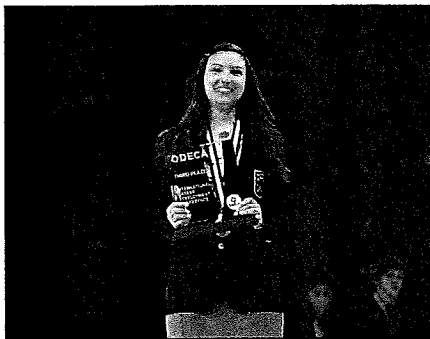


2012 INTERNATIONAL CAREER DEVELOPMENT CONFERENCE

Written Event Winners



FINANCE OPERATIONS RESEARCH EVENT

1st Place

Jason Eller

Rebecca Slatkin

Amanda Wong

Dominion High School, VA



FINANCE OPERATIONS RESEARCH EVENT

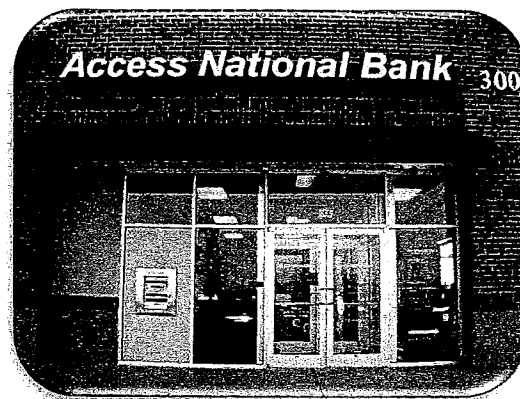
Dominion DECA

**Dominion High School
21326 Augusta Drive
Sterling, Virginia 20164**

Participants:

Jason Eller, Rebecca Slatkin, Amanda Wong

April 24, 2012



Access National Bank®
progressive business banking

TABLE OF CONTENTS

I.	EXECUTIVE SUMMARY.....	1
II.	INTRODUCTION.....	2
III.	RESEARCH METHODS USED IN THE STUDY.....	7
IV.	FINDINGS AND CONCLUSIONS OF THE STUDY.....	9
V.	PROPOSED STRATEGIC PLAN	16
VI.	BIBLIOGRAPHY.....	24
VII.	APPENDIX.....	25

I. EXECUTIVE SUMMARY

Purpose: The purpose of this research is to develop a loyalty plan for Access National Bank that will lead to an increased amount of clients and income. Because many banks in the area offer a similar service, a loyalty plan is what sets these banks apart from each other for the clients' needs. Through research done over the past few months, Advantage Financial has proposed a loyalty plan to maximize the amount of business being conducted by Access National Bank.

Summary of the Business: Access National Bank was established to best serve the community through progressive and superior financial solutions. Since its establishment, it has been working with businesses with revenues up to \$100 million. Access National Bank is now the top SBA lender in the D.C. Metropolitan Area, with 5 locations that work to serve the community to the highest degree possible.

Research Methods: To learn about how Access National Bank functions and get information about their current loyalty program, Advantage Financial used online resources and direct communication. Advantage Financial conducted question and answer interviews through email with Jona Payne, the Senior Vice President of the Client Services Division. To get more in depth research, Advantage Financial met with Ms. Payne and Thomas Ciolkosz, Vice President Relationship Manager, where discussions were held about the bank's relationship with clients, reasoning for their method of functioning, and competition.

Findings and Conclusions: Through the research conducted, Advantage Financial found that Access National Bank targets business owners differently based on the relationship and their needs and values. Their bank is different than most others because they take a genuine interest in their clients and their relationships with them. Access National Bank offers more personal networking and educational opportunities to their customers than other banks. In order to measure the success of its current customer loyalty program, Access National Bank refers to the referrals that they have received, in addition to their growth and profitability. Access National Bank values reciprocity highly, and utilizes this greatly within their bank. Advantage Financial concluded that although they have great relationships with their clients, there can be adjustments made to further show appreciation for their clients and add more benefits to the relationship as well.

Proposed Plan: To significantly improve the current loyalty plan used by Access National Bank, Advantage Financial suggests three changes. First off, they suggest that the bank creates a closer relationship with the Mason Enterprise Center through sponsorships and offering their clients free business classes there. Besides this, Advantage Financial suggests the creation of an online forum on their website to use to answer questions from clients and help them navigate throughout the website more easily. Lastly, they suggest the addition of an annual event exclusive to Access National Bank's best clients to show their appreciation and further the relationships that have already been built.

Budget: The budget for this plan is approximately \$12,500 a year, which is a cost of around \$14 per client. This budget primarily covers the costs for the additional client event, paying for educational seminars for clients, and sponsoring the Mason Enterprise Center.

II. INTRODUCTION

A. Description of business

In 1999, Access National Bank was established with the mission to “provide progressive and superior financial solutions to the communities that [it] serve[s]” and “enrich the interests of [its] clients, shareholders, and associates [through all of its endeavors].” It provides credit, treasury management, and private banking services to emerging businesses with revenues up to \$100 million. Access National Bank prides itself on providing the same level of technology and sophisticated banking products as the “mega bank” while delivering service on a personalized and local level.

Access National Mortgage, formerly known as Mortgage Investment Corporation, was founded in 1985. In 1999, it merged with Access National Bank, providing thousands of mortgages to individuals and offices in the Washington, D.C. area. Access National Bank has five distinct locations in the Northern Virginia area. These include branches located in Reston, Tysons, Chantilly, Leesburg, and Manassas. The bank has a full-time staff of about 75 personnel. Access National Bank differentiates itself from national chains by assuming the role of a “trusted business advisor” for all of its clients. Today, Access National Bank is the number one Small Business Administration, SBA, lender in the D.C. Metropolitan Area. As one of few fiscally responsible banks, Access National Bank prides itself on declining Troubled Asset Relief Program (TARP) funds and other stimulus funds from the government. Its business grows and thrives with satisfied clients through the help of its core values: innovation, integrity, efficiency, tailored service, and opportunity.

B. Description of community

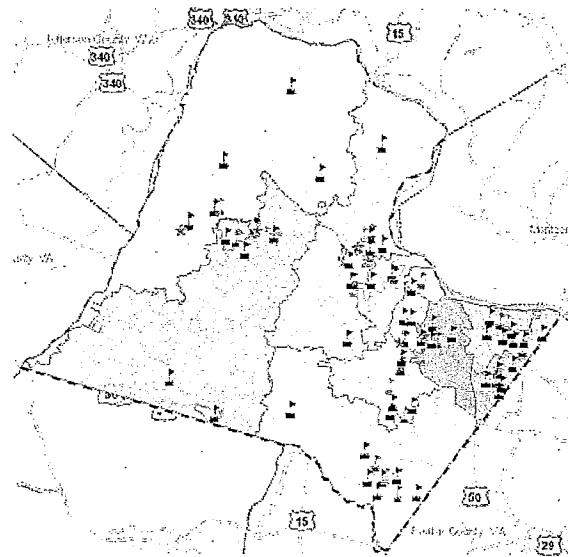
Loudoun County is located in the northern region of Virginia and is part of the D.C.

Metropolitan Area. With a land area of 520 square miles, Loudoun County has a high population density of 600 people per square mile. A majority, 69.4%, of the people living in Loudoun County are 18 years old or older. Caucasians make up 68.7% of the population, while African Americans, Asians, and persons of Hispanic or Latino origin comprise 7.3%, 14.7%, and 12.4%, respectively, of the over 300 million residents. The equal male to female ratio, high

percentage of people living in the same house for over a year, 84.5%, and the average number of people per household, which, at 3.04, is higher than the county's average of 2.54, all indicate that Loudoun County is very family-oriented.

Loudoun County Public Schools is the fastest growing school division in Virginia, largely due to the rapid growth of Loudoun County. As seen in Diagram 1, Loudoun County is partitioned into school districts. Smaller districts in the east indicate greater population levels. The emphasis placed on education is seen through the fact that all of Loudoun County's eight eligible high schools were ranked in the top six percent of American high schools by *Newsweek's* Challenge Index. Loudoun County students also have average SAT scores that are 40 to 50 points higher than both the state and national averages. Furthermore, the percentage of high school graduates among residents aged 25 and over is 93.9% while the percentage of these residents with Bachelor's degrees or higher is 56.5%. These percentages are substantially higher

Diagram 1: School districts

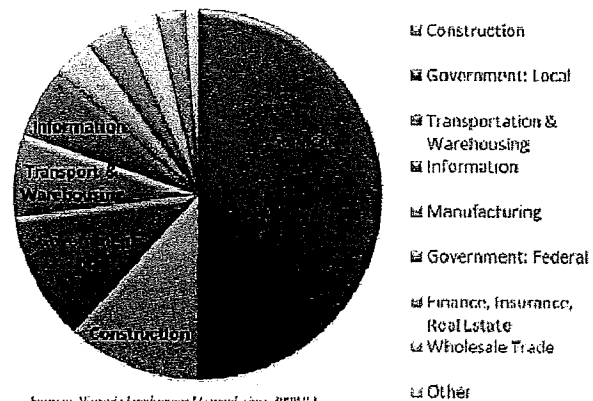


than those of Virginia, in which 85.8% of the population aged 25 and over are high school graduates and 33.4% have Bachelor's degrees or higher.

The median household income in Loudoun County is \$114,200, and the per capita income is \$44,788. With a cost of living index of 117.8, well over the U.S. average of 100, Loudoun County is one of the wealthiest counties in the nation. This is seen through the fact that in 2007, retail sales totaled nearly 4.5 billion dollars. The poverty level,

3.4%, and the unemployment rate, 4.1%, are both well under the national averages of 15.1% and 9.1%, respectively. Private wages and salaries are at 78% while the number of self-employed individuals is at 5%. The main industry clusters in Loudoun County, which can be seen in Diagram 2, consist of information and communications technology, federal government contracting, aerospace and airport services, life sciences, high-value agriculture, and international business. In 2009, the number of private nonfarm establishments was 7,861, and the

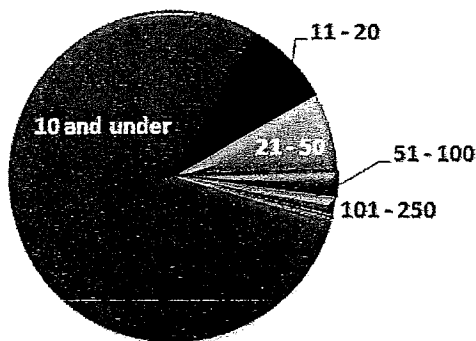
Diagram 2
Employment by Industry



Source: Virginia Employment Commission, 2008/02

total number of firms was 28,697. Almost three-quarters of the business establishments in Loudoun County employ ten or fewer employees, as seen in Diagram 3. Although companies with over 100 employees comprise only three percent of the total number of businesses in Loudoun County, they account for 55 percent of employment.

Diagram 3
Loudoun Companies
by Number of Employees



The county seat is located in the town of Leesburg, which is also the location of Access National Bank. Leesburg has a staggering population density of 3,439.5—over five times that of Loudoun County—and is home to roughly 43,000 people. In 2007, retail sales per capita totaled \$32,318, which is approximately 2.5 times that of Virginia. As a result of its high population density and the wealth of its citizens, Leesburg is a viable choice for the location of a bank.

C. Description of target market

Access National Bank focuses its efforts on small to mid-size businesses, with less than 100 million in revenue, and their associated professionals. Specifically, the company caters to businesses in the Washington, D.C. area that base their banking decisions on access to credit and the best electronic banking capabilities. The industries of their target market include the following:

Market Segments	Examples
Government Contractors	
Professionals or Centers of Influence	Doctors Lawyers Financial Planners Investment Bankers Certified Public Accountants (CPAs) Insurance Professionals
Real Estate Professionals	Realtors (Residential & Commercial) Title Companies Property Managers
Small Residential Developers and Builders	
Technology, Software, Professional, and Medical Service Firms and their Angel Investors	
Non-profit Organizations	Trade Membership Philanthropy Religion
Other	High net worth individuals with a variety of private and public business interests

Marketing: Although Access National Bank lacks a marketing department, it is able to rely on the power of its reputation. According to Jona Payne, the SVP over Client Services Division and one of the Business Development Officers, the company rarely advertises. A significant amount of business is received through existing clients who are satisfied with the bank's service. The company also utilizes network marketing through its Business Development Officers and Senior Bank Officers who are constantly in the business community making contacts.

Access National Bank's utilization of social media is limited due to privacy and security reasons. The main form of social media used is LinkedIn, a social media website focused primarily on businesses and business connections. In order to grow its market share, Access National Bank regularly makes use of Personal Marketing Plans. It has specific segment teams that focus on certain industries that the bank is interested in. One of the major ways in which Access National Bank employs marketing is through hosting events year-round for its clients and partners. Additionally, the bank occasionally advertises in the Washington Business Journal and is featured in the journal's articles frequently.

Competition: While there are few banks offering a similar service to Access National Bank's, the bank still has some competition in the local area. One of these banks includes Eagle Bank, located in Bethesda, Maryland, which focuses on, "providing superior customer service and custom financial solutions for the local business community." While Eagle Bank offers some comparable services for local small businesses, they have a larger focus on personal banking than Access National Bank. For their small business division, Eagle Bank focuses on commercial lending, commercial real estate, professional practices, non-profit organizations, and small businesses, which cross over into the same type of customers as Access National Bank. Eagle

Bank is ranked highly as a SBA lender in the Metro DC area, yet Access National Bank is ranked higher than them.

John Marshall Bank is also considered similar to Access National Bank and Eagle bank, with a large focus on business banking and spotlighting the customer's needs. All of these banks are very similar, which causes a need for a unique and effective loyalty program.

III. RESEARCH METHODS USED IN THE STUDY

A. Description and rationale of research methodologies selected to conduct the research study

Multiple research methodologies were used to conduct the research study. It was determined that the best way to conduct research about Access National Bank was to contact an executive with vast knowledge of the business. Advantage Financial contacted Jona Payne, Senior Vice President of the Client Services Division, through email. Email became a central component of Advantage Financial's research, enabling it to ask questions and receive thorough answers. A total of three email messages were sent to Mrs. Payne, each containing numerous questions aimed at better understanding the foundation and organization of the bank.

In addition to email correspondence, information was obtained through internet research, which provided accessible background information. Moreover, a meeting was organized between Advantage Financial, Jona Payne, and Thomas Ciolkosz, Vice President Relationship Manager. The meeting provided the exchange of more in-depth dialogue and answers to Advantage Financial's various questions. It also allowed for the possibility of immediate follow-up questions. Advantage Financial found that while the email messages were helpful, they often created more questions than were answered.

B. Process of conducting the selected research methods

The first step in Advantage Financial's research was centered on internet sources. Access National Bank's website was used to gather certain background information about the bank. The website was also used to further Advantage Financial's understanding of the variety of services that the bank offers. Although the website provided useful information, it was fairly lacking in terms of the background of the business and information regarding the structure and organization of the business. As a result, an initial email message was sent to Jona Payne with a few simple questions about the founding of the bank, its target market, and its marketing system. From her responses, a second, more in-depth, series of questions was developed and sent. The questions dealt with numerous aspects of the bank: why it was founded, why it chose to cater to small businesses, how it differs from nationwide chains, and information about its current customer loyalty program. The full list of questions and responses is included in the section titled Findings and Conclusions of the Study.

Finally, a meeting was scheduled for December 13, 2011 at the Access National Bank branch in Leesburg, VA. A series of questions was prepared prior to the meeting and then subsequently emailed to Payne. This gave Payne and her associate, Ciolkosz, time to prepare answers and materials for the meeting. The meeting lasted approximately 45 minutes and covered a variety of information: how the bank was founded, the use of Business Development Officers, and the use of Personal Marketing Plans. Information and notes on the meeting are included in the section titled Findings and Conclusions of the Study.

IV. FINDINGS AND CONCLUSIONS OF THE STUDY

A. Findings of the research study

Much of our research was conducted by interviewing Access National Bank executives. We met with Jona Payne, Senior Vice President of the Client Services Division. Below is a list of the questions and Mrs. Payne's responses that help us determine the best method to reach the bank's customers through a loyalty program.

Q: Can you explain your personal banking service and how it is different than personal banking at a national chain?

A: As a business bank we put a lot of emphasis on the relationship with the business owners and their employees. We customize our personal banking products based on the relationship. We don't target personal accounts like the "Big Banks" do. We target the owners of the business in a different manner based on the relationship and what is important to them. Our focus is the small business owner and their employees.

Q: Why did you choose to cater to small businesses?

A: The driving force behind our decision initially was that this was an underserved market especially by national chains. This is where we could find our niche in the market. The bank was started by local business owners who felt that the local economy could be better served by having a business bank focus on growing the local economy by serving businesses in the Greater Washington Area.

Q: How is your business different than a nationwide chain?

A: I believe what differentiates us is being that "Trusted Business Advisor" to our prospects, clients and business referral sources. We take the time to get to know them. We take an interest in what they do. We share an article of interest, refer them a prospect, and partner

with them to assist them in growing of their business. We do this through being experienced, knowledgeable, responsive and accessible. We offer networking opportunities and learning experiences to our business customers throughout the year.

Q: How many employees are there in the business?

A: At ANB there are about 75 employees of the bank.

Q: Can you describe your current customer loyalty programs?

A: We do not have a "Customer Loyalty Program". We engender loyalty through our personal relationships with our customers. Through building the relationship our goal is to help their business grow through all its phases. We are the resource to go to for assistance.

Q: How effective are your customer loyalty programs?

A: We are very effective at networking among our clients, prospects and referral partners and offering educational seminar topics and events that are relevant to the success of their business. This is what makes us different.

Q: How does your company utilize social media?

A: We are not big users of social media primarily due to privacy and security reasons. The one social media that we do promote is LinkedIn which is business focused. Most of our "social networking" is in person.

Q: What kind of advertising and promotions does the company use?

A: The bank utilizes effective execution of "Personal marketing Plans" (PMP) to grow market share. This is done through specific segment teams that focus on certain industries that the bank is interested in. Typically we sponsor or host events that are directed at the industries that we focus on. We also do limited advertising through the Washington

Business Journal. We generate a lot of good press due to our success and are featured frequently in Washington Business Journal articles.

Q: What kind of customer research do you conduct and how often do you conduct it?

A: Most of our research is manually done when we want to collect or analyze information.

A lot of what we do is through grassroots efforts i.e. ask the clients what is important to them, review their transaction activity. We also use segment targeted databases to directly contact the CEO of CFO's of the market we are targeting for an event or a specific product. A customer survey is completed by our customers each time a new loan or a new account is opened as to customer satisfaction. Any dissatisfaction is addressed immediately. We try to always make it right. (A sample survey can be found in the Appendix)

Q: Are there any particular aspects of a customer loyalty plan that you would like have? Are there any reasons you have not implemented certain plans?

A: We feel that our strategic marketing objectives are being met and we have no reason to believe that we are not going in the right direction. We are satisfied with the results and the feedback from our clients. Our "hands on" approach makes all the difference.

Q: How much would you be willing to spend, hypothetically, on a loyalty program?

A: Based on our current activity what we are currently doing is effective. Each market segment team has a marketing plan which is approved annually. Part of the plan is



Interior view of Access National Bank

budgeting for sponsoring events and paying for membership fees to various networking groups. Budgets are limited. Rewards could be based on having the opportunity to attend

an Access or sponsored event. Typically we host or sponsor about 50-75 events a year.

This could be a way to register folks and based on the relationship they would qualify for certain events, product upgrades or free services.

Information gained and notes from the meeting: The biggest difference between commercial banks and Access National Bank is that commercial banks have shareholders and depositors who deposit money into banks. This money is then used to give loans; and through monthly payments with interest, commercial banks are able to generate revenue. Since the inception of the banking system, commercial banks have changed ten-fold while Access National Bank still maintains the value of service over profit. In addition to interest, commercial banks are able to make money through debit cards, credit cards, and over-draft fees. With 20 billion dollars in fees and 150,000 clients, commercial banks are able to generate a lot of revenue.

In contrast, Access National Bank is a community business bank with about 900 clients. Most clients are business owners, such as certified public accountants, caterers, and dentists.

Given that Access National Bank, unlike commercial banks, does not charge a myriad of fees,

VP Relationship Manager Ciolkosz compared it

to banks in the old days, such as that in *It's a*

Wonderful Life. Given that Access National

Bank's main concern is not generating a profit, it

has a greater risk of bankruptcy than commercial

banks if loans are not repaid. As a result, it is

more conservative when lending money to

businesses, ensuring that its clients' businesses

are reliable and stable. It receives assistance



Another view of Access National Bank

from the Federal Deposit Insurance Corporation (FDIC) and Small Business Administration (SBA), which ensure deposits and provide guarantees for repayment in the event that a business goes bankrupt and does not have collateral to repay the bank.

In Leesburg, there are many government jobs, with most businesses in the industries of government contracting, professional services, and technology. Therefore, Leesburg is an ideal location for a bank whose mission is to help business owners. Through modern technology, such as the carry service, transactions are electronic, increasing convenience for both banks and clients. Furthermore, Access National Bank's commitment to serving business owners ensures that associates and employees have expertise on all areas of business, which is not true of tellers at commercial banks.

Access National Bank was started by business owners with a mission to help an underserved market, small business owners. Founder Mike Clarke approached numerous business owners for investments. In 2002, Access National Bank transitioned from a privately owned company to one that is publicly traded. Although its share value is subject to the market, it has been steadily increasing: initially it was worth \$3.49 a share and now it is about \$9 a share.



Information for Access National Bank Clients

Furthermore, its value did not drop as much as commercial banks during the recession in 2008, showing its stability.

