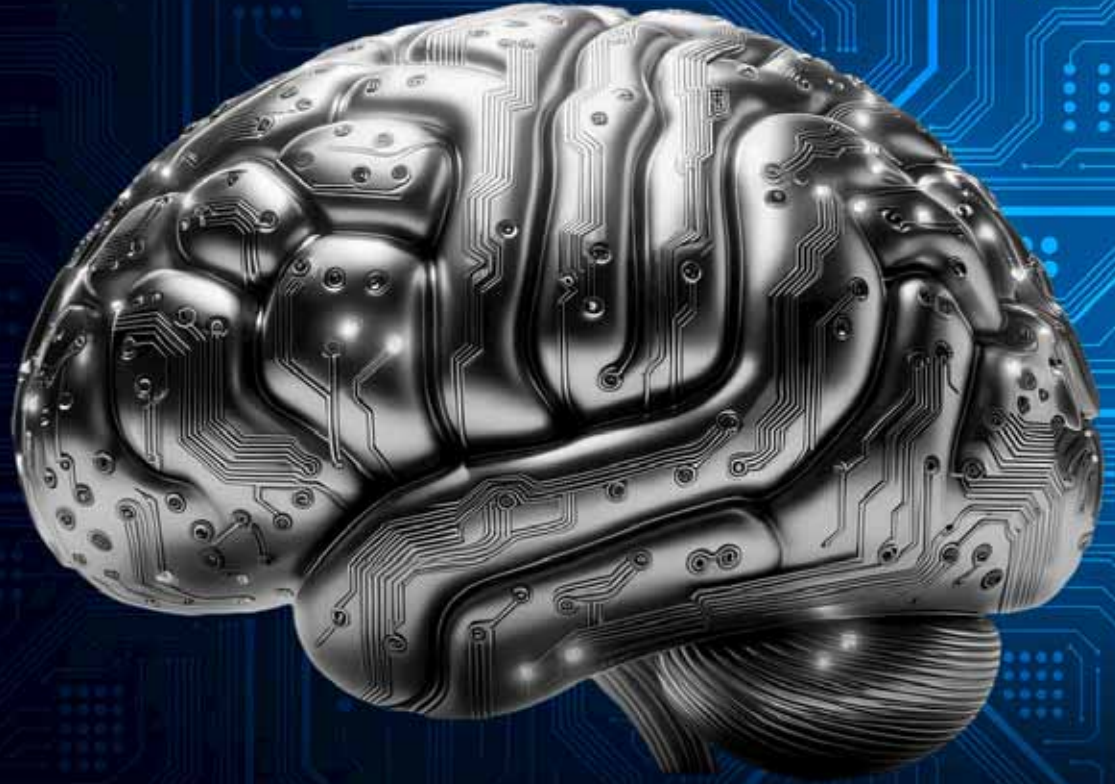
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# Create Next Gen Delivery

- 1 Hyper Efficient
- 2 Differentiated
- 3 Fast
- 4 Data-Driven
- 5 Opportunistic