Employees at Access National Bank work as a team to ensure that all of the needs of their clients are met. They assist Leesburg customers with opening and structuring accounts and make up departments that can

handle everything for small business owners: loans, investments, payroll, merchant card services, insurance, and more. In addition to providing service, Access National Bank helps its clients through referrals. Through partnerships and networking, businesses that bank with Access National Bank obtain services at lower charges as well as additional business from clients of Access National Bank. Although the bank does not generate income on this value added service, it creates good will and earns referrals.

Additional services offered to clients include seminars on the economy to increase business education and events such as the Piggy Bank Party, which facilitates networking in an environment filled with socialization, beverages, and food. Through these events, clients learn how to make better business choices and are able to meet potential clients. These services can be thought of as Access National Bank's current customer loyalty program.

In order to measure the success of its current customer loyalty program, Access National Bank keeps track of the number of referrals that it has received as well as its profitability and growth in comparison to other business banks in the area. Instead of a referral program that offers rewards, Access National Bank has an informal give and take system based on the concept of reciprocity.

Access National Bank maintains personal relationships with its clients through social media such as LinkedIn, which can be used to communicate as well as learn more about the bank. Furthermore, it uses Personal Marketing Plans (PMPs) to help grow businesses. These plans include referrals, goals, and events attended. Each department or segment must have a marketing plan. In addition to department or segment wide PMPs, each Business Development officer must have an individual PMP which outlines exactly how they are going to meet their goals for the year.

Lastly, Access National Bank works with non-profit associations, such as the Greater Washington Society of CPAs. Associations like these sponsor businesses to meet clients and are a valuable tool for networking. Furthermore, Access National Bank works with small business development centers (SBDCs) like the George Mason Center by offering educational seminars and holding events for any business owner that wants to learn about starting a business. The George Mason Center is thought of as an “incubator” and offers programs to businesses that want to get started. Access National Bank’s relationship with the George Mason Center enables it to gain referrals.

Throughout the meeting, Ciolkosz provided Advantage Financial with various sheets of information, advertisements, and brochures. Brochures were also collected at the end of the meeting. Some of the brochures provided can be seen in the Appendix.

B. Conclusions Based on the Findings

Based on these findings, Advantage Financial concluded that Access National Bank offers quality service and builds personal relationships with its customers through its informal customer loyalty plan. This plan relies on the idea of reciprocity and stresses value added services, such as opportunities to network at annual parties and events, prospects and referral partners, and educational seminars. Access National Bank also reaches out to the business community through its work with non-profit associations and small business development centers. However, it could improve customer satisfaction through the implementation of more services, which would be created by building stronger relationships with the business community, effectively utilizing online resources and the internet, and providing more opportunities for networking.

V. PROPOSED STRATEGIC PLAN

A. Goals/objectives and rationale

The proposed plan is aimed at enhancing the level of service that Access National Bank provides to small businesses. Advantage Financial's goal is to propose a plan that will allow Access National Bank to maintain stronger relationships with its clients. Short-term benefits associated with the plan include an increase in publicity for the bank. This increase in publicity will be caused by word of mouth, as people will begin to talk about the new services offered by the bank. All long-term benefits will be associated with an increase in customer satisfaction. The new services offered to Access National Bank's customers will enable clients to further develop their businesses. Access National Bank will also become a knowledgeable resource for all of its clients, resulting in a peace-of-mind benefit.

B. Proposed activities and timelines

Relationship with Small Business Development Centers: Access National Bank currently has an informal relationship with the George Mason Enterprise Center. The Mason Enterprise Center is a university-based economic development enterprise that focuses the university's skill and intellectual capital on business development. The center provides business owners with access to faculty, alumni, and other resources needed to expand their businesses. Currently, the Mason Enterprise Center has a location in Leesburg, which is also the location of Loudoun County's Small Business Development Center (SBDC). The center offers a wide range of resources for both business owners and aspiring entrepreneurs. A few of these services include educational programs, consulting, and office space. Their counseling services cover areas such as marketing and sales development strategies, exploration of business opportunities, financial

management, business licenses and taxes, small business regulation and policies, and employment procedures and practices.

Advantage Financial's plan proposes a closer relationship between the enterprise center and Access National Bank. Currently, the center is funded by both local governments and businesses. Advantage Financial suggests that Access National Bank become a local sponsor for the center. This would require a yearly financial donation. The sponsorship would improve the bank's reputation among the community by nature of its relationship with a business development center. Furthermore, its current client base would feel more fiscally confident in the bank due to the close link with an economic resource center. As a result, Access National Bank would become an even larger source of advice for its clients. In a time when economic stability is so inconsistent, business owners want to associate with banks that are concerned with the growth of and sustainability of local businesses. In addition to benefitting its reputation, the sponsorship would act as a marketing strategy, as all of the sponsors and links to their respective websites are shown on the George Mason Enterprise Center's website. This sponsorship would improve Access National Bank's footprint in the region and, as proposed by Advantage Financial, should begin in June of 2012.

In addition to becoming a sponsor of the Mason Center, Advantage Financial advises Access National Bank to cover the registration costs for two educational seminars held at the center for its top 100 clients each year. In order to determine these top clients, Advantage Financial suggests that Access National Bank adopt the following equation:

$$Rating = \frac{y}{360} \times 30 + \frac{r}{10} \times 70$$

Every customer will be rated using this system, with the highest possible rating being 100.

Ratings will be based on number of months with Access National Bank, y , (with a maximum of

360 months) and number of referrals per year, r (with a maximum of 10 referrals). The clients with the top 100 ratings will be deemed “top clients” for the year. Ratings will be recalculated at the start of every year in January. This rating system will not only inform top clients that their loyalty is appreciated, but it will also encourage customers to refer other businesses to Access National Bank. This small act of good faith will go a long way in terms of maintaining the reciprocal relationship with its clients. Registration fees are generally less than \$30, which would not put a large burden on the bank, but would be one less thing for clients to worry about. The result of this gesture would also greatly aid the bank in that the seminars are aimed at informing business owners. Ultimately, Access National Bank would have more educated clients with even more successful businesses.

The last suggestion Advantage Financial has is that Access National Bank hold a yearly raffle with three winners. The bank would cover the cost of the NxLevel program for each of the winners. The NxLevel is a 10-week course offered by the Loudoun SBDC to help business owners expand their businesses. The raffle would occur at the bank’s annual holiday party, beginning in 2012.

Online Customer Service: Access National Bank’s main source of information is its website, www.accessnationalbank.com. From this online source, clients can learn more about the bank, its services, and upcoming events as well as access and manage their accounts. Although Access National Bank’s website includes an abundant amount of information, it does not have a Frequently Asked Questions (FAQ) page or any means of navigating all of the information on the site beyond a standard search toolbar.

As a result, Advantage Financial recommends that Access National Bank create an online forum on its website. Through this forum, clients will have the ability to pose questions and

receive prompt responses. After this forum has been in place for one year, a FAQ page will be created based on the most viewed forums. Advantage Financial also suggests that Access National Bank provide its clients with options to browse forums by popularity and relevancy in order to make it simple and convenient to participate in discussion and receive answers. In addition to public forums, this system will include a “personal messaging” option to enable clients to ask private, specific questions to trained employees.

Through this forum, clients will be able to interact with trained employees, Business Development Officers, and each other. Additionally, this system of communication will provide a means of navigating all of the information on Access National Bank’s website, improving clients’ knowledge concerning the bank, its practices, and potential benefits that it offers to them. Collectively, this measure will improve bank-to-client relations, strengthen a client’s positive banking experience, and transform Access National Bank’s website into a powerful access point.

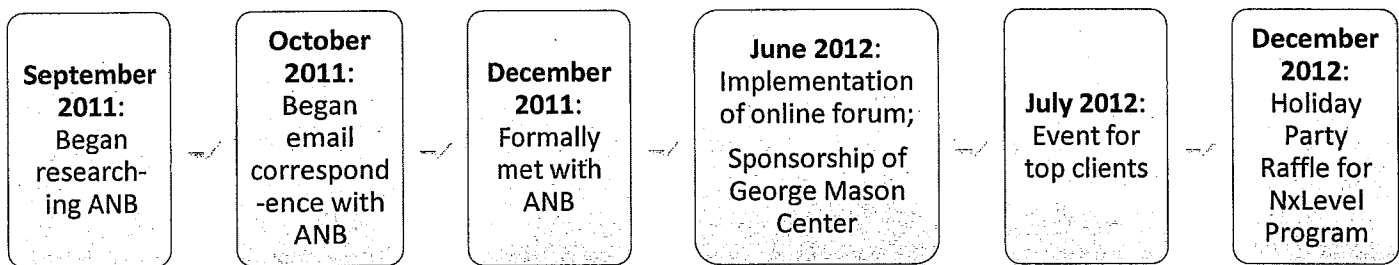
Advantage Financial suggests that this online forum be designed over the next couple of months and be implemented in June of 2012. After one year, a FAQ page should also be introduced to the website. Given that this online forum will mainly be used by clients interacting with each other and will be monitored by current employees, it will not result in any additional costs for Access National Bank.

Sponsored Events: Access National Bank hosts a few events a year to bring together its clients and potential clients as well as enable business professionals to socialize and discuss business. These are used as an example of how the bank builds success through its personal relationships with clients. The relationships continue to strengthen throughout the years, which is why loyalty is very important for Access National Bank.

One weakness that Advantage Financial saw was a lack of benefits for loyal and well-established customers. Because of this, Advantage Financial suggests that Access National Bank hosts one special event per year exclusively for its best clients to show its appreciation for their business. This special event will be open to Access National Bank's top 100 clients. Since this event will be smaller, it is a great opportunity for Access National Bank to connect to its clients on a further level. During the event, Access National Bank would be able to share any recent successes to further convince its clients to support its bank and utilize promotional opportunities, such as passing out branded material and discussing upcoming events. Additionally, pictures taken at the event could be on display for clients as a way to encourage them to continue their partnership with Access National Bank and see one of the benefits.

Given that Access National Bank's annual holiday party is held in December, Advantage Financial suggests that the event for top clients be held in July. Therefore, top clients will be able to attend an Access National Bank party approximately every 6 months.

Proposed timeline: In order to ensure that all suggestions are implemented within a year, Advantage Financial suggests that Access National Bank use the following timeline:



In January 2014, Advantage Financial suggests that Access National Bank conduct a full evaluation of this proposed customer loyalty plan. By January 2014, all of the new additions will have had time to take full effect. If the customer loyalty plan is shown to be successful, Access National Bank should continue to utilize it as well as conduct evaluations every January.

C. Proposed budget

Based on this proposed plan and the additional services that it incorporates, Advantage Financial created a budget outlining the approximate costs of all strategies. The table below outlines the proposed yearly budget:

Activity	Estimated Cost
Sponsoring the George Mason Enterprise Center	\$2,000
Paying educational seminar registration costs for clients	\$6,000
Covering the cost of the NxLevel program for three clients	\$1,455
Maintaining an online forum on the Access National Bank website	\$0
Paying costs associated with sponsoring/hosting one more event per year	\$3,000
TOTAL	\$12,455

Given that Access National Bank has approximately 900 clients, this budget would cost about \$14 per client for an entire year. As a result, this plan would not put a financial strain on Access National Bank.

D. Proposed metrics to measure return on investment (ROI), sales, customer retention, customer satisfaction, etc.

Several methods of measurement will be implemented to track the success of the proposed plan. The value of the bank's stock will be monitored on a daily basis to determine whether the overall value of the business is increasing. An increase in the stock value would indicate the continuing success of its customer relationships.

The rate at which customers join the bank will also be recorded on a regular basis. Each Business Development Officer will be given the additional task of recording the number of new customers who join the bank each month. This data will be compiled into one document, which

will be updated on a monthly basis and used to calculate the rate at which customers join the bank. Because many clients join Access National Bank due to referrals from existing customers, an increase in the rate of new clients would indicate that existing clients are highly satisfied with the bank's service.

Additionally, each Business Development Officer will be given the task of recording the number of clients who choose to leave the bank each month. This data will be compiled into one document as well, containing the overall number of clients who took their business elsewhere. Former clients will be asked for a reason as to why they decided to leave and for any suggestions, which could be used by Access National Bank to improve its services to future clients. The data compiled in this document as well as the information of when clients joined would be used to calculate the average length of customer retention. Customer retention is the most important indicator of the success of the proposed plan because its ultimate aim is to provide incentives for customers to stay with Access National Bank.

The last method that will be used to measure the success of the proposed plan is the continuation of customer surveys. When clients take out loans, they are asked to complete a short survey, which is used to assess customer satisfaction. Through Advantage Financial's proposed plan, surveys will be given to each new client and will include questions aimed at determining why customers chose Access National Bank. Every six months, surveys will be sent to each client with questions regarding their current satisfaction with the services of the bank. The end of each survey will include blank space for clients to write any suggestions. Two weeks after the bi-yearly surveys are sent out, every client will be sent a letter thanking them for continuing to utilize the services of the bank.

Ultimately, if this customer loyalty plan is implemented, the members of Advantage Financial believe that the amount of business conducted by Access National Bank will grow, the bank will continue to maintain its status as the top SBA lender in the D.C. Metropolitan Area, and will continue to serve small businesses to the highest degree, ensuring a strong and stable local economy for all businesses and residents in the area.

VI. BIBLIOGRAPHY

Ciolkosz, Thomas. Personal interview. 13 Dec. 2011.

Loudoun County Department of Economic Development. "Products - Error." Loudoun County Virginia Department of Economic Development. N.p., n.d. Web. 27 Nov. 2011. <<http://biz.loudoun.gov/LinkClick.aspx?fileticket=Vu1aNUvsP%2bI%3d&tabid=80>>.

Loudoun County Public Schools. "LCPS High Schools Highly Ranked by Challenge Index ." Loudoun County Public Schools / Overview. N.p., 11 June 2009. Web. 27 Nov. 2011. <<http://www.lcps.org/site/default.aspx?PageType=3&ModuleInstanceID=8056&ViewID=7b97f7ed-8e5e-4120-848f-a8b4987d588f&RenderLoc=0&FlexDataID=9709&PageID=169>>.

"Loudoun County Public Schools, Virginia - Fact Sheet 2010-2011." Loudoun County Public Schools, Virginia - Fact Sheet 2010-2011. N.p., 25 Jan. 2011. Web. 27 Nov. 2011. <www.lcps.org/cms/lib4/VA01000195/Centricity/Domain/4/LCPS%20Fact%20Sheet%20Summary%20-%202010-2011.pdf>.

"Loudoun Small Business Development Center." *Loudoun Small Business Development Center*. N.p., n.d. Web. 16 Jan. 2012. <<http://www.loudounsbdc.org>>.

Loudoun Virginia USA Economic Development. "Products - Error." Loudoun County Virginia Department of Economic Development. N.p., n.d. Web. 27 Nov. 2011. <<http://biz.loudoun.gov/LinkClick.aspx?fileticket=4Soe6ouvXEM%3d&tabid=83>>.

U.S. Census Bureau. "Leesburg (town) QuickFacts from the US Census Bureau." State and County QuickFacts. N.p., 23 Dec. 2011. Web. 28 Dec. 2011. <<http://quickfacts.census.gov/qfd/states/51/5144984.html>>.

U.S. Census Bureau. "Loudoun County QuickFacts from the US Census Bureau." State and County QuickFacts. N.p., 23 Dec. 2011. Web. 28 Dec. 2011. <<http://quickfacts.census.gov/qfd/states/51/51107.html>>.

Payne, Jona. Email interview. 8 Dec. 2011.

"Welcome to the Mason Enterprise Center." *Mason Enterprise Center*. N.p., n.d. Web. 16 Jan. 2012. <<http://www.masonenterprisecenter.org>>.

VII. APPENDIX

Increase fraud prevention to reduce your risk. Take advantage of Fraud Management Solutions:

- Traditional Positive Pay
- Payee Positive Pay
- Barcode Positive Pay
- Reverse Positive Pay



Access National Bank
 innovative business solutions

Access National Bank offers a variety of anti-fraud services to help your business reduce risk and increase your bottom line. To learn more, contact your Access National Bank representative.

CONTACT US TODAY FOR MORE INFORMATION ON POSITIVE PAY!

Access National Bank
 1806 Robert Fulton Drive
 Reston, VA 20191
 (703) 871-2100 phone
 (703) 760-3337 fax
www.AccessNationalBank.com



Comprehensive Fraud Management Solutions

Positive Pay is an anti-fraud service offered by Access National Bank. It helps prevent business losses caused by check fraud. Positive Pay alerts in clearing, identifying and monitoring the check details that you send to the bank.

TRADITIONAL POSITIVE PAY
 A check creation tool that matches the account number, check number, and dollar amount of each check provided for payment against the actual check submitted by the business. Any mismatches within the three components will create an "exception flag" and alert you to make a decision to reject or pay.

PAVE (Payee Verification)
 Includes all components of Traditional Positive Pay but also includes the added Special Database Exception (SDE) is triggered on an excess payment not returned matching the correct bank on the face of the check. The error listed on the SDE is:

EXCESS PAYMENT
 Traditional and Pave Positive Pay
 Exception codes are created directly by the bank.
 2-42 exception codes are reported to clients as follows: They have not made (EXCESS PAY) to make a decision.
 A PAVE exception is not made by the bank. When you see EXCESS the instructions are for the clearing system. The Service Agreement.

BARCODE POSITIVE PAY
 Uses a patented electronic check fraud prevention tool called "E-CHECK". All pertinent check information is encrypted and is transmitted and stored on the check, linking it to the check information. An error will be generated in payment. Check information is sent from the check and matched to the encoded data embedded within the barcode.
 Any mismatches will be flagged as "EXCESS PAY", allowing clients to make a decision to return or pay.



Positive Pay Benefits

- Reduce the amount of check fraud
- Increase your bottom line
- Increase your credit rating
- Increase your cash flow
- Increase your security

Reverse Positive Pay
 Reverse Positive Pay is a service that alerts you to any checks that are cashed without your authorization. They have not made (EXCESS PAY) to make a decision.

Barcode Positive Pay
 Barcode Positive Pay is a service that alerts you to any checks that are cashed without your authorization. They have not made (EXCESS PAY) to make a decision.

Brochure on Managing and Preventing Fraud

WASHINGTON BUSINESS JOURNAL

washingtonbusinessjournal.com

October 28–November 3, 2011

News

SBA changes could ease firms' credit woes

By Bryan Ruiz Switzky

The Small Business Administration has revamped its CapLine program, which could help bring more credit to small government contractors and other local businesses.

In that program, the SBA gives a 75 to 85 percent guarantee on credit lines of up to \$5 million with terms of up to 10 years. The government guarantee reduces the risk for lenders, which should enable banks to extend more cash to more businesses.

The reformulated CapLine program, released Oct. 1, has four types of loans: working capital, contract, seasonal and builder's. The working capital line, which can be used by any small business, and the contractor line, open to government contractors and subcontractors, will likely get the most play locally.

The program has been around since the early 1980s, but hardly any banks used it.

Ted Lauer, head of SBA lending at Reston-based Access National Bank, said the requirements were too onerous and risky for lenders, who feared that a small mistake in their servicing or underwriting of the loan would allow the SBA to deny or reduce the guarantee.

"It read like it was written by a consultant working in the garment industry in New York, where you've got to watch every penny," he said.

Lauer was one of a handful of local bankers the SBA asked several months back to give input on how to revise the CapLine program to make it more palatable and easier to use. The agency spent a few months reworking it before releasing the changes.

"This has been one of the fastest program revisions I've seen in the history of the SBA," said Bridget Bean, the agency's district director of the Washington area. The sense of urgency came in part, she said, because a temporary size increase in the Express Loan program, a key source for lines



Ted Lauer of Access National Bank was one of the bankers who advised the SBA on ways to improve a program that provides guarantees for credit lines.

of credit, expired Sept. 30 and sent loan limits down from \$1 million to \$350,000.

As part of the reformulation, the SBA scaled back the requirements for cash flow controls and examinations of borrowers' back-office operations. It also allowed contractors to use the lines of credit to fund all costs; previously they could only be applied toward labor and materials. Additionally, the revisions allow lenders to submit applications electronically, which enables quicker approvals.

The program is open to government contractors that are starting on a new contract. Factoring companies, which lend to government contractors that don't qualify for traditional bank funding, also can use it.

"I have high expectations for this," Bean said.

So does Access National Bank, the largest local bank lender of SBA loans by volume.

"We're working on a million-dollar CapLine right now," Lauer said, for a line of credit that would fund growth for a civil engineering company that works for quasi-government agencies.

Bethesda-based EagleBank will likely use the program too, but Executive Vice President Bob Hoffmann is somewhat skeptical.

"It's a huge improvement over what it was. I absolutely loved the CapLine program as it was before," he said. "But the devil's in the details, and I am still reserving final judgment."

Part of the challenge, he said, is that lines of credit are more risky than term loans, partly because borrowers don't have to pay down the principal until the loan matures. SBA-backed loans also usually go to less creditworthy borrowers, who are more likely to max out their lines and never pay them down.

This is particularly risky in accounts receivable lending, where credit is lent against receivables such as federal contracts, Hoffmann said. It's easy for borrowers to get paid by the government and not use the money to pay down their line of credit, leaving the bank with a collateral shortfall.

Reprinted with permission from the Washington Business Journal, ©2011, all rights reserved. Reprinted by Scump Report Source 1-800-767-1253.

Article on Access National Bank

Business Lending Services

Need help growing your business? We understand what loans for small and mid-sized businesses are. And in today's rapidly changing business environment.

We offer a wide range of lending products that we tailor to meet your long and/or short-term development goals.