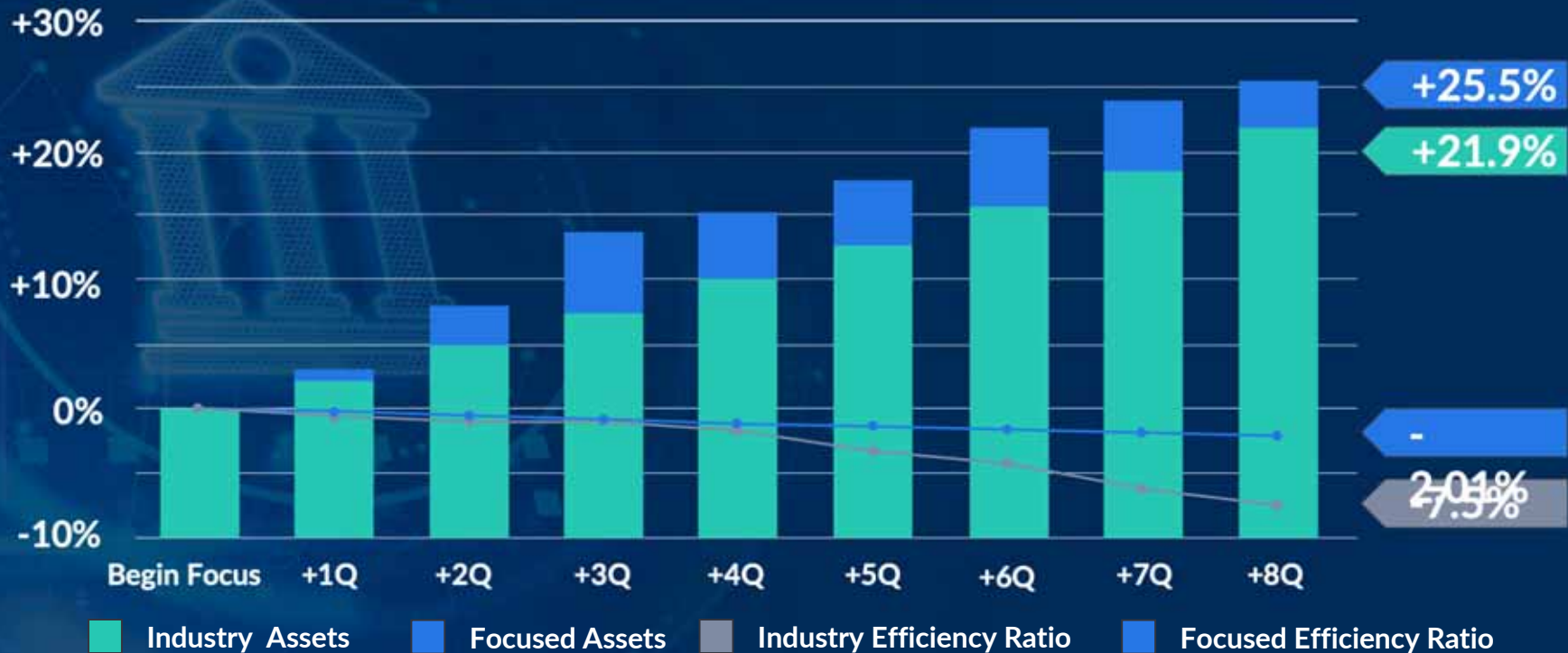
# Hyper Efficient Banks Redirect to Grow



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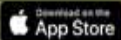
# Hyper Efficient focus on benchmarking and performance management grows assets 360 bps more and improves efficiency 3x faster



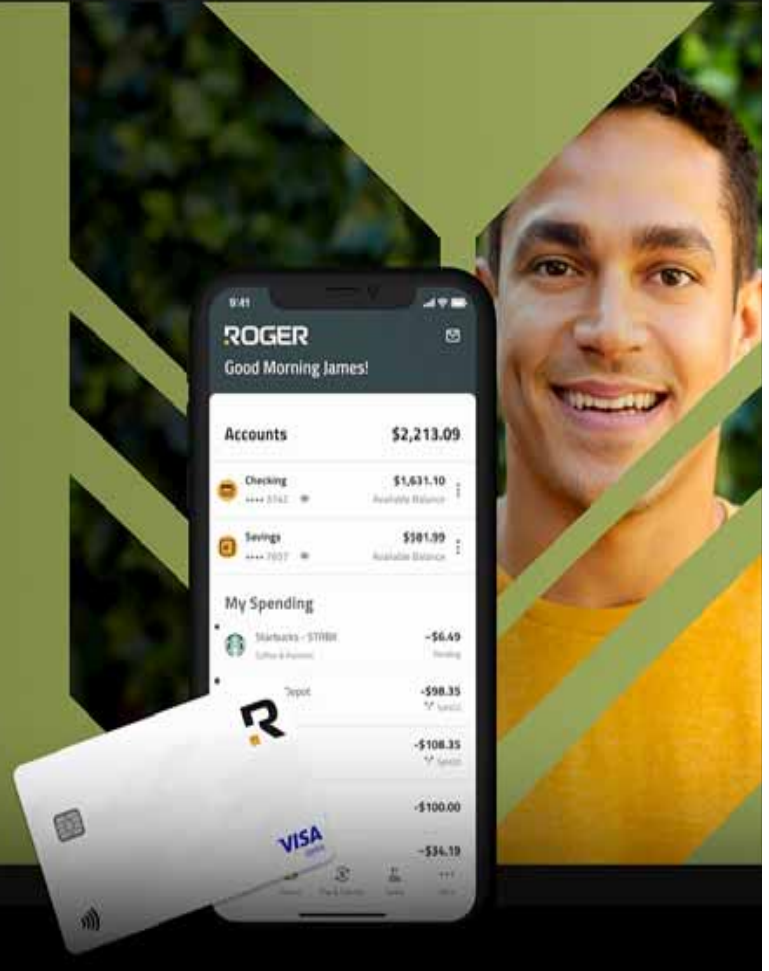
# Command Your Future.

Mobile banking for military members at initial entry and beyond.

[Open an account →](#)



*Simplify payday with military-ready direct deposit forms.*



# 6 Areas to Focus For Growth

1. Deposit Growth
2. Loan Growth

# 6 Areas to Focus For Growth

3. Non Interest  
Income

4. Non Interest Expense

# 6 Areas to Focus For Growth

5. Cost of Funds

6. Credit Quality

# Smarter Bank Impact Model

Client Challenge/Opportunity	Model Impact?	SNL Key of Client
Loan Growth	Yes	Sample
Deposit Growth	Yes	
Fee Income Revenue	Yes	
Staff Efficiency	Yes	
Cost of Delivery	Yes	
Technology Expense	Yes	

Client Name
Sample

**Total Cornerstone Impact:** \$2,007,214 *Bottom Line Impact*

Success Needs  
Consensus on  
Outcomes

	Base Case	Cornerstone Impact	Financial Outcome	Outcome-Driven Solution
<b>Balance Sheet</b>				
Total Assets	\$1,581,919,000	\$1,581,919,000		
Total Loans	\$1,015,625,000	\$1,025,781,250	\$10,156,250	<i>Strategic Loan Growth</i>
Other Earning Assets	\$430,002,000	\$419,845,750		
Total Deposits	\$1,247,672,000	\$1,272,625,440	\$24,953,440	<i>Strategic Deposit Growth</i>
Total Borrowings/Other Liabilities	\$162,233,000	\$137,279,560		
<b>Income Statement</b>				
Interest Income	\$56,443,000	\$56,898,430	\$455,430	<i>Impact Strategic Loan Growth</i>
Interest Expense	\$8,754,000	\$8,328,989	(\$425,011)	<i>Impact of Strategic Deposit Growth</i>
Net Interest Income	\$47,689,000	\$48,569,441	\$880,441	
Non Interest Income	\$12,367,000	\$12,490,670	\$123,670	<i>Strategic Fee Income Growth</i>
<b>Total Operating Revenue</b>	<b>\$60,056,000</b>	<b>\$61,060,111</b>	<b>\$1,004,111</b>	
<b>Non Interest Expense</b>				
Employee Costs	\$23,390,000	\$22,599,041	(\$790,960)	<i>Cornerstone Performance Program</i>
Facility Costs	\$5,108,000	\$4,590,322	(\$517,678)	<i>Cost of Delivery Analysis</i>
Other Expenses	\$11,202,000	\$10,886,306	(\$315,694)	<i>Technology Performance Management</i>
<b>Pre-Provision Net Revenue</b>	<b>\$20,356,000</b>	<b>\$22,984,442</b>	<b>\$2,628,442</b>	
Loan Loss Provision	\$750,000	\$757,500	\$7,500	
<b>Pre-Tax Income</b>	<b>\$19,606,000</b>	<b>\$22,226,942</b>	<b>\$2,620,942</b>	
<b>Net Income</b>	<b>\$15,015,000</b>	<b>\$17,022,214</b>	<b>\$2,007,214</b>	
<b>ROA (%)</b>	<span style="background-color: #00AEEF; color: white; padding: 2px 10px;">0.95%</span>	<span style="background-color: #008000; color: white; padding: 2px 10px;">1.08%</span>		



# The Rocket Effect



**Faster digital-first delivery**

(+self service)



**Faster shift**

(+marketing and +tech)



**Faster enablement**

(+contact center)

# Squared & Chimed



Faster digital-first delivery



Faster shift to marketing & tech



Faster enablement (contact center)