- Commercial Mortgages
- Asset Based Lines of Credit
- Working Capital Lines of Credit
- Government Contract Lending
- SBA Loans
- Equipment Term Loans
- Equipment Leasing
- Land Development Loans
- Construction Loans
- Letters of Credit

For a personal and confidential, free info call 703-871-2100



Access National Bank® progressive business banking

Business Days are:
Monday through Friday
Excluding Federal Holidays
Banking Hours: 9:00 AM - 5:00 PM

Atlanta Branch Office
1600 Robert Fulton Drive, Suite 300
Boston, MA 02118
703-871-2100
Fax: 703-769-0399

Piedmont Branch Office
1600 Robert Fulton Drive, Suite 100
Durham, VA 27611
703-871-7374
Fax: 703-769-0699

Chesapeake Branch Office
1600 Lee Jackson Memorial Hwy.
Chantilly, VA 20151
703-871-2100
Fax: 703-871-2100

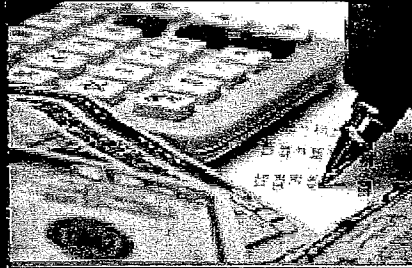
North Tysons Branch Office
8200 Old Courthouse Rd, Suite 100
Vienna, VA 22182
703-871-1600
Fax: 703-448-5505

Lynchburg Branch Office
360 Fort Evans Road, Suite 100
Lynchburg, VA 24016
703-871-1510
Fax: 571-259-0410

Manassas Branch Office
6626 Rolling Road, Suite 100
Manassas, VA 20108
703-871-2600
Fax: 703-468-1700

www.AccessNationalBank.com

Access National Bank® progressive business banking



Business Services Pricing Guide

Effective April 15, 2009

BUSINESS SERVICES PRICING GUIDE

Commercial Checking

Service Fees Assessed Through ACH/Debit
Minimum balance to open \$1,000.00
Monthly Maintenance Fee \$15.00
Debit Card - Core Checking Account Transaction Fees
indicated on next panel

Small Business Checking

Minimum daily balance to avoid fee \$1,000.00
If balance falls below minimum \$15.00
Transaction Fee none
Checks Print, Checks in Deposit, Deposit Ticket
First 200 checks no charge, then \$20 per item
All other Service Fees indicated on next panel

Business NOW

Minimum balance to open \$500.00
Minimum daily balance to avoid fee \$3,500.00
If balance falls below minimum \$15.00
Transaction Fee none
Service Fees indicated on next panel

Business Money Market

Minimum balance to open \$1,000.00
Minimum daily balance to avoid fee \$3,500.00
If balance falls below minimum \$15.00
Transaction Fees indicated on next panel
Excess Debt Transaction Fee each \$10.00

Access Business Savings

Minimum balance to open \$1,000.00
Minimum daily balance to avoid fee \$500.00
If balance falls below minimum \$15.00
Transaction Fees indicated on next panel
Excess Savings Withdrawal Fee (each) \$10.00
No more than 3 other statements cycle

Business Account Service Fees

The following fees may be assessed against your account and the following transaction limitations. Fees apply to your account.

	Charge per item*
Account Closing (after 6 months)	\$25.00
Attachments, Tax Forms, Statements (up to 10)	\$10.00
Cashier's/Office Check	\$10.00
Check Printing (depending on type ordered)	\$10.00
Copy of Check	\$10.00
Copy of Statement	\$10.00
Counter Item	subject to pick-up location
Checking Account Transaction Fees	
Check Print	\$ 15
Deposit Ticket	\$ 05
Checks in Deposit	\$ 10
On-Us Checks in Deposit	\$ 05
Returned/Unpaid Deposits/Other items	\$10.00
Foreign Check Deduction Fee	\$25.00
6-Deposit monthly	\$100.00
NSF (check returned)	\$29.00
Negative Balance Fee	\$10.00 per day
Recurse Agreement	\$20.00 per month
Pre-Authorized ACH Debit Fee	\$5.00
Manual Transfer Request Fee	\$5.00
Phone Services	Based on service provided
Reconciliation of Accounts Research	\$65.00 hour
Stop Payment (phone, fax, in-person)	\$25.00
Swap Account Monthly Fee	\$25.00
Written Verification of Deposit Loan	\$10.00
Uncollected Funds Charge (each check)	\$10.00
Fee not under analysis	\$21.00
Wire Transfers	
Incoming Wires	FREE
Outgoing Domestic	\$25.00
Outgoing International	min. \$50.00
International Wire Research Fee	\$50.00
*Fees where noted	
Debit Card Related Charges	
Replacement Card	\$10.00
Express Card and Overnight Delivery	\$30.00
Protective PIN	\$7.00
Foreign ATM Transaction Fee	FREE

Business Access Online Banking Related Charges

Monthly e-Statement Statements to Documents (includes Loan Bill & Notices)	FREE
On Payment Unlocked	FREE
Account Transfer (from Access Account)	FREE
WebConnect Download	
QuickBooks/QuickBooks/MaxNet	FREE
Online Online Banking Transfer	FREE
Electronic Federal Tax Payments (EFTPS)	FREE
Ordered Checks Copies (available 100 days)	FREE
Stop Payment (over 30 days)	\$15.00
On-Us Stop Payment	\$25.00
On-Us Return NSF	\$25.00
International Wire Transfer	min. \$50.00
Synthetic Wire Transfer	\$15.00

Internet ACH Origination Fees

SERVICE LEVELS	SPECIFICATIONS (MONTHLY ACTIVITY)**	MONTHLY COST
Level I	1-2 Batches/ 1-25 Transactions	\$15.00
Level II	3-4 Batches/ 26-50 Transactions	\$30.00
Level III	5-9 Batches/ 51-100 Transactions	\$60.00
Level IV	10-250 Batches/ 100-250 Transactions	\$120.00

** Activity greater than correct level increases speed of processing

ACH Return	\$10.00
ACH Set-up	\$75.00
ACH Monthly Fee	\$5.00

All fees subject to change.

www.AccessNationalBank.com

Access National Bank[®]

progressive business banking

Thank you for your business!

Access National Bank is committed to providing progressive banking products, market knowledge, local decision making and tailored service to meet your specific banking needs.

How are we doing and how may we better serve you?

Please tell us your name and contact information (optional):

Client Name _____
Company _____
Phone Number _____
Email _____

I have the following relationship with Access National Bank (Check all that apply):

- Personal Accounts Business Accounts Online Banking
 Commercial Loan Personal Loan/HELOC Cash Management

Check the box that best describes your overall experience.

- very satisfied
 satisfied
 marginally met my needs
 unsatisfied

I Bank at Access National Bank because (Check all that apply):

- Client Service Competitive Loan Products
 Relationship Banking Competitive Deposit Products

How would you characterize the account opening process or the loan approval process?

- very smooth and handled professionally
 handled adequately
 too many questions, difficult

Did you find the process timely?

- Yes, prompt and efficient
 adequate
 slow

Which best describes the communication with your Bank Officer during this process?

- clear and effective
 adequate but lacking attention
 inadequate and confusing

What prompted you to do business with us (check all that apply)?

- Newspaper Advertisement/Coupon
 Customer Referral (Name Optional) _____
 Employee Referral (please list employee): _____
 Other _____

Access National Bank[®]

progressive business banking

Have your relationships at Access National Bank encouraged loyalty and are you inclined to do more business with us?

- yes, please call me about _____
- no, because _____
- yes, as the need arises

If your experience has been satisfying, will you refer others to us?

- yes, please call: _____ @ (____) _____
- no
- yes, as the need arises

Were you aware of our full service banking products and service such as:

- ◆ Remote Deposit Capture ◆ Courier Service ◆ Cash Management
- ◆ Employee Checking Accounts ◆ Fee Free Debit Card ◆ Commercial Lending

- yes
- yes, please contact me to discuss this offer or other banking opportunities
- no
- no, please contact me to discuss this offer or other banking opportunities

Do you intend to utilize our Internet services @ www.accessnationalbank.com?

- yes
- no, because _____

We would appreciate any additional comments or suggestions that you have.

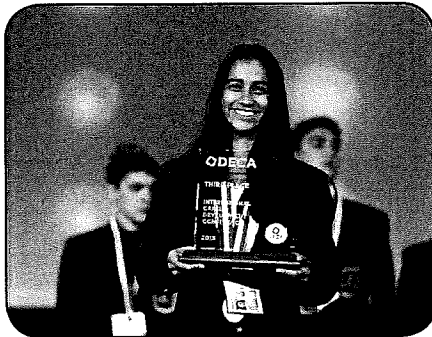


Please fax this page to 703-766-3385 or mail it in the envelope provided.
We appreciate your time and assistance.



2013 INTERNATIONAL CAREER DEVELOPMENT CONFERENCE

WRITTEN EVENT WINNERS



FINANCE OPERATIONS RESEARCH EVENT

1st Place

Michelle McCarthy

Stephanie Ternullo

Billerica Memorial High School, MA



Finance Operations Research Event



Sovereign

SOVEREIGN BANK NEW ENGLAND

A Division of Sovereign Bank

Billerica Memorial High School DECA Chapter

Billerica Memorial High School

35 River Street

Billerica, Massachusetts 01821

Michelle McCarthy

Stephanie Ternullo

April 26, 2013

TABLE OF CONTENTS

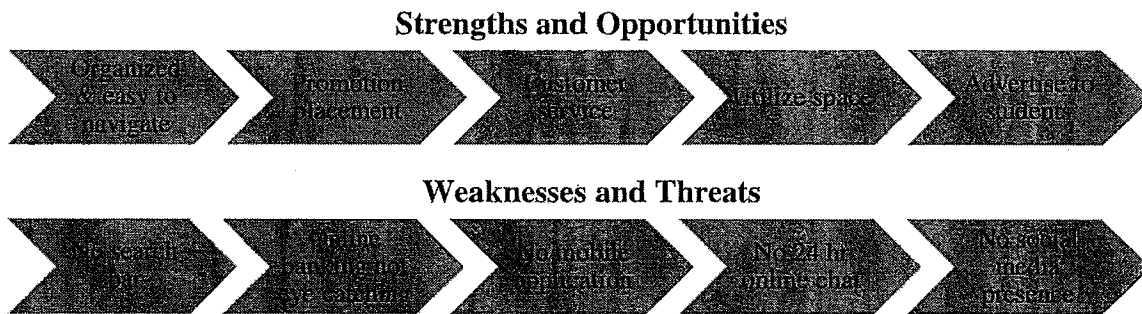
I.	EXECUTIVE SUMMARY	1
II.	INTRODUCTION	2
III.	RESEARCH METHODS USED IN THE SWOT ANALYSIS.....	4
IV.	FINDINGS AND CONCLUSIONS OF THE SWOT ANALYSIS	9
V.	PROPOSED STRATEGIC PLAN AND COST ANALYSIS.....	15
VI.	BIBLIOGRAPHY.....	30

I. EXECUTIVE SUMMARY

Situation Analysis: The purpose of this study was to develop a strategic plan to improve Sovereign Bank's website to generate more customers and create a wider audience. In order to redesign the website efficiently, we have analyzed the layers of Sovereign Bank including the company, customers, products and service, and the website. To have a successful website, all layers of the company must be considered to utilize all opportunities the website can offer for the company. A website has more than one sole purpose; it displays information, promotes selling, and increases customer relationships. We have devised a proposed plan entitled **C.A.S.H.** which will allow us to achieve our research goals using new and exciting ways to reconstruct and change the website.

Research Methods: For the purpose of our study, we focused our research on the Sovereign Bank branch in Billerica, Massachusetts. We conducted both primary and secondary research on all the layers of the bank in order to collect data to create our proposed plan. Our primary research consisted of customer, employee, and management surveys as well as management interviews. The secondary research methodologies we used included attending seminars on effective web design, internet research to collect data about efficient websites, and competition analyses. The purpose of our research was to create a SWOT analysis of the company, customers, products and services, and most importantly the website in order to help us create an effective plan that would achieve our goals.

Findings: After conducting our research and preparing a SWOT analysis, we developed our plan based on the top five most important strengths, weaknesses, opportunities, and threats.



Proposed Plan: We titled our proposed plan **C.A.S.H.** The program will Change the current state of the website, create Awareness of the changes that we made, Satisfy customers and Sell financial products, and to Handle necessary adjustments. Our recommendations will meet the established goals of our **C.A.S.H.** program. We have created a strategic plan that includes six recommendations that will achieve our goals for the company and provide benefits for the business. The six recommendations that we will be exploiting for Sovereign Bank are integrating social media to the company, beginning an online 24 hour customer service chat, revising the design and layout of the website, developing a Smartphone application, changing the monthly newsletter and creating an E-Newsletter, and creating an online banking video tutorial. The implementation of our plan will be completed within an eleven month period. For the duration of eleven months all modifications to the website and company will occur and in the last month the plan will be re-evaluated and adjusted.

Budget: The total budget for the implementation of our **C.A.S.H.** program will be \$145,000. The expenses include annual and one-time costs. Sovereign Bank will receive financial and non-financial return on investment. The financial ROI for the 2013 year will be \$3,811,885 through the sale of products including customer loans, customer deposits, investment funds, credit cards, and mortgages. In addition to revenue growth, the non-financial ROI will include increases in customer satisfaction, retention and loyalty which will drive long-term profitability.

“C.A.S.H. in with Sovereign Bank”

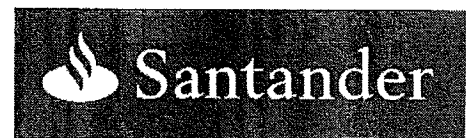
II. INTRODUCTION

A. Description of the business or organization

Sovereign Bank is one of the largest banking institutions in Northeastern United States. Sovereign operates more than 750 branches and 2,300 ATMs covering the area from Maine to Maryland. The branches are located in 9 different states, including Massachusetts, Connecticut, Delaware, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, and Rhode Island. In 2000, Sovereign expanded to the New England area, and in 2006, they expanded to New York. In New England, the expansion included approximately \$12 billion in deposits, \$8.1 billion in loans, 281 new branches, and 550 ATMs. The ATMs came from FleetBoston Financial which is the largest branch sale in banking history. Sovereign also operates more than 1,100 ATMs at CVS Pharmacy locations throughout the Northeast.

Sovereign Bank is a service-related business. It offers a wide variety of financial services including: personal (loans, deposits, investment funds, and credit cards), business, and corporate banking; cash management; capital makers; private wealth management; insurance; and mortgages.

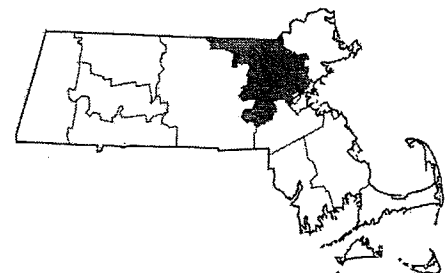
Sovereign Bank was acquired by the Santander Group, which serves over 80 million customers in 40 different countries. The



Santander Group was named, "Best Bank in the World," in 2008. In 2005, Sovereign and Santander established a partnership, and in 2009 Sovereign joined Santander Group, adding its successful franchise to Santander's global strength. In joining Santander, Sovereign is poised to offer even better service and more innovative products than ever before.

Considering Sovereign Bank is one of the largest banking institutions in the Northern United States, their target market includes a broad range of Americans in the Northern U.S. They target personal customers, businesses, corporations, and government organizations in attempt to gain more customers.

For the purpose of this study we are focusing our research on Sovereign Bank's Billerica branch. Billerica is located in the Middlesex County in Massachusetts. The Middlesex County was



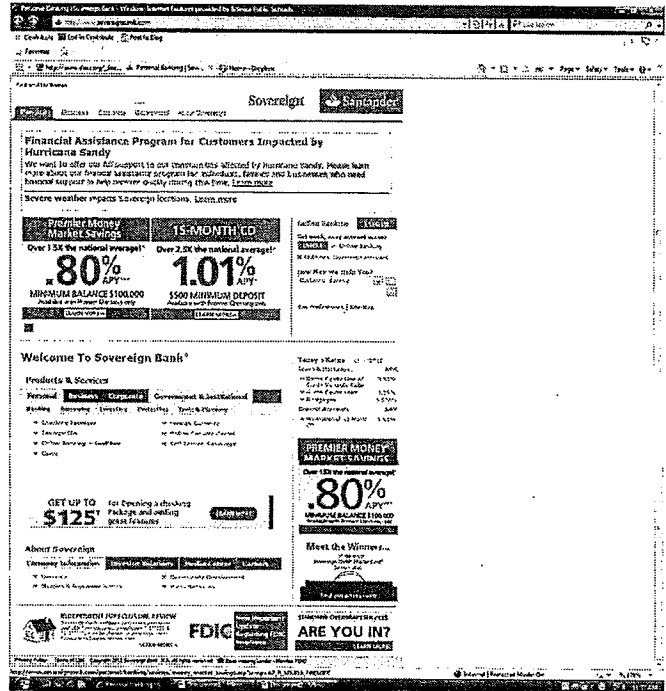
established in 1643. It has 847.54 square miles in land area. As of the 2010 census the population was 1,503,085. The Middlesex County is one of 14 different counties within Massachusetts.

B. Overview of the business's current website structure, capabilities, offerings, etc.

Sovereign Bank's current website can be found at www.sovereignbank.com. It includes a variety of services for customers to utilize. On the website the main sub links consist of Personal, Business, Corporate, Government, and About Sovereign. The main tabs on the website are located on the top of the webpage. Also, the homepage of the website includes a variety of information. Sovereign Bank includes an overview of their company's products and services along the bottom of the homepage.

Online banking is an important element on Sovereign Bank's website. The website provides a secure link to allow customers, organizations, or businesses to manage their money from home in order to increase customer satisfaction. On the website's homepage a customer service help center is located on the side bar of the page. The help center assists in supporting customers to provide possible aid to unanswered questions.

Sovereign actively uses its website to promote additional products. Under each of the tabs; personal, business, corporate, and government, there is a box for promotions. This box shows promotions that are available for each type of customer. The purpose is to draw the customers' eye right to the promotion to get them involved. The promotions box is the only animated part of each page which causes the user to look at it. It is also positioned right next to the login box which draws the customer's eye to it.



III. RESEARCH METHODS USED IN THE SWOT ANALYSIS

A. Steps taken to design the study and the instrument

In order to determine what our **C.A.S.H.** program would include and which recommendations need to be made, we had to conduct research to complete a SWOT analysis of the website, the products and services, the customers, and the company. We used a variety of primary and secondary research methodologies to obtain information that we can analyze and use to develop insightful feedback. We identified a number of primary and secondary research outlets that would provide us with the essential information needed to propose a plan.

The first step in conducting effective marketing research is to set goals. Our goal is to develop a strategic plan to redesign Sovereign Bank's website to attract a wider audience and generate new customers. The main focus of our study includes analyzing Sovereign Bank's webpage in order to determine if it successfully displays the products and services, customer needs, and company objectives. We researched each of these topics to determine which elements should be most prominent throughout the website.

Research Goals

As a result of our research, we expect to identify the strengths, weaknesses, opportunities, and threats of Sovereign Bank's website, their products and services, customers, and company. Our research will help us determine what changes to the website need to be made. The first portion of our **C.A.S.H.** program is to Change the website. In order to assure that the Change portion of our **C.A.S.H.** program is successful we have developed the following goals:

- ❖ Identify what elements are most important to the website
- ❖ Identify which portions of the website are key to customers
- ❖ Establish which products and services should be most prominent
- ❖ Determine how the company objectives can be displayed on the webpage

Research Instrument

Website Analysis

To analyze the website we used both primary and secondary research. We researched the design,

function, and the costs of the website. The primary research methodologies that we used to successfully analyze the website included customer, employee, and management surveys. The purpose of these surveys was to understand how the website is viewed from many different perspectives. Speaking with representatives, and interviewing management from Sovereign Bank also assisted us in developing our SWOT analysis of the website and forming an understanding of the costs to run and manage a website. Some questions that were important to ask during the management survey include:

- ❖ Does Sovereign Bank use analytics to track the website?
- ❖ What do you expect from the website, and what are future plans for the website?

Our secondary research included researching website design and how to identify the strengths and weaknesses of a website. We completed online research to discover information about efficient website design. For example, we used websites such as slideshare.com and watched videos to find examples of what components of websites are important to the users. Through our secondary research, we also found how to effectively drive traffic and track data. We learned how to utilize different social media sites to drive traffic back to Sovereign Bank's website. We also researched how to efficiently track data to see where traffic is directed most. Tracking data is important to the company so that they know which portions of the website are being used most often and to discover what needs to be improved upon.

A portion of our secondary research included attending seminars about website design. We were able to observe presentations about the key elements of a website. We used this meeting to help interpret the information we gathered and apply it to Sovereign Bank's website. Additionally, we learned from our speaker how to enhance a webpage through the use of graphics. The seminar taught us the importance of customer satisfaction in a website.

In order to identify strengths and weaknesses of Sovereign Bank's website we compared the website to other local banks and regional websites. Examining competitors' websites was another secondary research methodology we used in which we were strategically able to identify what elements of banking are

Primary Research

- Customer, Employee, & Management Surveys
- Management interviews

Secondary Research

- Web design research
- Seminars about web design
- Competitor website research

important. By comparing and contrasting the similarities and differences we were further able to identify how to improve Sovereign Bank's website and what elements are important to customers.

Products and Services Analysis

We had to conduct primary research in order to determine how the website should be reconstructed and which products and services were most important to the business. The primary research methodologies that we used to analyze Sovereign Bank's products and services included customer, employee, and management surveys. These surveys showed us which products were most important to each layer of employment, and what was most important to the customers. While conducting the employee and management surveys, we spoke with representatives to determine which products and services they offer are most important to the customers. Questions we asked to help us develop our SWOT analysis for the products and services included:

- ❖ What products are most valuable to the website?
- ❖ Which services on the website are used most often?