Investor and customer energy



Lead product and business model threat

# The Power of Differentiation

Bank of America



chime

Started in 1904

Started in 2012

1,294,880 Total followers

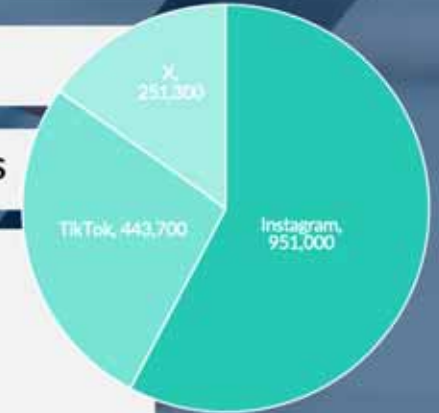
1,646,000 Total followers

36.3 million consumer checking accounts, 92% being primary (33,396,000)

14.5 million users with 9 million using it as their primary account

3.9% of account holders follow them on social

18.3% of account holders follow them on social media



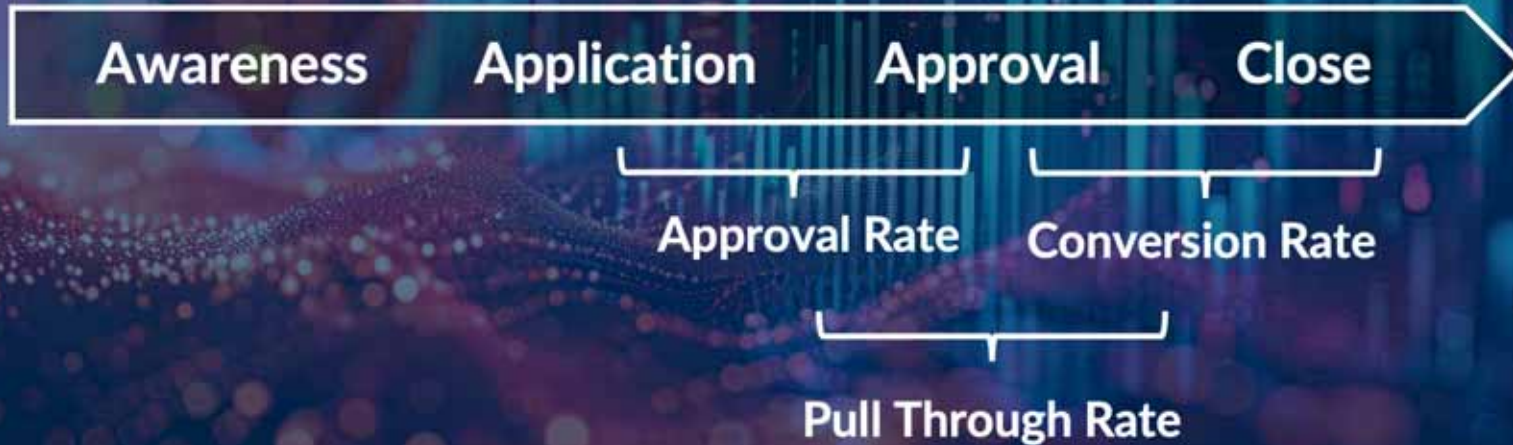
# Data-Driven From Risk to Revenue



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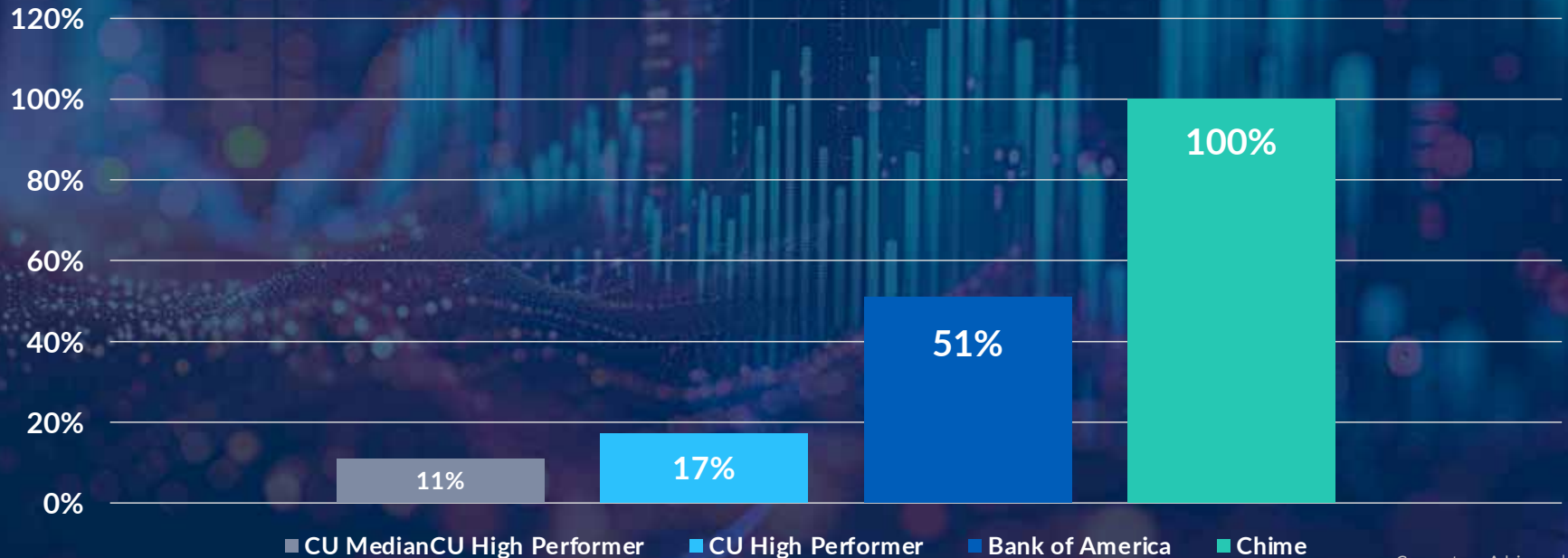
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# Data-Driven From Risk to Revenue



# We Must Improve the “Digital Front Door”

% of New Deposit Accounts Opened Through Digital



# Data Needed to Drive the Funnel

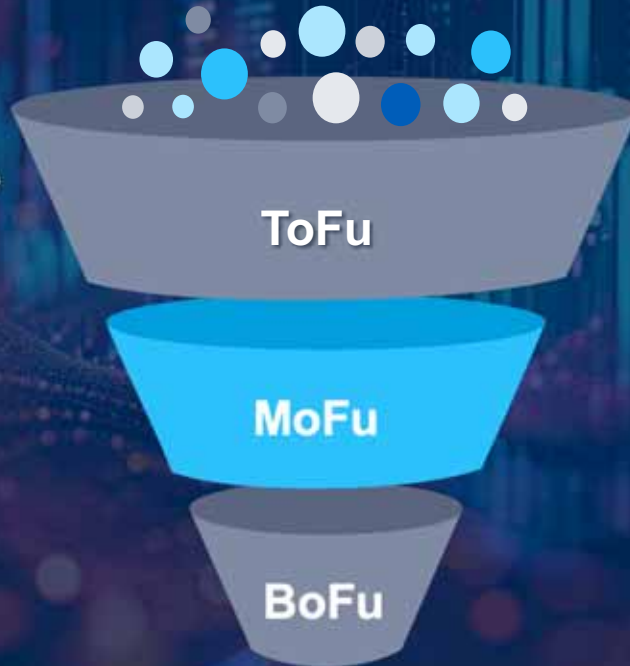
## Prospect...

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...becomes aware of the problem you can solve

...wants a solution

...becomes a customer



ToFu

MoFu

BoFu

## Tech...

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- SEM/SEO
- Content Management
- Event Calendars
- Social Monitoring
- Marketing Automation
- Lead Management
- Online Reputation Platforms
- Digital Account Opening
- CRM
- Digital Banking and Payments
- AI and Chatbots

# GROWING: The New Way

A man is sitting in a bathtub filled with white bubbles. He is looking at a smartphone held in his hands. The phone screen displays the word 'eSOLIT' in a stylized font. The background is a simple bathroom with a white wall and a window with curtains on the right. The overall lighting is soft and warm.

1. Self-Help Apps

2. Martech

3. Mission / Outreach Embedding

4. Contact Center Strength





# Graduate to Smarter Banking

AlumniFi digital checking and savings accounts are loaded with tools that help you manage money and pay down student debt today, so you can be prepared for tomorrow.

[Open an Account](#)



 Pay down your student loans faster

 Good work! Your \$480 monthly loan payment included \$20 above your minimum

 Debit card with round-up to save



# High Value Growth Playbook

Focus on 8 Key Growth Levers





credit wise

## Monitor your credit health for free

It won't hurt your credit score

Capital One Shopping

## Are you overpaying on Amazon?

Item	Amazon Total	Capital One Shopping Total
Item	\$400.00	\$400.00
Shipping & Tax	\$17.68	\$17.68
Ex. Shipping Rewards	\$0.00	\$68.99
<b>Total</b>	<b>\$417.68</b>	<b>\$348.69</b>

Savings: \$68.99

Capital One

## TRANSFER CASH TO CHECKING AT CVS

# Channel Expenses are Fundamentally Misaligned



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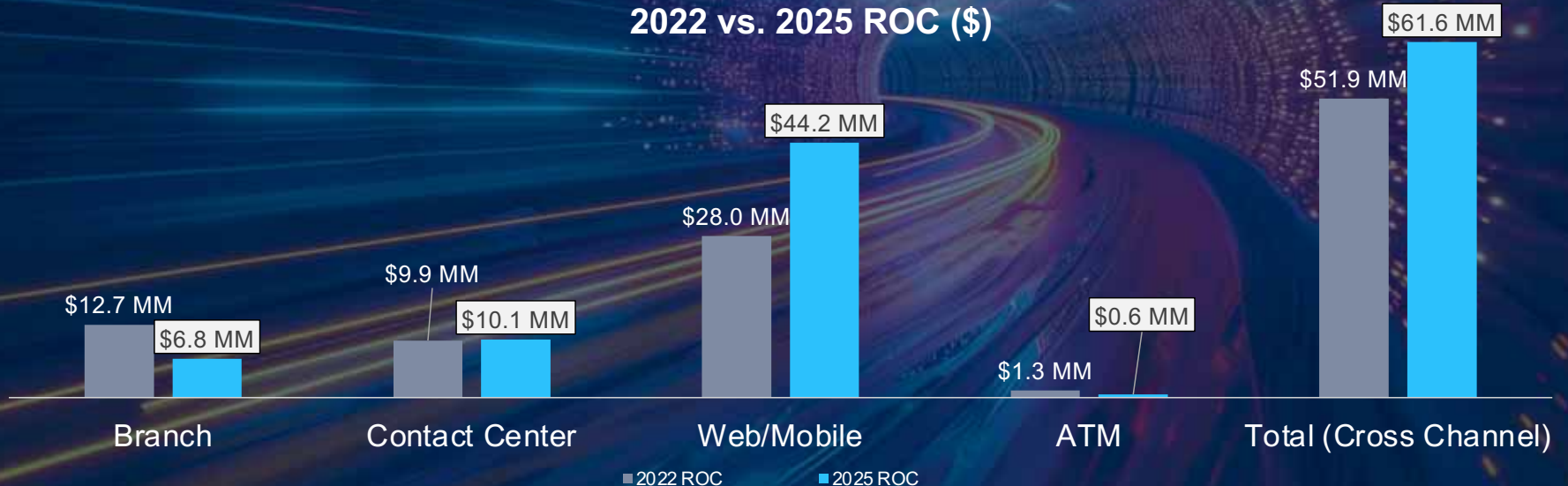
# Channel Expenses are Fundamentally Misaligned



# 3 Year Return on Channel

\$23 Million at risk based on sales and servicing behavior absent any changes in investment

2022 vs. 2025 ROC (\$)