Company Analysis

In order to complete a company analysis we focused on five topics: company objectives, goals for the website, reaching their target audience, competitors' websites, and management of the website. The primary research methodologies that we used to complete our company analysis were employee and management surveys, as well as interviews with management. An question that was asked during the management interview included:

- ❖ Who currently manages the website?

The employee surveys showed us what the employees thought the company's objectives are. It is important that employees understand the company's objectives so that they know what they can be doing to help the company improve. The management surveys helped us to determine what the company's goals are and what the objectives will be for the website. The secondary research that we had to complete included evaluating competitors' websites. By evaluating competitors' websites we were able to gain knowledge of what other businesses do to make their websites successful.

Customers Analysis

It is important to research the customers' expectations, their opinions, and their use of technology.

The primary research methodologies that we used to evaluate the customers included customer surveys. The customer surveys showed us what the customers expect, as well as what they like and dislike about

Sovereign Bank and its website. Questions asked in the customer survey included:

- ❖ How often do you visit the website?
- ❖ Do you conduct online banking?

B. Steps taken to conduct the study

Background Information

- Geographic and Demographic research of Billerica and the Middlesex County area
- Research history and growth of bank

Research Problem

- Restructure and change website in order to generate customers, create wider audience, and deepen customer relationships

Research Objective

- Identify important elements of website
- Identify key parts for customers
- Establish products/services that should be prominent on page
- Determine company objectives

Research Timeline

- Sept. → Contact/Research Company
- Oct. → Present surveys/interviews
- Nov. → Collect surveys/research web design
- Dec. → Apply data to Sovereign Bank

Research Methods

- Primary: Surveys, interviews, and seminars
- Secondary: Internet, evaluating competition

Analyze Research

- Look at similarities in surveys
- Create chart to evaluate data

Prepare Proposal

- Prepare proposal based on findings from research
- Create wider audience/generate customers
- Increase revenue



The first step of our research was to find background information about the company and the company's website. We looked into the geographic and demographic statistics of Billerica and the Middlesex County area. This allowed us to determine the target market that Sovereign Bank should be focusing on. We also researched the history and growth of the bank to get an understanding of the business.

In order to devise a plan we had to acknowledge the research problem. The problem we need to solve is that we have to restructure and change Sovereign Bank's website to generate more customers. Our findings from our primary and secondary research will allow us to create a strategic proposal that will solve our research problem.

The next step in our research was to develop research objectives. To do so, we needed to decide what elements, as well as products and services, should be further enhanced on the website. We concluded that our research objectives would include identifying the most important elements to the website, identifying which parts are key for customers, and evaluating which products and services should be most prominent. All of our research was conducted over the course of four months.

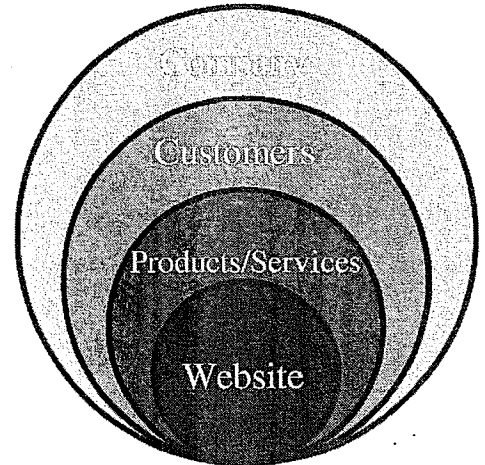
September	October	November	December
<ul style="list-style-type: none">•Contacted Sovereign Bank•Began our research of the company's history•Researched Middlesex County area	<ul style="list-style-type: none">•Presented surveys to Sovereign Bank Billerica Branch•Scheduled interviews with management to learn about company and management objectives	<ul style="list-style-type: none">•Beginning of November•Collected surveys from bank•Reviewed data and evaluated similar responses•Mid November•Internet research of web design•Researched competitors websites	<ul style="list-style-type: none">• Gathered all findings and analyzed data• Applied data to Sovereign Bank

Next, we analyzed our findings and data from our research. We looked at similarities and differences among the three surveys to see how different perspectives viewed the website. We used our secondary research regarding web design to prepare our planned proposal for the website. With the findings from the research we created charts in which we were able to evaluate the data. Based on our findings we were able to create our proposal.

IV. FINDINGS AND CONCLUSIONS OF THE SWOT ANALYSIS

A. Strengths of the business's or organization's website

By following our research objectives and using Sovereign Bank's objectives as a guide, we were able to draw definitive conclusions about the strengths, weaknesses, opportunities, and threats of specific areas, or layers of the business that will utilize the website to its full potential. The layers of the business that we analyzed are the company, customers, products and services, and the website. Each of these are interrelated and must be understood to create a website that will best appeal to current and potential customers, satisfy their wants and needs, and represent Sovereign Bank's image.

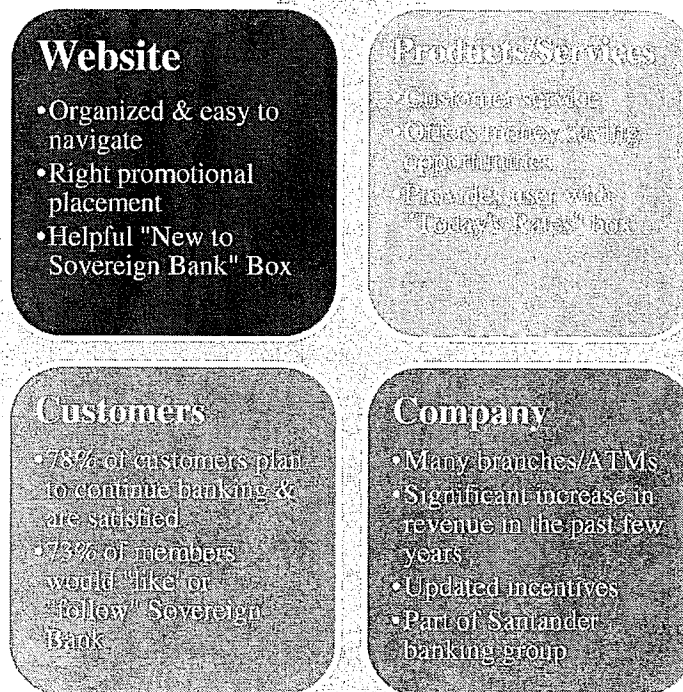


Recognizing the strengths of a business's website is an important factor in determining what needs to be improved upon. The major strength that Sovereign Bank's website has is that it is well organized and easy to navigate. The placement of their promotions is another strength because it draws the customers' attention. On the Sovereign Bank home page there is a box that says, "New to Sovereign?" The box is a large and appeals to the eye and is helpful to new members of Sovereign Bank. This page also has a visible login box, as well as FAQ's and Tips, and a contact us box. The "Contact Us" box allows the user to find a branch, email an employee for help, or call the bank.

Sovereign Bank's products and services have a few strengths. A valuable service to Sovereign Bank is their customer service. Sovereign Bank offers customers numerous methods to avoid monthly fees, make money on savings, and to save money on mortgage or equity loans. More successful products and services include being able to meet with specialists to plan for retirement and Sovereign helps small businesses grow by lending money for expansion and equipment. Sovereign Bank's current website has a "Today's Rates" box which shows loan and mortgage rates as well as the deposit account rates for that particular day. These rates are valuable to the customer because if a customer is looking to invest or borrow and wants to know Sovereign's current rates they are quick and easy to find.

Customers contribute to enhancing Sovereign Bank's customer loyalty. Based on our customer surveys, we found that more than 78% of customers we surveyed plan to continue banking with Sovereign and are satisfied with the company. Also, 73% of members would "like" or "follow" Sovereign Bank on social media sites.

Sovereign Bank has many branches and ATMs in the northeast. The company's products and services have allowed Sovereign to increase their revenue significantly over the past years. Since 2007, Sovereign Bank has modified their incentives for customers in order to generate more customers. For example in 2010 Sovereign Bank provided student bank accounts with an incentive of a \$50 starting amount. The company is also a part of the Santander banking group which allows Sovereign Bank to interact with employees of Santander banks and use customer reviews for their bank.



B. Weaknesses of the business's or organization's website

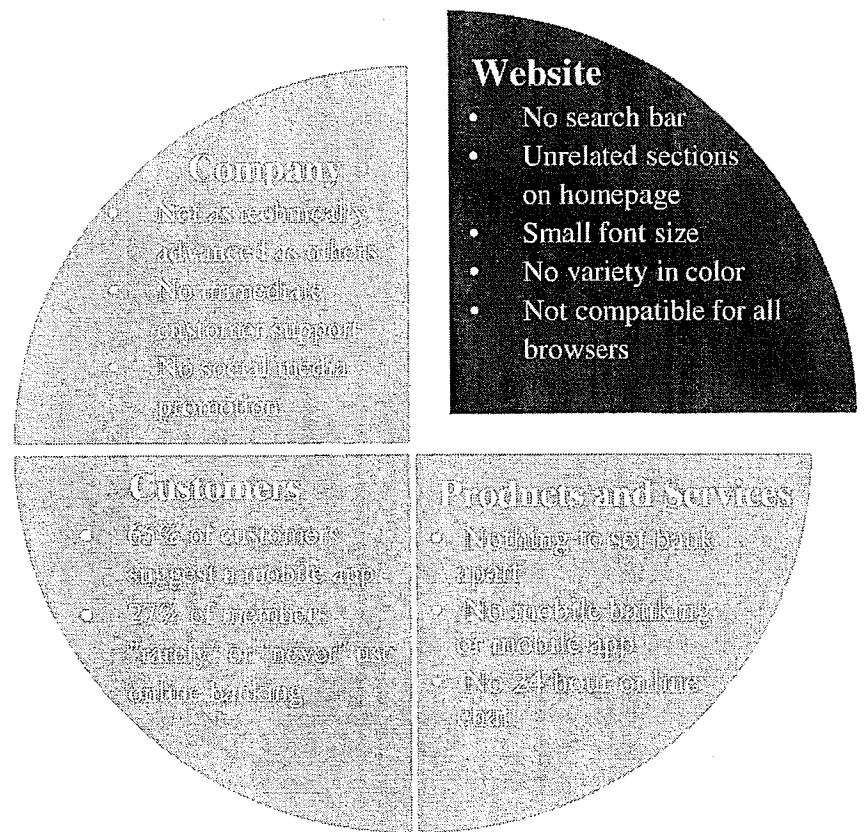
The weaknesses we found later helped us to determine what Sovereign Bank needs to improve upon.

We based the weaknesses most importantly on user results found by our primary research. An important

weakness we found was that the website does not include a search bar function. Furthermore, the homepage of the bank's website is clustered and there are a number of unrelated sections on the main home screen. Also, the typeface is a tedious with a plain font and a small type size. More importantly, the sizes of the main tabs are very small. These tabs should be further emphasized and more visible to the user to allow easier navigation. Though red is Sovereign Bank's logo color it exists too much throughout the website and is overwhelming to the user. Another weakness throughout Sovereign Bank's website is that it is not compatible for all types of Internet browsers. For example, when using the "Internet Explorer" browser option, a large white space is present on the right side of the screen but when on different browsers the webpage is centered and utilizes space.

One weakness in Sovereign Bank's products and services is that they do not have many products and services that differentiate them from other banks. A major weakness in Sovereign Banks products and services is they do not offer mobile banking. Another weakness is Sovereign Bank does not offer a 24 hour live chat system. Many of the banks surrounding Sovereign Bank in the Middlesex County offer 24 hour live chats on their website where an employee is available to help customers at all times.

Customer's behaviors are evolving with the need to bank when and where they want, 24/7:

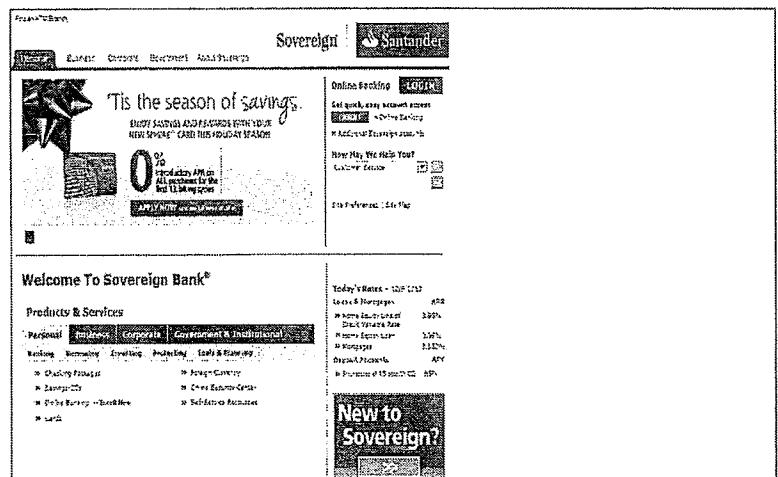


online, on their mobile device, and on the phone. Our primary research showed that 65% of interviewed customers believed it would be convenient to have a mobile app. Another weakness that some customers provide is that they do not utilize the online banking option.

The company exhibits weaknesses through the website as well. Sovereign is not as technically advanced as other competitors. On the website there is no immediate customer support. Additionally, Sovereign does not take advantage of promoting itself through social media.

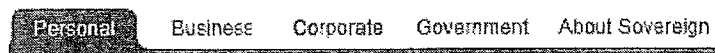
C. Opportunities of the business's or organization's website

From our SWOT analysis, we were able to discover the opportunities that Sovereign Bank's website has. Based on our research we found that compared to competitors websites, Sovereign Bank's website needs to utilize their space more effectively. The information on the website is currently positioned to the left of the



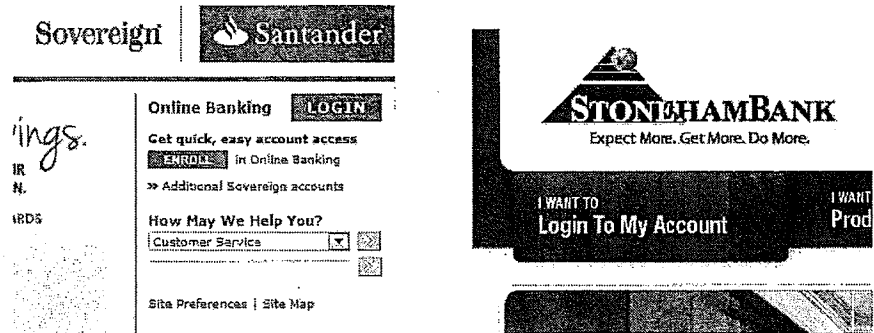
page and about one fourth of the page is empty white space.

When Sovereign Bank utilizes the space that they have, they can make the important tabs larger, because now, compared to the other words on the page, the tabs are small and not very noticeable.



Another opportunity for Sovereign Bank's website is to emphasize the online banking login box.

When you visit onto Sovereign Bank's website, the online banking login is small and is not the first thing that catches the user's attention. When you go onto a competitors website, such as Stoneham Bank, which is a bank in Billerica, Massachusetts directly across the street from Sovereign Bank, the first thing that catches the users eye is the login box. When customers use online banking the company's revenue will increase. See the next page for login box comparison.



Another opportunity that Sovereign Bank’s website provides is the ability to add a search bar. Many competitors have search bars so that customers can search what they are looking for when they cannot find it. Throughout our research we also discovered that many banks offer live online chats and services to help customers when they are not able to go into the bank for help.

An opportunity for Sovereign Bank’s products and services is to create an app for mobile devices. About 225 million people in the U.S. have Smartphones out of approximately 310 million, which is more than two thirds of U.S. citizens. Based on this we can tell that a majority of Sovereign Bank’s customers own Smartphones.

An opportunity through our customers is to enhance the customer relationship management; we can satisfy their wants and needs and give feedback through the website. In order to attract customers at a younger age Sovereign is able to attend high schools in the area and present their company to students.

One opportunity for Sovereign Bank to utilize is text message alerts. Customers could sign up through their account for text message updates to be sent to their phone to alert them of promotions and important messages. Another opportunity is to increase company awareness through social media sites.

Website	Products/Services	Customers	Company
<ul style="list-style-type: none"> • Utilize space on webpage • Enhance online banking • Provide online customer support • Track data 	<ul style="list-style-type: none"> • Develop a mobile app for Smartphones 	<ul style="list-style-type: none"> • CRM (Customer Relationship Management) • Enhance customer's wants and needs • Visit local high schools to generate customers 	<ul style="list-style-type: none"> • Text messaging alerts • Increase company awareness

D. Threats of the business's or organization's website

A bank in the Middlesex County experiences threats every day because there are local, regional and national competitors within the county for customer to choose from. Recognizing the threats to the website, the products and services, to the company, and that the customers pose will help us to create a plan that will minimize them.

A threat to Sovereign Bank's website is that some banks provide a live customer support option. Many customers are interested in having assistance at any time and banks that provide constant support in case a personal issue arises. Sovereign Bank's website does not include many eye catching graphics. This is a threat because customers or potential customers will overlook important elements of the website. Another threat to Sovereign Bank's website is there is no direct link to any social media. Customers who are loyal to a company become Facebook friends, or "Like" their page, and even "Follow" the company on Twitter. For example, a competitor bank, Stoneham Bank, visibly shows their website users that they provide both Facebook and Twitter to receive notifications about their bank.



[Home](#)

[Learn About Us](#)

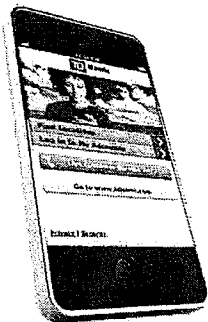
[Locations](#)

[Careers](#)

[Contact Us](#)

[A A A](#)

A threat to Sovereign Bank's products and services includes not having products offered by competitors. For example, Stoneham Bank offers a live customer chat. Through our research we found that this service would be extremely useful to customers. Sovereign Bank currently does not have a Smartphone application. A competitor, TD Bank, has an application for Smartphones readily available for all users and additional online banking through their website. The applications are a threat because as technology advances more people turn to electronic devices and Sovereign Bank is lacking one of the common personal banking methods.

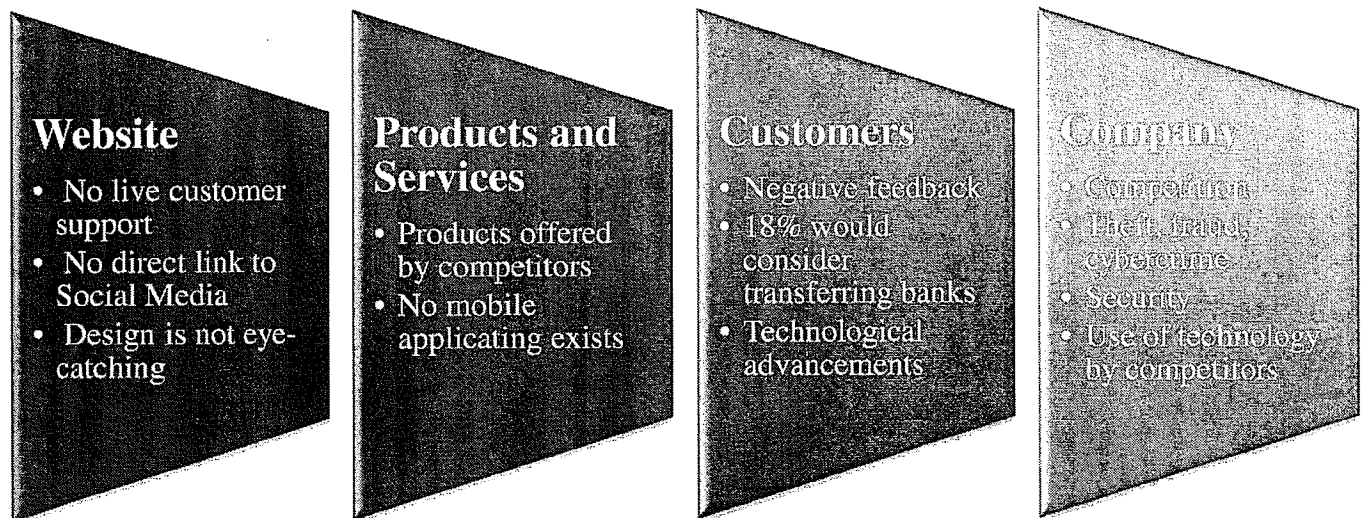


TD Bank's Smartphone Application:

- Provides personal banking option
- Live Customer Support 24/7
- Find Location Option

Sovereign Bank must ensure customers remain loyal to their company. Threats exist in regards to the customers because if one feels unsatisfied they are able to transfer banks. 18% of surveyed customers are not completely satisfied with Sovereign and would consider transferring banks. Many customers are up to date with technology but are not able to use their Smartphones to do online banking. These technological advancements are a threat to the company because customers may switch to a bank that is up to date with technology.

Threats exist for the company because there is competition locally, regionally, and nationally. Sovereign Bank also has to manage their security in order to keep up with the technology. The security center has to be aware of fraud, cybercrime, and hacking through their online banking and website. Security is a very important element for customers because many people manage their accounts and money online.



V. PROPOSED STRATEGIC PLAN AND COST ANALYSIS

A. Develop a strategic plan to revise and improve the business's website

Situation Analysis

Based on our SWOT analysis we were able to determine the current state of the company and its web presence. We evaluated our SWOT analysis of all layers of the company so that we could determine the most important strengths and opportunities for Sovereign Bank as well as the most dangerous weaknesses and threats that the bank faces. Currently, the company has great customer service and a number of valuable

products and services. In contrast, the website lacks important elements that would be useful to the customers. Sovereign Bank's only web presence is located on the company website. The bank has no presence through social media or a mobile application. Our mission is to generate more customers and create a wider audience through utilizing the strengths and taking advantage of the opportunities as well as eliminating the weaknesses and minimizing the threats.