# Transformation

From “keeping up” to truly innovating

Table Stakes

Leading Practices

Innovator

# Dial Up Your Options

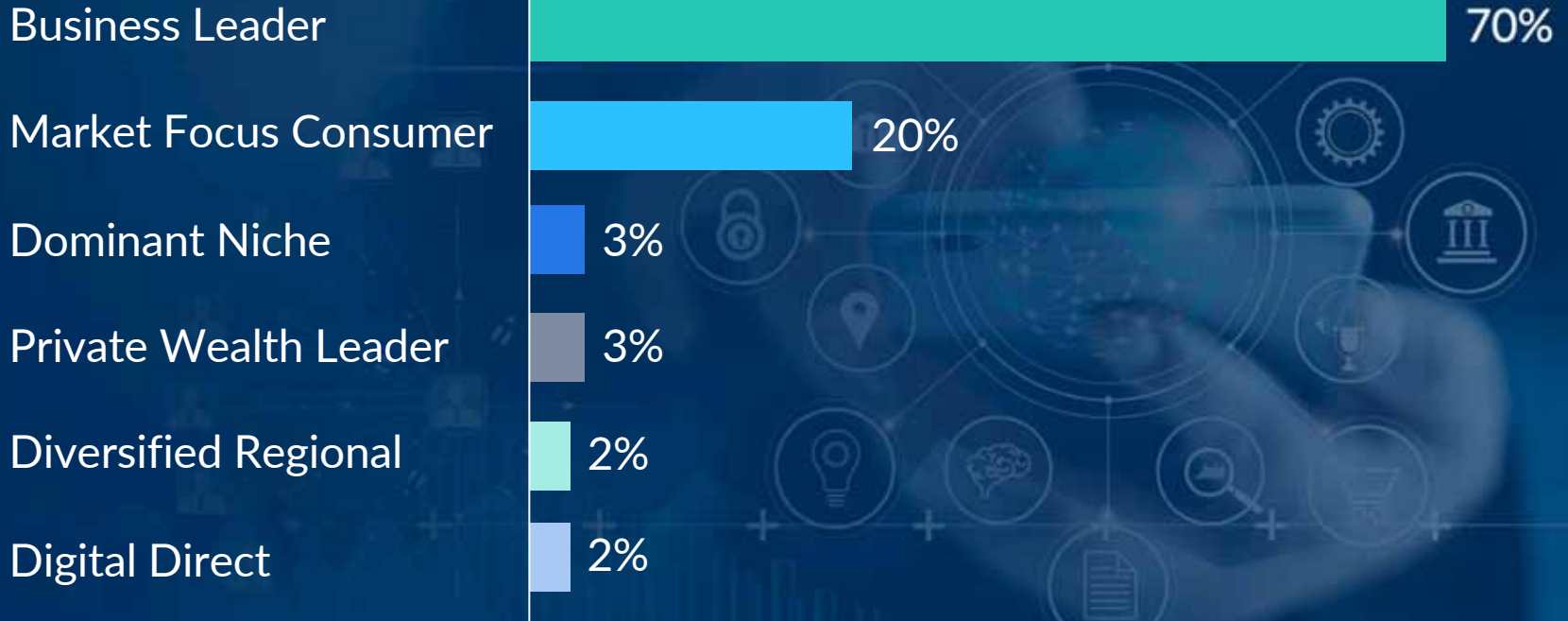


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# Business Model



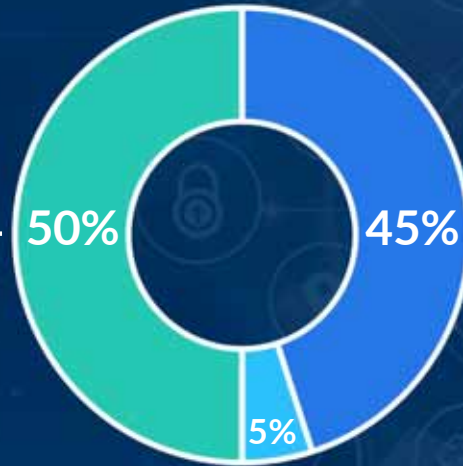
# Distribution Model



## Traditional

~\$431B

- Branch
- Turnkey
- Promote
- React



## Embedded Fintech

~\$388B

- Content
- Integrate
- Help
- Reach



## Embedded Finance

~\$26B

- Support
- Open
- Empower
- Shadow

# Driving the Right Mix of Build-Buy-Partner



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# Driving the Right Mix of Build-Buy-Partner



# Seeking the Powerful Overlaps



# Lessons Learned

1. **Watch out for false narratives**  
“We have to meet in-person to advise.” Wrong.
2. **“People over stuff”**  
The future of delivery (and transformation ) is mainly figuring out where the people go.
3. **“Don’t blow up the model”**  
Diversify and supplement.
4. **“Revenue solves lots of problems”**  
Fix pipeline visibility.
5. **“Hit the pavement”**  
Outreach is more than marketing and call center.

# Lessons Learned

6. **Argue the business model and numbers now**  
Structure the economic argument. Reduce emotion.
7. **“Hold feet to the fire”**  
Accountability within/without. Own it.
8. **“It’s personal”**  
Get personal on vision. Even better if the product/delivery niches are yours personally.
9. **“Rigorously challenge with examples”**  
Seek out new ideas from peers

# Seek Out New Ideas from Peers...

## Viewpoints



## Research

WHAT'S GOING ON IN  
**BANKING**



## Podcasts