After gathering all of the results from our research and developing a SWOT analysis we were able to decipher the most important strengths, weaknesses, opportunities, and threats. We created a SWOT summary which can be used to decide which aspects of the website should be modified or further emphasized.

Top 5 Strengths/Opportunities

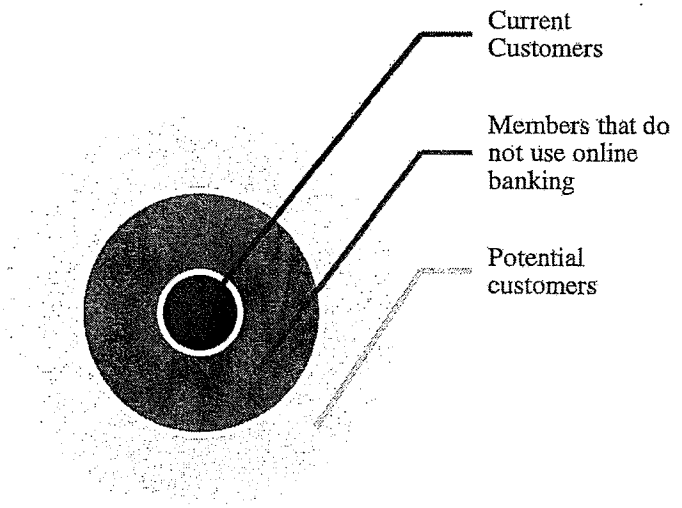
- Website is easy to navigate and organized
- Promotion placement
- Customer service
- Utilize space
- Advertise to students

Top 5 Weaknesses/Threats

- No search bar
- Online banking not eye catching
- Mobile banking/ Mobile application
- Online chat/ 24 hr call service
- Social media presence

Objectives/Goals for the customers, the company, and the website

Our proposed plan does not completely reconstruct Sovereign Banks website and web presence, but it makes improvements and changes to make Sovereign become more available to the customers, to generate more customers, and create a wider audience. The target market of our plan is set up like a dart board and will focus on three layers of people including the current customers, the customers who do not currently use online banking, and new customers. The goals our plan will achieve in regards to our customers include:



- ❖ Keeping the **current customers** who use the website regularly involved and satisfied
- ❖ Converting **members who do not use online banking** into frequent users of the website
- ❖ Obtaining **new customers** and get them involved with online banking from the beginning of their membership
- ❖ Increase the number of financial products purchased by each grouping of customers

The ultimate goal is to deepen the relationship each customer has with the bank. When a customer moves from just having a checking account to having investments and mortgages with the bank the value of this customer increases by 6-times. The loyalty of this customer is also much greater because they would have a more difficult time switching banks.

Getting customers more involved with Sovereign Bank's website will increase the profitability of each transaction. Online transactions are more cost effective for the bank. If we increase the amount of time that each layer of customers banks online Sovereign Bank will successfully be utilizing its website to increase its profit.

Marketing Strategy: C.A.S.H.

Our marketing strategy will begin the process of implementing the **C.A.S.H.** program. The **C.A.S.H.** program will allow Sovereign's website to provide information, promote selling, and help manage customer relationships. This program will include **C**hanging the website, creating **A**wareness of our recommendations, **S**atisfying the customers and **S**elling financial products to the customers, and **H**andling necessary adjustments. The implementation of this program will create a wider audience for Sovereign Bank. We want our customers to believe that Sovereign Bank is their primary source for all their financial needs; **personal deposits, credit cards, mortgages, personal loans, and personal investments.** Establishing these beliefs begins with **C.A.S.H.**

Change

The first step of the program is **C**hange the current state of the website. The purpose of changing the website is to make the website more user-friendly which will generate a wider audience. Through the following recommendations the website will be updated and modified to enhance Sovereign Bank's web presence for their current customers as well as potential new ones. There are three functional changes that

can be quickly added to the website that will allow for an immediate impact with customer service and marketing of Sovereign's financial products.

1. Recommendation- Direct Links to Social Media

A recommendation to enhance Sovereign Bank's website and awareness of the website is to have a direct link on the website to social media. Many customers use social media such as Facebook and Twitter. The bank could take advantage of this opportunity to educate their customers about financial benefits that are available to them. Since social media is used frequently these website would be convenient places for customers to view information and understand financial opportunities. Connecting on a personal level helps build trust and a stronger relationship with customers. Social media allows the customer to voice their opinions about a Sovereign "post" or "tweet" with a "comment," "re-tweet," or "like," providing Sovereign with useful data for management decisions and the opportunity to exercise customer service.

The purpose of the social media pages would be to allow customers to learn more information about Sovereign Bank and provide customers with an opportunity to purchase another financial product from Sovereign Bank. Additionally, social media will allow its customers to share this helpful financial information with their friends and followers allowing Sovereign Bank to generate more customers.

2. Recommendation- Online 24 Hour Customer Service Chat

The customers are the most important element of a successfully functioning company. On the website, we recommend an online 24 hour customer service chat. A free online chat would allow customers to talk directly to employees on the website at any time of day for service on current products and information on new products. The chat will be available to all customers that are users of the website. The chat will be useful for customers who have questions beyond the FAQ section of the website. This online chat would also pop up when customers click on certain links. For example when a customer clicks on the link to apply for a credit card, the live chat would pop up and ask if the customer had any questions before they apply.

The purpose of the online customer service chat would be to increase customer satisfaction and cross sell. The chat would provide the customers with 24/7 assistance. Through the chat Sovereign can track if

similar questions are being asked. If similar personal questions exist, Sovereign Bank will be able to focus their attention on different elements that are important to customers. Below is a sample of the live chat the way that we envision it.

The Live Chat service is a 128 bit SSL encrypted session and is staffed exclusively by Sovereign Bank employees. The service utilizes technology hosted by Live Person, a third party company. Please review the Sovereign Bank Privacy Policy and the Live Person Privacy Policy and feel free to contact Sovereign Bank at 888-407-2265 with any questions.

Required items indicated with *

What is your name? *

Have you used our live chat before?

yes

no

What product or service would you like to chat about? *

Start Chat →

Hello
How may I help you?
This live chat is powered by LivePerson

3. Recommendation- Revise Design and Layout of Website

A company must perfect the design and layout of its website in order to appeal to its customers. A website must be dynamic and continue to change in order to attract customers' attention. The structure of Sovereign Bank's current homepage does not utilize all the space provided for a website. A large empty white section of the website exists on the right side of the website. We will be centering the information to eliminate the blank portion of the webpage. This will allow Sovereign to add more information and better utilize the space. In addition, we will be making the main tabs at the top of the webpage more prominent and will be emphasized on the webpage. The tabs at the top are of the most important elements of the website to navigate to different pages. Currently, they are small words almost the same size as other information presented on the page.

In order for the website to be successful, customers must feel that it is easy to navigate, useful, and efficient. The purpose of revising the design and enhancing options on the page is to enhance the user experience which will lead to building a stronger image for Sovereign amongst its customers and essentially assists with the selling of more financial products. The website appearance is important for new customers investigating new bank options as well. Opposed to visiting the bank, many people of this generation search

online and the website must provide a positive and trustworthy experience in order to appeal to the potential customers and convert them into a member of the Sovereign Bank financial family. It is necessary for Sovereign Bank to perfect its website because an online transaction is much cheaper for the business than one in the branch.

Add Search Bar

In order to increase customer satisfaction on the website, a search bar would be useful to the customers. The search bar would be easily visible on the home page. It would allow customers to insert questions or topics that they would like to find without an extended search. The purpose of the search bar would assist customers for their online experience. Overall, the search bar will allow easy navigation for customers throughout the website.

Enhance Online Banking

Throughout our primary research, we found customers who use personal banking prefer to manage their accounts through online banking. The online banking option on the website is almost hidden and unappealing on the website. We recommend changing the appearance of the login option for online banking. When the login portion more prominent and larger it will catch the customers' eyes.

The purpose of enhancing this option is to make it be more convenient and easy for customers to login to their accounts. In addition, for the customers who do not use online banking, this could persuade them to begin. Enhancing the online banking option will increase customer satisfaction and drive more traffic to the home page which will give Sovereign the opportunity to promote their financial products to more customers in a very cost effective manner. On the next page is an example of the new home page with its new features. The portions that are circled are the changes that we made to the layout and design of the homepage.



HOME EQUITY LINE OF CREDIT

INTRODUCTORY FIXED RATE FOR FIRST 12 BILLING CYCLES

2.24% APR*

3.99% APR*

VARIABLE RATE THEREAFTER
MINIMUM CREDIT LINE OF \$100,000

APPLY NOW >>

Rates valid with automatic payment.

Online Banking

Choose Account

Retail Online Banking

Login to My Account 

Not enrolled in Online Banking?
[Enroll Today >](#)

How Can We Help?

Customer Service

Site Preferences

Find Locations

Enter Zip or City/State



Today's Rates - 2/7/2013

Loans & Mortgages APR

>> Home Equity Line of Credit Variable Rate 3.99%

Welcome To Sovereign Bank®

Products & Services

Personal Business Corporate Government & Institutional

Banking Borrowing Investing Protecting Tools & Planning

>> Checking Packages

>> Foreign Currency

>> Savings/CDs

>> Online Security Center

GET UP TO \$125⁺ For Opening a checking Package and adding great features

LEARN MORE

New to Sovereign?

Get off to a Great Start >>

About Sovereign

Company Information Investor Relations Media Center Careers

>> Overview

>> Community Development

>> Mergers & Acquisition History

>> Press Releases

Help For Homeowners Having Difficulty Paying Their Mortgage



INDEPENDENT FORECLOSURE REVIEW

Sovereign Bank mortgage customers who were part of a foreclosure action between 1/1/2008 & 12/31/2010 may be eligible for an Independent Foreclosure Review of their loan.

[LEARN MORE >](#)



New Important Update Regarding FDIC Insurance

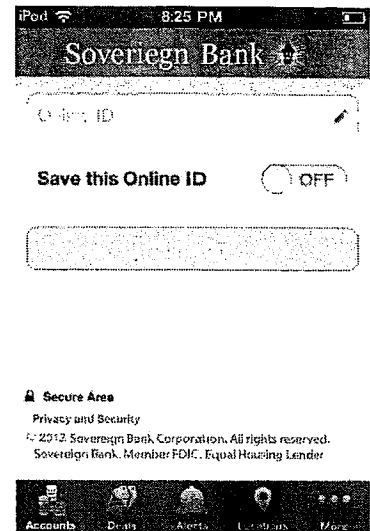
STANDARD OVERDRAFT SERVICES

ARE YOU IN?

[LEARN MORE](#)

4. Recommendation- Smartphone Application

Online transactions are much more effective for a bank. The cost per transaction in the branch is \$4.00. A mobile transaction costs almost 30-times less costing \$0.15 per transaction. Getting customers online will increase the relationship with the customers and increase the profitability of each transaction. To keep up with the customers Sovereign Bank must utilize technology. In order to provide a useful resource for customers and continue to satisfy them Sovereign Bank should to develop a mobile app. A



Smartphone app, pictured to the right, would allow customers to manage their account, get alerts, find locations, view upcoming promotions, and more. Once the customer logs into their account the tabs below show that they would be able to pay bills, make deposits, and access the live chat. Sovereign Bank would be able to promote upcoming news or information to customers through the application.



The purpose of the app would be to create a wider audience of website users, and increase the profitability of each transaction. The app will assist in eliminating the threat of customers leaving for other banks and build upon the current financial products and services offered by Sovereign. It will help convert members who do not use online banking to frequent users, get new members to use online banking from the start, and drive traffic to the website.

Awareness

The second portion of our **C.A.S.H.** program is to bring Awareness of the changes. The awareness portion of the **C.A.S.H.** program will include promoting the changes that we made to the website in order to create awareness. We must recognize the purpose of our recommendations to demonstrate how they will be successful. The changes will provide revenue for the company as well as increase customer satisfaction upon the activation of our changes. The following recommendations are ways that we can promote the changes we made to the website and make customers aware of them.

5. Recommendation – Changing Monthly Newsletter and Creating an E-Newsletter

An important recommendation that will allow us to create awareness of our plan and promote the website as well as online banking is to show promotions through the monthly newsletter. We found that a great way to get the attention of customers is through the bank statements that are sent home monthly. The monthly newsletter sent home with the bank statements can be changed to promote online banking. The updated newsletter will also promote our “C.A.S.H. in with Sovereign Bank” slogan. If every month a member is reminded of online banking this will increase the amount of users and create a wider audience.

An E-Newsletter would be an email sent to customers monthly providing them with information about the company. E-Newsletters can also be used to create awareness of online banking and the new and updated website. The E-Newsletter would have a direct link to the website as well as to the online banking option, therefore making it easy for the customer to go on and begin their online experience. The E-Newsletter will encourage members who do not use online banking to use it more often and to ensure that current online banking users continue to use this service.

6. Recommendation – Online Banking Video Tutorial

In order to convert members who currently do not use online banking to frequent users we need to promote to them the benefits of online banking. Many members do not use online banking simply because they are not familiar with computers and are not confident when using technology. Sovereign can create an online banking video tutorial in which can be shown to members on a T.V. in all bank locations, shown to the customer by the teller, or viewed on Sovereign Bank’s website. This will promote the use of online banking and bring awareness to the change of enhancing the online banking option.

In order to provide awareness of our changes we will also be notifying customers of our technical changes through social media. We will be utilizing Facebook and Twitter by posting all of our latest promotions. By “tweeting” promotions and posting on Facebook we will be using social media to promote products and services to customers. For example, when we launch our Smartphone app we would “tweet”:



Sovereign Bank @SovereignBank

1d

Be sure to download the NEW Sovereign Bank App at the iTunes Store! Easily access your accounts and transfer money in the palm of your hand!

Another method of promoting our recommendations to customers is through personal selling. All bank tellers will be aware of our changes and therefore can understand the needs of customers and offer products to meet the needs. Bank tellers will promote online banking by providing customers with the option to view the online banking tutorial video.

Our awareness recommendations will help Sovereign reach the three layers of customers. The newsletter and E-Newsletter will be a monthly reminder to customers about online banking which will keep current online banking customers active. The newsletters will help to convert members who do not use online banking to frequent users. The online banking tutorial video will assist in converting members who do not use online banking by making them comfortable with it. Lastly, we can reach Sovereign's new and potential customers through social media. The new customers will see be able to see Sovereign's "tweets" and Facebook posts as well as view public "tweets" and posts about the company.

Satisfy and Sell

To ensure that our customers are satisfied with our recommendations we will receive immediate feedback through social media and the online chat. Our overall goal is for customers to buy or apply for more banking products such as customer loans or credit cards. As the number of relationships a customer has with the bank increases, the revenue of accounts increases exponentially. A deepened relationship with customers means greater profitability for the business. The more relationships a customer has, the more loyal that customer will be. Through our promotions we will be continuously monitoring and connecting with customers digitally. Examples of tracking data include increase website visits, frequency of online chats, the tone of response "tweets," and monitoring online credit applications. Additionally, we will be providing online customer surveys to measure the level of customer satisfaction. By tracking data we will be able to track how often customers view promotions and products. Therefore, the company will be able to make

management decisions to determine which recommendations are most effective and adjustments can be made quickly. Our greatest opportunities for growth could be achieved through the sale of products which include customer deposits, personal loans, and investments; mortgages, and credit cards.

Handle

After we have implemented our changes, provided awareness, and measured the customer satisfaction of the new website and features, we can handle adjustments necessary to continue satisfying the customers. To effectively manage the website it is extremely important to take the electronic data into consideration in order to respond quickly to customer expectations. For example, the E-Newsletters will contain links to products such as mortgages and credit cards. When tracking where online traffic is being generated from we will be able to gauge success of these links. If the links from the E-Newsletter are ineffective, we will make adjustments to how we will use the newsletter. Additionally, there will be website links on the Sovereign Bank Facebook and Twitter pages. We can track if the customers are clicking on the links in order to determine if they are driving traffic to the website.

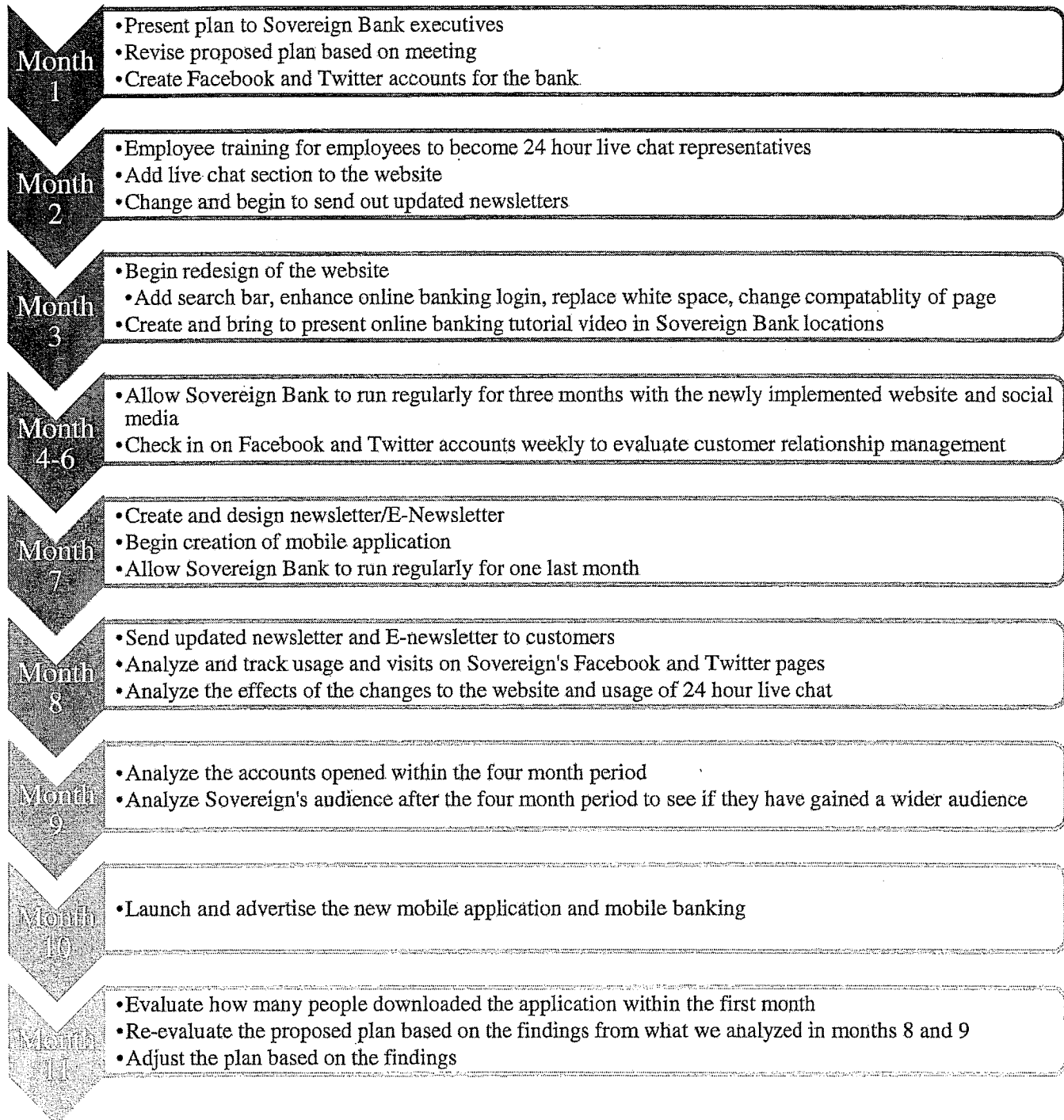
B. Create a timeline to implement the strategic plan

We determined that the implementation of our **C.A.S.H.** program would be carried out for the duration of eleven months. Throughout the eleven months we will make necessary Changes to the website, create Awareness of the changes, Satisfy the customers and Sell financial products to them, and Handle necessary adjustments.

In order to put in place all of our recommendations and for them to be effective, each employee needs to have a responsibility that they will carry out to complete the implementation of our plan. The responsibility of the 15-20 employees that will be being trained to become 24 hour live chat representatives will be to complete their training sessions within the allotted time slot. The tech support and web design team will have the responsibility of updating the website based on our findings of what needs to be improved or changed. Management will have the responsibility of overseeing the process to make sure everything is running as planned. Once the mobile application is released, tellers will have the responsibility of helping to

advertise this app to customers who come up to the booth by letting them know that it is available to them.

Below is a description of what will take place during each month of our predicted eleven month timeline.



C. Develop a cost analysis of revising the website, hosting fees, and technical support

We have created a cost analysis for all the aspects of the website that we will be changing or modifying. In order to successfully implement the **C.A.S.H.** strategic plan, appropriate funding must be

allocated from the Information Technology budget of Sovereign bank. Over the past 3 years, Sovereign Banks Information Technology budget has been approximately \$969,000. Our strategic plan will require 15% funding from the Information Technology budget which is approximately \$145,000. The expenses associated with carrying out the C.A.S.H. proposal will include annual and one-time expenses. The annual expenses occurred will be hosting fees due to necessary upgrades which include storage space, bandwidth, security, system maintenance, and technical support. Additionally, allocating more resources for upgrading the social media outlets, live chat customer service and digital promotions will need to be considered annually for the management of the Information Technology budget. To launch this proposal several one-time costs will be incurred which include: software and hardware upgrades, designing and programming fees, technical support, video production, and employee training. The costs of creating, programming, and releasing Sovereign Bank's mobile application are included in the web designer and web programmer costs. The cost of the service plan for designing and programming includes the cost of upgrading the website to include the 24 hour live chat service. Other considerations will include re-evaluating personnel and job responsibilities as well as marketing costs and how to reallocate marketing funding to effectively reach our customers in this high-tech and digitally dominated market. Below is a budget for the C.A.S.H. strategic plan.

Budget for C.A.S.H. Strategic Plan	Amount
HOSTING FEE (UPGRADES LISTED BELOW)	
Bandwidth, Storage, Maintenance, Security, and Technical Support	\$20,000
ONE-TIME COSTS	
Software	\$4,000
Hardware	\$8,000
Web Designer	\$25,000
Web Programmer	\$25,000
Service for Designing and Programming	\$8,000
Video Production for Online Tutorial	\$15,000
Employee Training for Online Chat Service	\$20,000
Total One-Time Costs	\$105,000
DIGITAL MARKETING COSTS	
Digital Marketing, Facebook Advertisements, Newsletter and E-Newsletter	\$20,000
TOTAL COSTS FOR C.A.S.H. STRATEGIC PLAN	\$145,000

D. Identify revenue streams for the website

Primary Streams of Revenue

Sovereign Bank generates revenue through the website in many different ways. Our overall goal is to increase the number of services a single customer uses at Sovereign Bank. More products will increase customer satisfaction which will increase customer retention and generate more revenue. As online banking increases through our proposed plan, Sovereign Bank will generate more revenue from its strong core of on-line banking customers. The primary streams of revenue include customers' personal loans, customer deposits, customer investment funds, mortgages, and credit cards. The following information is gathered from Sovereign Bank's Annual Fiscal Report. The planned percent increase for 2012-2013 was found in a management interview in which we were told the corporate goals for that year.

Unfortunately, for the year 2011 to 2012 there was a decrease in customer deposits, customer personal loans, and customer investment funds. The intention of our plan is to change the current revenue trend and begin an increase in the amount of revenue gained from each category.

By promoting online banking and gaining more customers who use online banking, the amount of revenue gained from each of these primary sources will increase. Revising the design, function, and layout of Sovereign Bank's website will increase customer loyalty and attract more customers, therefore increasing the amount of customer deposits, customer personal loans, and customer investment funds. We intend to see an increase of 2.5% for customer deposits in the next year. An increase of 2.0% is expected for the amount of revenue gained with customer personal loans. Customer investment funds are predicted to increase 3.1% over the next year.

	2011	2012	Percent Change '11-'12	Estimated 2013	Planned Percent Increase '12-'13
Customer Deposits	\$632,533	\$626,639	(0.9)%	\$642,304	2.5%
Customer Personal Loans	\$750,100	\$720,483	(3.9)%	\$734,892	2.0%
Customer Investment Funds	\$984,353	\$968,987	(1.6)%	\$999,025	3.1%
Mortgage	\$837,129	\$848,011	1.3%	\$868,363	2.4%
Credit Card	\$694,837	\$700,395	0.8%	\$712,301	1.7%

Although mortgages and credit cards increased last year we would like to see a larger increase of them next year. Mortgages have increased by 1.3% from 2011-2012. By changing the newsletter more customers will be drawn to the website in which there is a box showing the current mortgage rates. Additionally, through the mobile app promotions will be more prominent and customers will view them more. If more customers are looking at the promotions, they will capitalize on the opportunity therefore increasing the revenue by 2.4%. Credit card revenue has also increased by 0.8% from 2011 to 2012. This amount will continue to increase because when more customers use online banking the amount of customers paying their credit card bills online will increase. This will be an indirect form of generating revenue because it will be a savings for the bank. The bank will have less paper to process because everything will be done electronically, therefore it will be a savings and the revenue will increase by an expected 1.7%. Our proposed plan will achieve the following increases through the 2012- 2013 year.

Financial Return on Investment

When the C.A.S.H. program we have created is implemented it will create financial ROI for Sovereign Bank. The budget of our C.A.S.H. program is \$145,000. The company intends to increase the customer deposits, customer personal loans, customer investment funds, mortgages, and credit card by the percentages in the chart on the previous page. Based on these percentages Sovereign Bank will be bringing in \$3,956,885 in the 2013 year. This gives the company a return on investment of \$3,811,885.

Non-Financial Return on Investment

Our proposed plan will create non-financial return on investment through our recommendations. Customer loyalty and customer satisfaction will increase because of the various changes we will make to the website and company. The overall user experience online will also be amplified due to easy navigation and customer support options we have added. Additionally, by integrating social media into Sovereign Bank's website we will be able to notify existing and new customers of our promotions. Social media also allows the bank to receive immediate feedback from customers. It is important to immediately address any customer issues in order to develop a positive customer relationship. As a result of our recommendations, the new

conveniences of the website will create more customer satisfaction and form a stronger relationship. Also, new customers will develop a sense of confidence in Sovereign Bank's website because of its new technologically advanced elements.

Conclusion:

A business' website is a place for the company to communicate information and promotions to customers. For a bank, online transactions increase the profitability of every transaction, ultimately generating more revenue for the company. In order for a business to be successful it must leverage technology and have a dynamic approach to reaching a variety of potential customers. With the implementation of our six recommendations and our **C.A.S.H.** program, will generate new customers and create a wider audience of website users. Customers will become more satisfied and their relationships with Sovereign Bank will deepen. The **C.A.S.H.** program focuses on developing long term customer relationships that will maximize the value of each of Sovereign Bank's customers.

VI. BIBLIOGRAPHY

Consultants (1):

John Magliozzi Marketing Teacher, DECA Advisor

Personal Interviews (1):

Fran Pagliar Sovereign Bank Billerica Branch Manager

Surveys (3):

Sovereign Bank Customer Survey

Sovereign Bank Employee Survey

Sovereign Bank Management Survey

Internet Sources (6):

www.slideshare.com

www.sovereignbank.com

www.tdbank.com

www.stonehambank.com

www.facebook.com

www.twitter.com

ODECA WRITTEN EVENT WINNERS

2014 INTERNATIONAL CAREER DEVELOPMENT CONFERENCE



FINANCE
OPERATIONS
RESEARCH
EVENT

1st Place

BRENNA SCADDEN
TRISTAN JOHNSON

Herriman High School, UT



FINANCE OPERATIONS RESEARCH

Herriman DECA Chapter

Herriman High School
11917 South Mustang Trail Way
Herriman, Utah 84096

Brenna Scadden and Tristan Johnson

May 3rd - 6th, 2014

TABLE OF CONTENTS

I. Executive Summary.....	1
II. Introduction	2
A. Description of the Business	2
B. Description of the Community	4
C. Description of the Business’s Mission, Target Market, and Existing Branding Efforts	6
III. Research Methods Used in the Study	8
A. Description and Rationale of Research Methodologies Selected to Conduct the Research Study	8
B. Process Used to Conduct the Selected Research Methods	10
IV. Findings and Conclusions of the Study	14
A. Findings of the Research Study	14
B. Conclusions Based on the Findings.....	18
V. Proposed Rebranding Plan	21
A. Objectives and Rationale of the Proposed Rebranding Plan	21
B. Proposed Activities and Timelines.....	23
VI. Proposed Budget.....	28
A. Costs Associated with Proposed Rebranding Strategies	28
B. Proposed Metrics to Measure Return on the Investment (ROI).....	29
VII. Bibliography.....	30



II. EXECUTIVE SUMMARY

Buying a home is one of the largest financial investments individuals and families make. The goal of Momentum Development is to build planned unit developments ensuring this investment will be worthwhile. Momentum Development is currently developing two projects located in Herriman, Utah. The first, Rosecrest, is a subdivision boasting views of the entire Salt Lake valley on large home lots. The second, Herriman Towne Center, is designed in a European style with smaller home lots and a walkable distance to community amenities.



RESEARCH METHODS

30 Question Online Survey
 Door-to-Door Resident Survey
 New Resident Survey
 Secret Shopper Survey
 Website Evaluation Survey
 Interview: Community Development Director
 Interview: Assistant Marketing Director
 Interview: Herriman City Council Member
 Interview: Senior Project Lead 180Fusion
 Herriman Resident Focus Group
 Marketing Focus Group
 Secondary Research

For our DECA project, we were asked by Momentum Development to create a rebranding plan for both developments within the city of Herriman. We began by conducting extensive research to investigate branding problems and ensure our re-branding plan would have a high chance of success. We conducted 12 pieces of research. Our methods included surveys, personal interviews, and focus groups. Creditable secondary research served to support our primary research and give comparisons to the national level.

From this research, we learned there are three stages buyers go through as they look to purchase a home. These stages represent opportunities for Momentum Development to brand Rosecrest and Herriman Towne Center:

1. Digital Research 2. Personal Interaction 3. Home Purchase.

We organized our eight conclusions according to these stages. Our conclusions included: the websites are hard to find, the websites do not reflect the true nature of the brands, the websites lack information, the role of mobile technology has increased in the housing industry, marketing the communities together causes confusion, realtors and model home representatives do not help or hurt the brand, current residents desire more involvement and information, and residents are likely to recommend the development in which they live. Based on these conclusions, we developed four objectives and created our rebranding plan by correlating each objective with proposed activities.

Objective 1: Improve online presence.

Objective 2: Integrate and coordinate online marketing with mobile presence.

Objective 3: Focus marketing to the appropriate demographic and geographic segments.

Objective 4: Improve awareness of brand to those under contract and current residents.

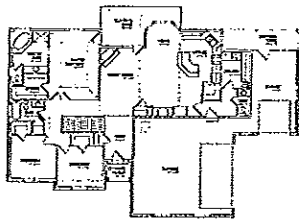
The activities designed to reach these objectives include search engine optimization, an aesthetic redesign, adding and updating information, an HTML 5 update, utilizing social media, geographically separating signage, movie theater advertisements, YouTube advertisements, model home brochures, creating a "Residents' tab" on the website, and hosting community events.

After evaluating the current marketing budget shared with us by Momentum Development, we are confident our rebranding plan can be implemented within a budget of \$400,000. We have identified metrics to monitor the plan to ensure a strong return on investment: **1. Visits to company websites 2. Conversion rate of websites 3. Traffic to model homes 4. Overall home sales 5. Residents' awareness of brand.**

PROJECTED BUDGET	
WEBSITE	\$52,000
INTERNET	\$44,000
THEATER	\$175,000
SIGNAGE	\$20,600
BILLBOARDS	\$35,000
EVENTS	\$35,000
RADIO	\$8,000
GIVEAWAYS	\$6,000
PRINT	\$2,000
RESEARCH	\$2,000
MISC.	\$20,000
TOTAL	\$400,000

II. INTRODUCTION

A. DESCRIPTION OF THE BUSINESS



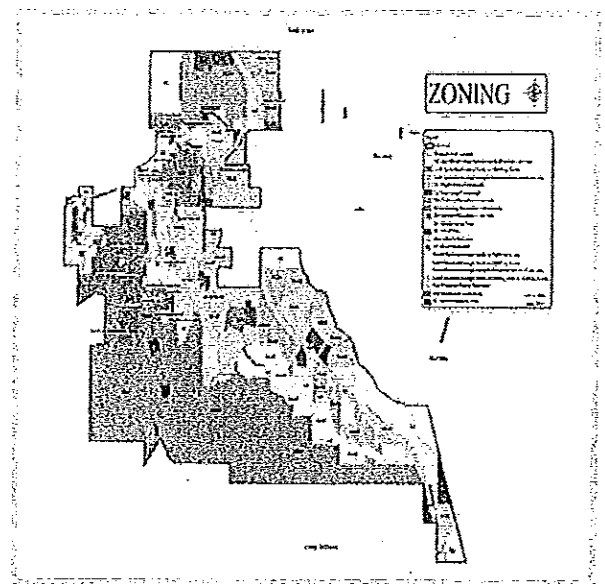
Since its beginning in 2001, Momentum Development Group has risen to become one of the largest development groups in the Western United States, developing over 7,000 residential units in addition to numerous large commercial projects.¹

The company began as a branch of the Sorenson Group, but became its own company in 2008. This change in structure has allowed management to focus on two specific residential developments that hold great potential revenue, both of which are located in Herriman, Utah: Rosecrest and Herriman Towne Center.

Momentum Development does not sell homes directly to the consumer.

Instead, they sell land to 10 different third-party building companies, who then sell to the home-buyer. However, Momentum Development's

role does not end with the sale of land to builders. It is a full service developer, meaning they oversee the project from concept, to construction, and finally to completion.² They oversee all phases of the development in order to ensure that the developments cultivate and maintain the desired brand image.

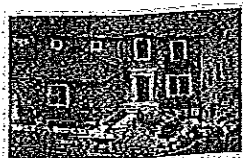


Momentum owns over 2,800 acres in Herriman.

¹ Developments in the Mid-West

² Momentum Development Website (<http://mdevg.com/>)

Rosecrest and Herriman Towne Center have been developed to cater to different demographics, but because of their close proximity they are currently marketed together³. We were asked to examine the current branding efforts and make recommendations that will strengthen the brands of both developments. Both developments are planned to be completed by 2029.



Rosecrest: As the largest residential master planned community in Herriman, Rosecrest is located along the bench of the Oquirrh Mountains and boasts views of the entire Salt Lake Valley. Although it has been constructed to give a high class and secluded atmosphere, featuring homes valued up to over a million dollars, it is in fact less than 8 miles from Interstate 15.³ Herriman City has funded the landscaping of over 20 parks within the residential subdivision in addition to miles of trails.

Herriman Towne Center: A billion dollars has already been allocated for the development of Herriman Towne Center. This development is located, as its name indicates, in the center of Herriman City and aims to become the hub of all economic, community, and government activity. At its completion, it will feature 100,000 square feet of office space and 800,000 square feet of retail space in addition to 370 acres of residential development.³ As it is built in the European style, it is designed to be a “walking community”, meaning that a family could expect to live within walking distance of all amenities.

³ MapQuest

B. DESCRIPTION OF THE COMMUNITY

Economic:

Herriman City aims to “carefully manage and encourage viable well-planned growth and development to achieve economically sound...growth that enhances the quality of life in Herriman.”⁴ This goal is reflected in the extensive planning and zoning the city has undergone. The city received \$10,343,543 in revenue for the 2013 calendar year.⁵

While 49% of Herriman’s land has been zoned for residential purposes, Herriman City has allocated 981 acres

for commercial development. Additional land is zoned for use by the Army Garrison Camp Williams, a National Guard training site, and other government developments.

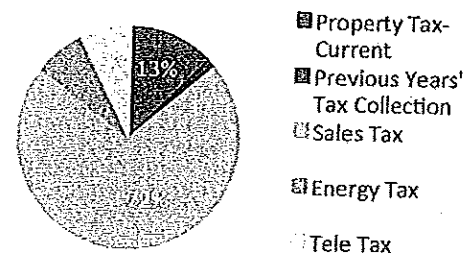
Although most commercial developments are still in the planning or licensing phases, within one mile of Herriman there are 17 restaurants, 11 retail stores, and 15 stops for public transit.⁶ An additional 5 commercial buildings are planned for completion in 2015.



The government plays a large role in the economy of Herriman City. In March of 2011, Salt Lake County Parks and Recreation opened a state of the art, \$23 million facility in Herriman. Salt Lake County also built a LEED certified library located next to the recreation center.

The Bingham Canyon mine is the largest open pit copper mine in the world and is located directly adjacent to Herriman City’s boundaries, employing several hundred residents of Herriman.

2014 HERRIMAN EXPECTED REVENUE



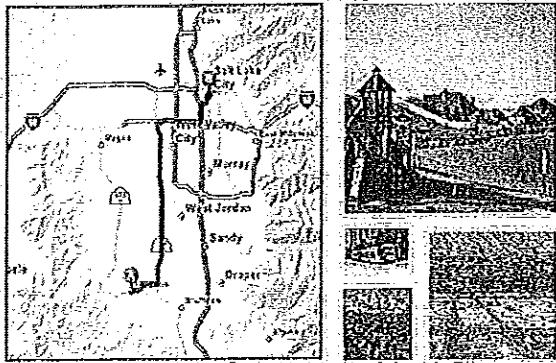
⁴ <http://www.herriman.org/>

⁵ <http://www.herriman.org/city-departments/finance/>

⁶ <http://www.herriman.org/city-departments/development>

Geographic:

Located 25 miles south of Salt Lake City, Herriman City offers the benefits of a large metropolitan area while simultaneously retaining a small town atmosphere. Herriman covers an area of 20.3 square miles at an elevation of 4,941 feet, with a population density of approximately 2,680 people per square mile⁷



In seeking to increase citizens' access to downtown Salt Lake City, Herriman supported the development of Mountain View Corridor, a freeway with a balanced transportation system of roads, transit, and trails. The

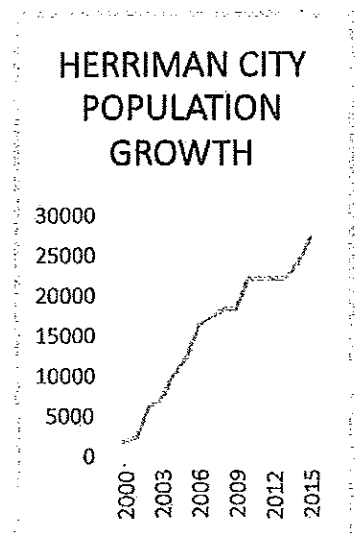
freeway connects to both Interstate 80 and Interstate 15, and provides more direct access to Salt Lake City.

Utah's Transit Authority recently completed a 10 mile track extension lengthening TRAX, the light rail system that connects all of Salt Lake County. This recently completed station is located just five miles from Herriman, and Utah Transit Authority buses provide transportation from 15 different points in the city to the station. Over half of all residents work in downtown Salt Lake City, but the average commute time is only 20 minutes.

Demographic:

In the 2000 census, the population of Herriman was reported to be 1,523. The population rose dramatically to 21,785 in 2010, and is now estimated to be just over 25,000, making it one of the fastest growing cities in the nation with a 1,196.7% growth rate.

This rapid growth can be mainly attributed to the relocation of young couples and young families, as is reflected in the median age of 24.7, an age more than 10 years younger than the national median age of 36.9.

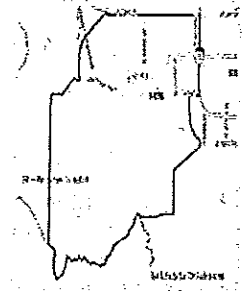


⁷ <http://www.city-data.com/city/Herriman-Utah.html>

Socioeconomic:

The population of Herriman City is highly educated, ranking in the top 12% nationally. Contrasting with the national graduation rate of less than 75%, just over 94% of Herriman residents over the age of twenty-five have graduated from high school. The attainment of a professional degree is almost double the national average.

MEDIAN AGE:
24.7
MEDIAN INCOME:
\$73, 875
MEDIAN HOME VALUE:
\$278,196



We identified five socio-economic segments for Herriman City:⁸

1. Young families with many children and blue-collar jobs in modestly priced homes.
2. Upper-middle-class families under the age of 55 with a college education and professional jobs.
3. Upper-middle class couples with children and educated, white-collar jobs.
4. Middle aged couples with large families and an income over \$100,000 that are big spenders.
5. Young, middle-class singles and couples with an education and without children.

C. DESCRIPTION OF THE BUSINESS'S MISSION, TARGET MARKET, AND EXISTING BRANDING EFFORTS

Business's Mission:

"To build quality developments that welcome families and strengthen the community"

Momentum Development does not currently have an official mission statement. However, in our interview with Momentum Development's marketing director, Brendon Tingey, we asked what their mission statement would be, if they were to have one. He replied that Momentum Development strives to build quality developments that welcome families and strengthen the community.

⁸ <http://www.clarita.com/segments>



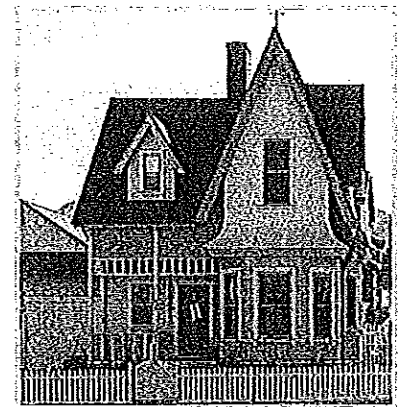
Target Market:

- ROSECREST
 - Age 30+
 - House Price > \$300,000
 - Large, Established Families
- TOWNE CENTER
 - Age 25-35
 - House Price > \$200,000
 - New Families and Young Couples

Momentum Development has identified the primary target market for both Rosecrest and Herriman Towne Center as families living within 15 miles of Herriman City. Their secondary target market is reached through the internet, and is identified as those living outside the 15 mile radius. The primary target market is visualized to the left. Rosecrest is targeted towards established families with higher income than the smaller families of Herriman Towne Center.

Existing Branding Efforts:

Momentum Development Group brands Rosecrest and Herriman Towne Center as one unit because advertising is focused on Herriman City. Rosecrest’s slogan is “Live More”⁹, while Herriman Towne Center’s is “Centered Around Your Life”.¹⁰ However, signage and advertisements present the communities as one. Current branding efforts focus on the promotion of Herriman City instead of promoting the neighborhoods. This is effective as Momentum Development is the largest developer in the city and receives most of the response for these advertisements.



The Disney UP House

Momentum Development Group made a successful effort towards branding their communities when it supported Bangeter Homes in the construction of the “UP House”. Featured in Utah’s Parade of Homes in 2011, this home was built to the exact specifications given by Disney’s film, UP, and attracted over 65,000 visitors to the Herriman Towne Center, including visitors from as far as Pakistan. Since this date, Momentum Development also markets through radio ads, billboards, banner ads, and working with the Utah Jazz basketball team. They also recently signed a deal to advertise in movie theaters across the state.

⁹ <http://rosecrestcommunities.com>
¹⁰ <http://herrimantownecenter.com>

III. RESEARCH METHODS USED IN THE STUDY

Research Goals:

1. Align the goals of Momentum Development with those of Herriman City and current residents.
2. Examine the current brand name of Rosecrest and Herriman Towne Center.
3. Inspect the role of current websites and model home representatives in the perception of developments' brand.
4. Understand the best marketing methods to establish an improved brand image.

RESEARCH METHODS

Surveys:

- 30 Question Online Survey
- Door-to-Door Survey
- New Resident Survey
- Secret Shopper Survey
- Website Evaluation Survey

Personal Interviews:

- Mr. Gordon Haight, Assistant City Manager and Community Development Director, Herriman City
- Mr. Brendon Tingey, Assistant Marketing Director, Momentum Development
- Mr. Mike Day, Herriman City Council Member
- Mr. Connor Harrison, Senior Project Lead, Fusion 180 Marketing Company

Focus Groups:

- Herriman Resident Focus Group
- Marketing Focus Group

Secondary Research

A. DESCRIPTION AND RATIONALE OF RESEARCH METHODOLOGIES SELECTED TO CONDUCT THE RESEARCH STUDY

We organized our research by the type of research conducted. In this section, we provided the definition and rationale for each broad research method, followed by a chart with each of the pieces of research conducted in that category and our reasoning for conducting each type.

Surveys:

A survey is defined as a questionnaire given to the target market to systematically establish facts and trends. We used surveys to establish the current brand image of Rosecrest and Herriman Towne Center and decide how to effectively improve the brand. The use of surveys allowed us to receive direct feedback of specific aspects of Momentum Development's brand.

RATIONALE OF SURVEYS

ONLINE SURVEY

- To find how those in the surrounding community view the developments.
- To understand what factors contribute to moving, how current home-owners learned about the area, and what qualities they did and did not like.

DOOR TO DOOR SURVEY

- To examine the experience of residents living specifically in Rosecrest and Herriman Towne Center.
- To personally collect both quantitative and qualitative data.

NEW RESIDENT SURVEY

- To provide data concerning where recent buyers previously lived.
- To verify results from our other surveys.

SECRET SHOPPER SURVEY

- To evaluate the ability of the model home representatives to portray the brand name.
- To assess the true knowledge and behavior of the representatives and give us valid feedback on the model home aspect of the home buying experience.

WEBSITE EVALUATION SURVEY

- To gauge the value of the current websites in portraying the subdivisions.
- To evaluate the helpfulness of the websites to current residents.

Interviews:

An interview is defined as a formal conference designed to elicit facts and statements. Using interviews allowed us to gain the involvement we desired to examine what each party desired the brand image to be.

RATIONALE OF INTERVIEWS

GORDAN HAIGHT, ASSISTANT CITY MANAGER AND COMMUNITY DEVELOPMENT DIRECTOR

- To understand Herriman City's efforts in improving the city in order to better appeal to potential homebuyers.
- To understand Herriman City's future goals and projects.

BRENDON TINGEY, ASSISTANT MARKETING DIRECTOR FOR MOMENTUM DEVELOPMENT

- To secure the support of the CEO, Mike Bradshaw.
- To obtain information on their current branding efforts, target market, and future goals.
- To obtain annual budgets and revenue goals.

MIKE DAY, MEMBER OF HERRIMAN CITY COUNCIL

- To understand the development process and questions Herriman citizens commonly ask.
- To obtain more detailed information on future projects in the area.

CONNOR HARRISON, SENIOR PROJECT LEAD FOR 180 FUSION

- To better understand a website's role in the perception of a company.
- To learn how to address problems with online perception.

Focus Groups

A focus group is defined as a demographically diverse group of people assembled to participate in a guided discussion to provide feedback about a particular product, area, or service. This research was important to conduct because it provided qualitative, detailed information.

RATIONALE OF FOCUS GROUPS

HERRIMAN RESIDENT FOCUS GROUP

- To collect information on residents' views of Momentum Development's neighborhoods.
- To understand the home buying process.
- To collect feedback on Rosecrest and Herriman Towne Center websites, using a control.

MARKETING FOCUS GROUP

- To examine the appeal of various elements used in home advertising.
- To create effective advertisements for Rosecrest and Herriman Towne Center.

Secondary Research

In addition to the primary research described above, we studied several pieces of secondary research, defined as market research previously compiled and organized, to support our own conclusions and to obtain information on population growth, annual incomes, and other demographic indicators, as well as understand the housing market trends and the role different marketing strategies play in the perception of a brand. These sources include the U.S. 2010 Census and official population estimations, professional segmentation research, and information found on Herriman City and Momentum Development's websites.

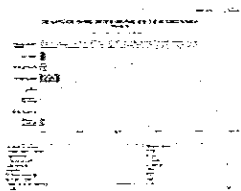
PROCESS USED TO CONDUCT THE SELECTED RESEARCH METHODS


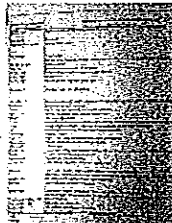
The following section describes the process followed to conduct each method of research and is organized in a similar format to the previous section. A chart under each category describes when and where each method was conducted. After this chart, the process used to conduct each method is described in detail and includes a few of the questions addressed with that method.

Surveys

We conducted five surveys over a period of four months. All our surveys were either conducted personally or online. We obtained feedback from statistically significant amounts of people.

TIMELINE OF SURVEYS CONDUCTED			
TITLE OF	DATE(S)	PLACE CONDUCTED	RESPONSES
Online Survey	October 2013- January 2014	www.surveymonkey.com	120
Door to Door Survey	November 1-2 2013	Rosecrest and Herriman Towne Center Developments	60 (30 for each development)
New Resident Survey	November 15, 2013	Rosecrest and Herriman Towne Center Developments	100 (50 for each development)
Secret Shopper Survey	December 7, 2013	Model Homes in Rosecrest, Herriman Towne Center, and Daybreak Developments	21 (7 for each model home)
Website Evaluation	January 4, 2014	Herriman High School	25

ONLINE SURVEY	
	<p>Research Techniques:</p> <ul style="list-style-type: none"> 31 questions according to professional recommendations¹¹ Asked residents of Herriman as well as the surrounding cities to complete <p>Sample Questions:</p> <ul style="list-style-type: none"> Who/ what first suggested Herriman as a place of residence to you? Which of the following activities/ places are you most likely to attend?

DOOR TO DOOR SURVEY	NEW RESIDENT SURVEY
 <p>Research Techniques:</p> <ul style="list-style-type: none"> 7 questions Analyzed residents' views on the developments Asked about motivators for purchasing home Used Likert scale to determine how likely they would be to recommend the development <p>Sample Questions:</p> <ul style="list-style-type: none"> What other areas did you consider moving to? What is the first thing that comes to mind when you hear Rosecrest/Herriman Towne Center? 	 <p>Research Techniques:</p> <ul style="list-style-type: none"> 20 questions Asked about buying process and factors in their home-buying decision Asked how they heard about the development Examined problems residents found with development <p>Sample Questions:</p> <ul style="list-style-type: none"> Where did you move from? Where have you seen Rosecrest/Herriman Towne Center marketing?

¹¹ Lighthouse Research, Inc.

SECRET SHOPPER SURVEY



Research Techniques:

- 6 adults fitting the target market
- 3 model homes
- Posed as potential home buyers
- Daybreak development used as a control

Sample Questions:

- How knowledgeable was the representative?
- Did anything in the presentation add or detract from your desire to live in Herriman?

WEBSITE EVALUTATION SURVEY



Research Techniques:

- 10 adults fitting the target market
- 10 minutes
- Asked to explore the websites looking for information on the community

Sample Questions:

- Where did you move from?
- Where have you seen Rosecrest/ Herriman Towne Center marketing?

Interviews

We held four interviews throughout our project. All of these interviews were held in Herriman City.

TIMELINE OF INTERVIEWS CONDUCTED			
TITLE OF	OFFICIAL TITLE	DATE CONDUCTED	PLACE CONDUCTED
Gordon Haight	City Development Director	September 10, 2013	Herriman City Hall
Brendon Tingey	Assistant Marketing Director, Momentum Development	September 26, 2013	Herriman High School
Mike Day	City Council Member	December 17, 2013	Herriman High School
Conner Harrison	Senior Project Lead, 180 Fusion	January 2, 1014	Local Restaurant

GORDAN HAIGHT



Research Techniques:

- Given access to city records and projects
- Able to view a video created to convince Fortune 500 executives to construct branches within the city
- Asked about city goals

Sample Questions:

- What is Herriman City doing to project a good image to potential home buyers?
- What sets Herriman City apart?

BRENDON TINGEY




Research Techniques:

- Asked what the company would like their brand to become
- Discussed current marketing efforts
- Received 800 page Google Analytics report on website

Sample Questions:

- What would you like Rosecrest and Herriman Towne Center's brand image to be?
- What are your current marketing efforts?

MIKE DAY




Research Techniques:

- Discussed what questions are frequently asked about Herriman City
- Asked what confusion exists about the developments
- Talked about future plans for the developments

Sample Questions:

- What businesses are opening in Herriman?
- What do current residents express about their homes and community?

CONNOR HARRISON



Research Techniques:

- Discussed the online branding perspective of the developments
- Given options to improve the developments' brand with online presence
- Explained process of SEO

Sample Questions:

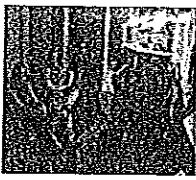
- What role do websites play in the perception of a company's brand?
- How can we improve our online brand?

Focus Groups

We moderated two focus groups concerning the current brand image of Rosecrest and Herriman Towne Center and the effectiveness of marketing for both developments.

TIMELINE OF FOCUS GROUPS CONDUCTED			
TITLE OF	DATE(S)	PLACE CONDUCTED	PARTICIPANTS
Herriman Resident Focus Group	December 21, 2013	Team Member's Home	6
Marketing Focus Group	January 2, 2014	Team Member's Home	7

HERRIMAN RESIDENT FOCUS GROUP




Research Techniques:

- Organized according to professional standards¹²
- Asked questions about process of purchasing homes
- Discussed living in Herriman

Sample Questions:

- What process was followed to purchase a home?
- Does the image presented by the developments' websites fit with reality?

MARKETING FOCUS GROUP



Research Techniques:

- Organized according to professional standards
- Evaluated the effectiveness of various marketing channels
- Evaluated current brand name of developments

Sample Questions:

- What about this advertisement concept appeals or detracts?
- How would you improve this sales promotion?

¹² Lighthouse Research, Inc.

Secondary Research

We used numerous sources to both build a foundation for our project and support our own primary research. In order to procure competent research, we used the Pioneer Research Database, made available to us through our school district. We gained access to research projects conducted by several Fortune 500 companies, government studies, official population estimates, and studies on annual income and spending. We found a study conducted by the National Association of Realtors in 2012 to be especially informative.

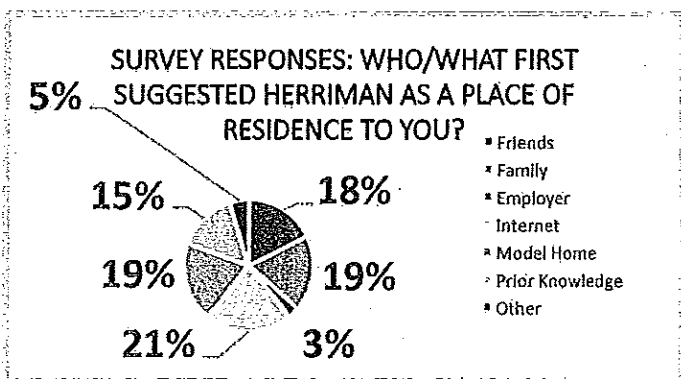
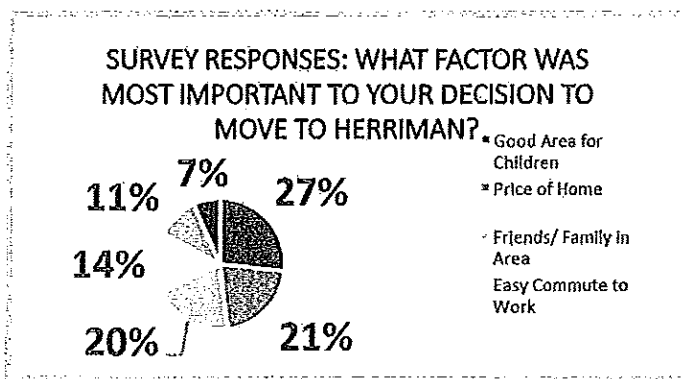
II. FINDINGS AND CONCLUSIONS OF THE STUDY

A. FINDINGS OF THE RESEARCH STUDY

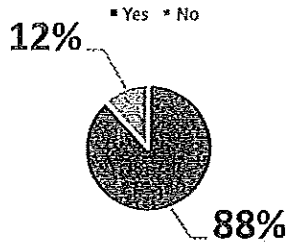
After conducting 12 different methods of research, we were left with extensive amounts of information to compile. We have arranged the highlights of our findings in bulleted lists under each research type and provided visuals of the data we felt most pertinent.

Surveys

- 52% of home owners bought a home they built.
- 21% of current residents cited the Internet as first suggesting Herriman as a spot to move.
- Half of respondents use YouTube on a regular basis.
- Daybreak was frequently cited as the main alternative to living in Herriman for both developments.
- 95% of respondents reported regularly attending the movie theater.



SURVEY RESPONSES: DO YOU OWN A SMART PHONE?



- Half of those who moved into the Rosecrest subdivision specifically cited Daybreak and other South Jordan neighborhoods as their main alternative to Rosecrest.
- 89% of respondents living in Herriman Towne Center considered Riverton and West Jordan.
- 88% of respondents reported owning a smart phone.

- While 66% of our shoppers stated that nothing in the presentation deterred them from buying a home in the development, 90% of them stated the representative also gave them no incentive to move into the development.
- Model home representatives sold the brand of the home, but lacked knowledge of the area.
- 100% of respondents reported that the website was ineffective in addressing their concerns.
- 90% of respondents felt the website did not accurately represent the residents of the area.

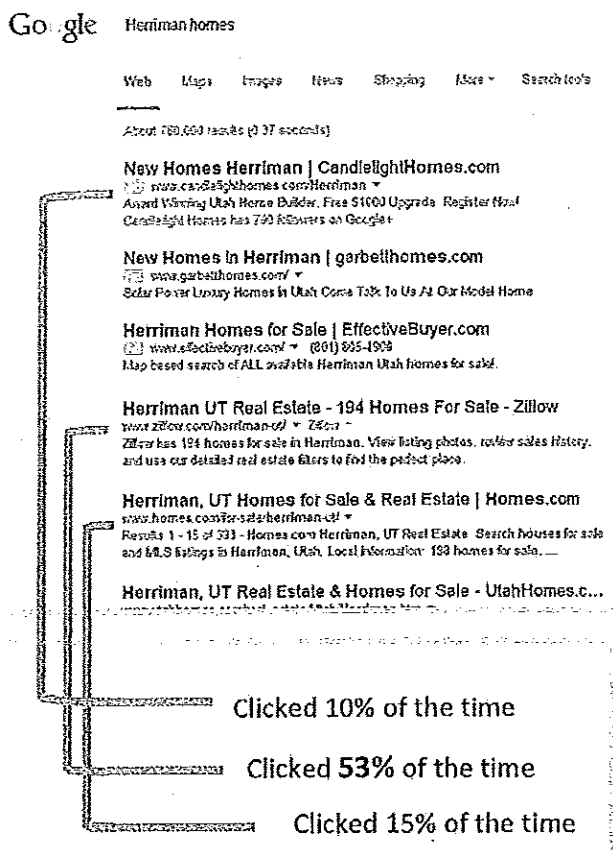
Interviews

- Momentum Development aims to make both Rosecrest and the Herriman Towne Center the “kind of environment you could easily imagine raising your family.”
- The desired brand for Rosecrest is an “affordable high-scale lifestyle”.
- The desired brand for Herriman Towne Center is “the center of all amenities and a neighborhood for young couples and families connected to everything”.

**MOMENTUM DEVELOPMENT
MODEL HOME VISITS**



- Model home visits in both subdivisions peak in June and again in October, with new contracts peaking in April and November.

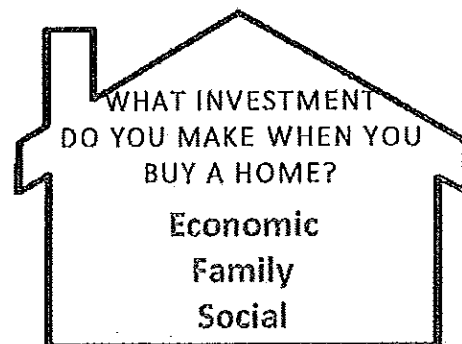


- The average time spent on the Rosecrest and the Herriman Towne Center websites are 2:16 minutes and 1:40 minutes, respectively.
- 72% of visits to the Rosecrest website and 66% of visits to the Herriman Towne Center’s website are new visitors.
- Both websites showed a bounce-rate of over 50%. This drop-off rate rises an additional 10% when considering those who viewed only one page in addition to the home-page.
- The first non-sponsored link to display on a google search will be clicked 53% of the time, but the second result will only be clicked 15% of the time.

- 90% of people do not click on the first sponsored link in search engines.
- The questions most commonly posed to members of the city council are “When will city residents see more commercial development?” and “When will office space become available?”
- YouTube is gaining in popularity and is more affordable to utilize than other forms of advertisement.

Focus Groups

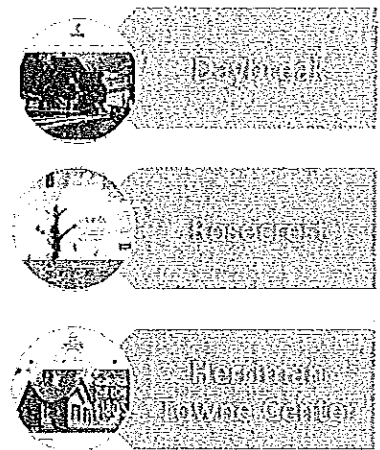
- Participants stressed the importance of seeing investment in the area one is moving into, whether it be an economic, family, or social one.
- Residents would participate in development sponsored community events.
- When compared to the Daybreak website as a control, both the Rosecrest and Herriman Towne Center websites were reported to be



inferior in aesthetics and in usability.

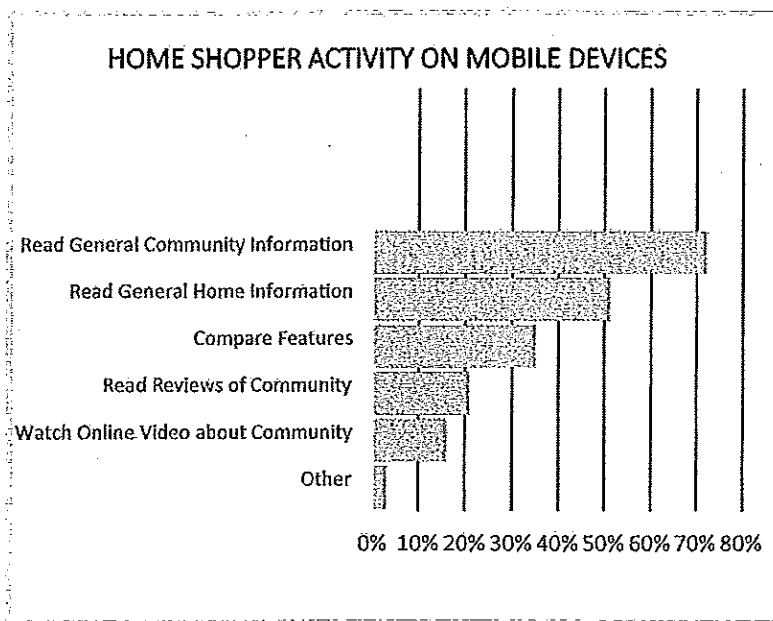
- Upon first moving to the area, residents were confused about what development they lived in.
- All participants reported working with a realtor or model home representative to purchase a home.
- All participants reported using the internet as a tool in looking for a home, and 66% reported looking at websites pertaining to the community and neighborhoods.

RANKING OF DEVELOPMENT WEBSITES



Secondary Research

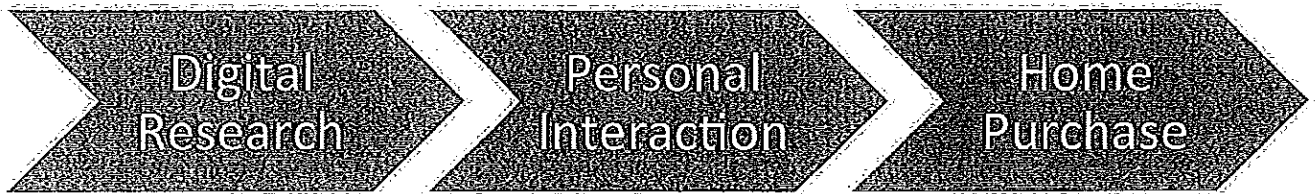
- Advertisement on the internet rose to represent 21.7% of the total spending for all fortune 500 companies' marketing budget in 2013 and is projected to be 30.7% by 2016.
- Nationwide, 90% of home buyers searched online during their home buying process.
- The National Realtors Association found that 69% of home shoppers who take action on a real estate website begin their research with a local term, i.e. "Herriman homes for sale" on a search engine.



- 86% of potential homebuyers use online video, such as YouTube, to find out more about a specific community.
- More people trust videos found on YouTube than on company websites.
- Potential homebuyers prefer to use their mobile phone to look at home related websites over using a mobile application.

B. CONCLUSIONS BASED ON THE FINDINGS

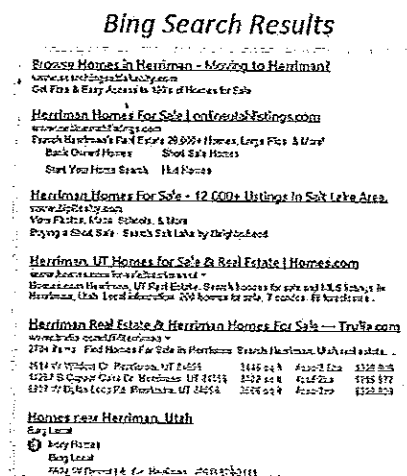
After completing various forms of research, we realized there are three stages a potential homebuyer goes through to purchase a home. Subsequently, there are three opportunities by which Momentum Development can develop the brand. Using this three stage model, we reached eight conclusions.



- **Stage 1- Digital Research:** Before taking any other action, 77% of potential homebuyers will do online research. Because this is the first impression given to people searching for a home, digital sources are vital in brand perception.
- **Stage 2- Personal Interaction:** The next step in the home buying process concerning Rosecrest and Herriman Towne Center almost always involves contact with a realtor and numerous builder representatives. This is the first time potential homebuyers personally visit the developments and includes interaction with representatives and physical elements presented in the community.
- **Stage 3- Home Purchase:** It is still important to consider the homebuyer after they have become a resident of either development. Research shows a third of all referrals to purchase a home are from those already living in the community. Current residents' perception of Momentum Development's brand name cannot be forgotten.

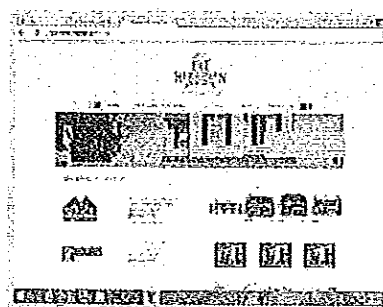
Conclusion 1- Websites are Hard to Find: Neither Rosecrest nor Herriman Towne Center show up as results in common search engines, unless "Rosecrest" or "Herriman Towne Center" are specifically used as key words. This limits the amount of traffic both websites can receive and forces

potential home buyers to learn about the development through other means. This results in Momentum Development losing out on potential branding through their website. Below are screenshots displaying Google and Bing search engine results when the key words, "Homes in Herriman" are searched.



Conclusion 2- Websites Do Not Reflect True Nature of Brands: Rosecrest and Herriman

Towne Center have two distinctive brands, but several pieces of our research showed that once found, the developments' websites do not reflect the actual characteristics of each neighborhood, thus misrepresenting their brand and not aiding Momentum Development in reaching their branding goals.



Conclusion 3- Websites Lack Information: The Rosecrest and Herriman Towne Center

websites serve as nothing more than a link to third-party builders and give little reflection of the developments' atmospheres, thus giving potential homebuyers no incentive to explore.

Conclusion 4-Mobile Technology Plays Increasing Role in Home Buying: As is the case

with many other industries, our research showed that the role of mobile technology is increasing in the process of buying a home. This role includes the importance of a website domain being mobile-friendly, the use of social media, and online video.

STAGE 1

Conclusion 5- Marketing Communities Together Causes Confusion: Residents of Herriman view the developments differently because they have lived in the area and can see the differences in the developments. However, those outside the city see the developments as one unit because Momentum Development advertises Herriman City as a whole. While this is effective in convincing people to buy in Herriman, the company loses the opportunity to distinctly brand Rosecrest and Herriman Towne Center through advertisements and is not able to effectively reach the respective target markets.

Conclusion 6- Realtors and Model Home Representatives Do Not Help or Hurt the Brand: Model home representatives are selling their respective building companies, and are therefore motivated to provide good customer service. However, many lack even basic knowledge of the surrounding area as they sell their homes across the state and have no incentive to sell specifically in Rosecrest and Herriman Towne Center. Momentum Development is missing the opportunity strengthen the brand with this personal contact.



Conclusion 7- Residents Desire More Involvement and Information: In almost every survey we conducted, current residents expressed the desire to have access to more information from Momentum Development concerning upcoming events and future development. They are eager for community hosted interaction. If the residents do not have the necessary knowledge, Momentum Development misses the chance to have their brand built through word of mouth.

Conclusion 8- Settled Residents are Likely to Recommend Momentum Development: Based off of our use of a Likert scale to gage residents' satisfaction with the area and feedback from our surveys and focus groups, those currently living in Rosecrest and Herriman Towne Center are highly likely to recommend their community to a friend or family member. In fact, on the scale of 7, the average score was a 6.5.

IV PROPOSED REBRANDING PLAN

A OBJECTIVES AND RATIONALE OF THE PROPOSED REBRANDING PLAN

The findings and conclusions from our research demonstrate the need for Momentum Development to re-brand Rosecrest and Herriman Towne Center in order to more effectively reach a broader market. Our rebranding plan works to achieve four objectives. These objectives are based on the conclusions found for each stage in the home-buying process discussed in the previous section. We have listed our conclusions here:

- | | | |
|---------|---|---|
| STAGE 1 | } | Objective 1: Improve online presence. |
| | } | Objective 2: Integrate and coordinate online marketing with mobile presence. |
| STAGE 2 | } | Objective 3: Focus marketing to the appropriate demographic and geographic segments. |
| STAGE 3 | } | Objective 4: Improve awareness of brand to those under contract and current residents. |

Below, we have included why each objective is vital to the successful rebranding of Rosecrest and Herriman Towne Center. We have rationalized each objective with the conclusions that support the need for change. We have also given the benefits successfully achieving each objective will provide.

OBJECTIVE 1: IMPROVE ONLINE PRESENCE.

Rationale (Objectives showing current deficiency):

- Conclusion 1- Websites are Hard to Find
- Conclusion 2- Websites Do Not Reflect True Nature of Brands
- Conclusion 3- Websites Lack Information

Benefits:

The image presented online is the first impression potential homebuyers have of the company and is the first opportunity Momentum Development has to portray the brand name of Rosecrest and Herriman Towne Center. By improving the websites of the subdivisions, Momentum Development will have the chance to establish their desired brand image from the first interaction with customers. Improving the online presence will give a more convenient link between potential homebuyers and the developments.

OBJECTIVE 2: INTEGRATE AND COORDINATE ONLINE MARKETING WITH MOBILE PRESENCE.

Rationale (Objectives showing current deficiency):

Conclusion 4-Mobile Technology Plays Increasing Role in Home Buying

Benefits:

Although mobile applications do not have features that would be beneficial to Momentum Development, mobile technology does serve an increasing role in people's lives as a whole and the company does need to consider this. Updating the website to be mobile-friendly will extend the company's reach beyond the traditional website platform and further improve the customer-friendly and progressive brand image.

OBJECTIVE 3: FOCUS MARKETING TO THE APPROPRIATE DEMOGRAPHIC AND GEOGRAPHIC SEGMENTS.

Rationale (Objectives showing current deficiency):

Conclusion 5- Marketing Communities Together Causes Confusion

Conclusion 6- Realtors and Model Home Representatives Do Not Help or Hurt the Brand

Benefits:

As previously discussed, Momentum Development most effectively advertises by sharing the concept of Herriman City more than advertising Rosecrest and Herriman Towne Center separately. However, as potential homebuyers come into the community and begin investigating it personally, the two developments need to be marketed and defined separately because the target markets for the two are different and the intersection of information is confusing to potential homebuyers. Separating the two developments will allow each to develop their own brand image independent of the other and more focused to their target markets.

The lack of information about the area is furthered by the lack of knowledge available to realtors and model home representatives. While their lack of knowledge does not deter potential homebuyers, it also does not encourage them. The ability of these third party representatives to give information specific to the community will give an increased connection to the community for potential homebuyers and give more incentive to choose Rosecrest or the Herriman Towne Center.

OBJECTIVE 4: IMPROVE AWARENESS OF BRAND TO THOSE UNDER CONTRACT AND CURRENT RESIDENTS.

Rationale (Objectives showing current deficiency):

Conclusion 7- Residents Desire More Involvement and Information

Conclusion 8- Settled Residents are Likely to Recommend Momentum Development

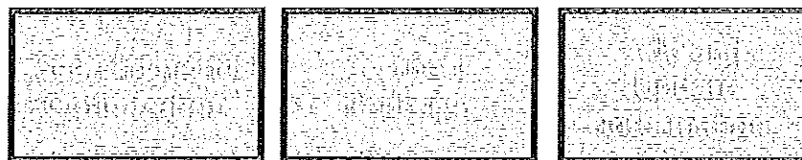
Benefits:

Momentum Development cannot afford to stop their branding efforts once a home is under contract because of the high volume of referrals that come from current residents. Our research showed that while residents love the community they live in and suggest it to potential homebuyers, there is frustration in that they lack information about the developments and then cannot provide accurate or sufficient information to other potential homebuyers. Providing information to current residents about the development they live in and promoting community spirit will ensure that residents continue to enjoy their community and recommend Momentum Development to others.

B. PROPOSED ACTIVITIES AND TIMELINES

Once we established goals for our rebranding plan, we broke each objective into the activities that would accomplish that goal. We have organized our activities under the objective they will help reach.

Objective 1: Improve online presence:



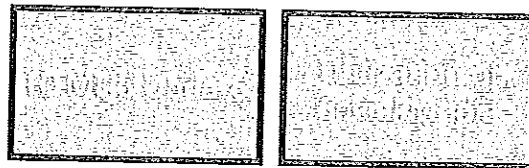
Search Engine Optimization: There are two methods for a company to obtain one of the first results in a Google search. The first is through sponsored links, meaning that the company essentially purchases the right to be the first result for chosen key words. This method is highly inefficient, however, because only 10% of people click on the first sponsored link. They have been trained to mistrust paid results. Search engine optimization (SEO) is the process of affecting the visibility of a website through the second method,

in a search engine's "organic", or non-sponsored, search results. This is done by placing commonly searched key words throughout one's website. This will place both websites on the first page of results, allowing them to use their websites for branding purposes and presenting a message fitting to the specific target markets.

Aesthetic Redesign: Updating the websites visually will improve the perception given to potential home buyers that view the site. This is especially important in the wake of SEO, as there will be more visits to the website. The most important aspect of this update is giving potential home buyers a realistic picture of the development they are researching and help them to know what to expect when they move in to the development.

Add and Update Information: Currently, the Rosecrest and Herriman Towne Center Websites serve as little more than a link to the websites of third-party builders. This provides a convenient place for potential homebuyers to examine all their options in builders, but gives them no information about the community. Potential homebuyers are increasingly relying on online research before contacting a representative to show them the community. Highlights about each community need to be added to the respective websites and updated as becomes necessary.

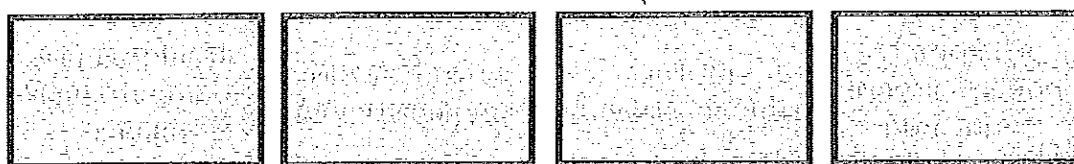
Objective 2: Integrate and coordinate online marketing with mobile presence:



HTML 5 Update: Creating a mobile presence does not necessarily mean developing a mobile app for Rosecrest and Herriman Towne Center. In fact, creating a mobile presence can be done more simply and in correlation with the website update. By using HTML 5 software to redesign the website, it will automatically be mobile-friendly and easy to use no matter the device.

Utilization of Social Media: Momentum Development does not currently use social media accounts to communicate information featured on the websites. A simple and cost effective way to create a mobile presence is through social media. Setting up a Facebook and Twitter account for Rosecrest and Herriman Towne Center will allow Momentum Development to highlight happenings within the developments.

Objective 3: Focus marketing to the appropriate demographic and geographic segments:



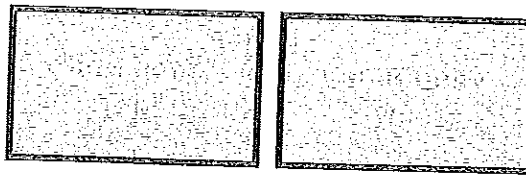
Geographical Separation of Signage: While it is cost effective for Momentum Development to advertise Herriman City instead of the separate developments, separating the signs for Rosecrest and Herriman Towne Center will help establish them as separate communities. This will allow Momentum Development to highlight the individual benefits of both developments, establish a separate brand image for both developments, and target other marketing more effectively.

Movie Theater Advertisements: Momentum Development can better utilize the current deal with Larry H. Miller that allows them to advertise in every Megaplex Theater in the state. Rosecrest benefits from playing advertisements in the South Jordan Megaplex because a third of residents move from areas served by this location. The most strategic theater for Herriman Towne Center is Cinemark 24 in West Jordan. This location is not included in Momentum Development’s current deal and needs to be added to the budget.

YouTube Advertisement: By joining the growing trend of online advertisements through YouTube, Momentum Development can focus video advertisements to multiple target markets. This will allow the company to advertise to potential Rosecrest home-buyers differently than potential Herriman Towne Center home-buyers. Advertising through YouTube also allows Momentum development to control how much to spend on a daily basis.

Third-Party Newsletter and Brochures: In order to capitalize on stage 2 of the home buying process, Momentum Development needs a way to keep Rosecrest and Herriman Towne Center at the front of representatives' minds and provide them with the information they currently lack. This can be done through quarterly e-newsletters updating representatives on new happenings in the developments. In order to bridge any remaining gap between the knowledge of model home representatives and questions asked by potential home buyers, brochures will be placed in each model home containing highlights of the development. This will give incentive to potential homebuyers to choose to build within Rosecrest and Herriman Towne Center.

Objective 4: Improve awareness of current residents.



"Residents' Tab": A simple way to promote awareness among current residents is to create a tab just for residents of the community on the websites. Momentum Development can use this tab to inform residents in advance of development projects that will have an effect on their everyday lives, including noise levels and commute times. This tab can also be used to advertise community events and give information on businesses moving into the area.

Community Events: In order to create a sense of community and improve the perception of their brand with current residents, Momentum Development can host events on a quarterly basis to develop and maintain an improved pride in the community.

Each of our activities has been organized according to fast and slow seasons of the housing market.

Events that will occur only once have been listed in the chart below and reoccurring events have been scheduled on a 6 month plan beginning with June 2014.

ONE-TIME EVENTS	
ACTIVITY	DATE(S)
Aesthetic Redesign	June 6-7, 2014
HTML 5 Redesign	June 6-7, 2014
Geographical Separation of Signage	June 7, 2014
Creation of Residents' Tab	June 6-7, 2014

SIX MONTH TIMELINE						
ACTIVITY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER
SEARCH ENGINE OPTIMIZATION	Begin following tips that improve search rankings	Set up desired Adwords with Google	Track improvement in search rankings			Evaluate effectiveness and make changes as needed
ADD AND UPDATE INFORMATION	Add initial information with website update	Update any outdated or important information				
UTILIZATION OF SOCIAL MEDIA	Develop a plan for posting on social media	Begin posting	Track results, evaluate, and make changes as needed			
MOVIE THEATER ADVERTISEMENTS	Obtain contract with Cinemark 24	Finalize commercial	Begin airing in all theaters			
YOUTUBE ADVERTISEMENTS	Determine target and frequency	Set up AdWords with Google	Begin airing			Evaluate effectiveness
THIRD PARTY NEWSLETTERS AND BROCHURES	Create first newsletter	Distribute first newsletter	Create brochures	Place brochures in model homes		
COMMUNITY EVENTS	Plan first event	Host first event	Evaluate effectiveness	Plan second event	Host second event	Evaluate effectiveness

V. PROPOSED BUDGET

A. COSTS ASSOCIATED WITH PROPOSED REBRANDING STRATEGIES

Momentum Development currently has an annual budget of \$380,900. After examining the effectiveness of their current measures and incorporating our re-branding plan, we have projected a future budget of \$400,000. The chart below outlines the current budget and our projected budget.

MOMENTUM DEVELOPMENT BUDGET		
ELEMENT DESCRIPTION	CURRENT	PROJECTED
WEBSITE	\$22,500	\$52,000
INTERNET	\$44,400	\$44,400
THEATER	\$163,500	\$175,000
SIGNAGE	\$15,600	\$20,600
BILLBOARDS	\$69,000	\$35,000
EVENTS	\$27,000	\$35,000
RADIO	\$16,000	\$8,000
GIVEAWAYS	\$8,000	\$6,000
PRINT	\$2,000	\$2,000
MARKET RESEARCH	\$2,000	\$2,000
MISC.	\$10,000	\$20,000
TOTAL	\$380,900	\$400,000

We made some changes in funding that are important to note. The first of these is in signage. We allocated extra money to allow for the additional cost of separating advertisements of Rosecrest and Herriman Towne Center.

We also increased the total spending on websites by 230% in order to make the aesthetic and software updates our research showed necessary. The bulk of this money was taken from funds currently being spent on billboards, which we found are not as effective in branding as an improved website will be.

While the internet portion of the budget will remain the same, we suggest this money be moved from banner ads to SEO and improved marketing of the websites themselves.

Radio spending was cut in half, as Momentum Development and our research showed this advertising to be ineffective when compared to other medias. The event budget was increased to allow for the community events explained in our rebranding plan. Brochures for model homes will be funded from the increased budget for miscellaneous items.

PROPOSED METRICS TO MEASURE RETURN ON THE INVESTMENT (ROI)

To evaluate the effectiveness of our rebranding plan and ensure Momentum Development receives an appropriate return on their investment (ROI), we have selected five metrics to measure throughout the course of the rebranding plan. One year from the time this rebranding plan begins, on June 10, 2015, we will judge the ROI in the following ways:

- Increased visits to the Rosecrest and Herriman Towne Center websites
- Increased conversion rate of the developments' websites
- Increased traffic to model homes
- Increased home sales
- Increase awareness of brand by current residents

The charts to the right show the percentage by which we expect each metric to increase. Website traffic, model home traffic, and home sales are already monitored continuously by the company and will be simple to calculate.

To measure the conversion rate of the websites, each person will be asked what source referred them to the developments. We hope to see the number citing the website increase by 5%.

To measure the awareness of brand by current residents, we will ask the questions found on our New Resident survey at the completion of the rebranding plan and expect to see a 25% increase in brand awareness.

INCREASED VISITS TO THE ROSECREST AND HERRIMAN TOWNE CENTER WEBSITES		
POOR	GOOD	EXCELLENT
<750%	750%-1200%	>1200%

INCREASED CONVERSION RATE OF THE DEVELOPMENTS' WEBSITES		
POOR	GOOD	EXCELLENT
<2%	2%-5%	>5%

INCREASED TRAFFIC TO MODEL HOMES		
POOR	GOOD	EXCELLENT
<7%	7%-20%	>20%

INCREASED HOME SALES		
POOR	GOOD	EXCELLENT
<3%	5%-10%	>10%

INCREASE AWARENESS OF BRAND BY CURRENT RESIDENTS		
POOR	GOOD	EXCELLENT
<15%	15%-25%	>25%

VI. BIBLIOGRAPHY

Consultants:

- Gordon Haight, Assistant City Manager and Community Development Director, Herriman City
- Brendon Tingey, Assistant Marketing Director, Momentum Development
- Mike Day, Herriman City Council Member
- Connor Harrison, Senior Project Lead, Fusion 180 .
- Joe Anderson, President, Lighthouse Research

Websites:

- <http://www.rosecrestcommunities.com/>
- <http://www.herrimantownecenter.com/>
- <http://www.mdev.com/>
- <http://www.mapquest.com/>
- http://www.herriman.org/wp-documents/planning/2020_Plan.pdf
- <http://www.herriman.org/finance>
- <http://www.claritas.com/MyBestSegments>
- [http://www.statestats.gov/Educational attainment in the United States](http://www.statestats.gov/Educational_attainment_in_the_United_States)
- <http://mikedayherriman.org/>
- <http://www.areavibes.com/herriman-ut/demographics/>

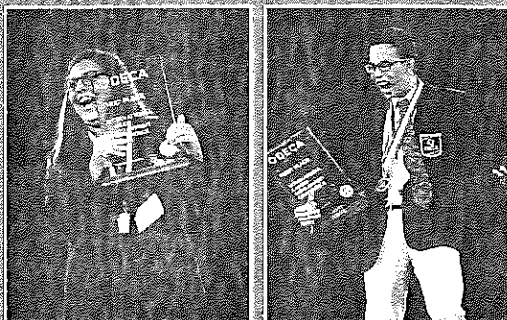
Print:

- Forbes Magazine, January 2014
- The Digital House Hunt: Consumer and Market Trends in Real Estate by NRA, November 2012
- Marketing Essentials, Glencoe/ McGraw-Hill, 2008



WRITTEN EVENT WINNERS

2015 INTERNATIONAL CAREER DEVELOPMENT CONFERENCE



FINANCE OPERATIONS RESEARCH EVENT

1st Place

SPENCER BUTED
ABIGAIL GOETTELMA

Cherry Creek High School, CO

FINANCE OPERATIONS RESEARCH EVENT



Fidelity[®]
INVESTMENTS

Cherry Creek High School DECA Chapter
Cherry Creek High School
9300 East Union Avenue
Greenwood Village, CO 80111

Spencer Buted
Abby Goettelman

April 27th, 2015

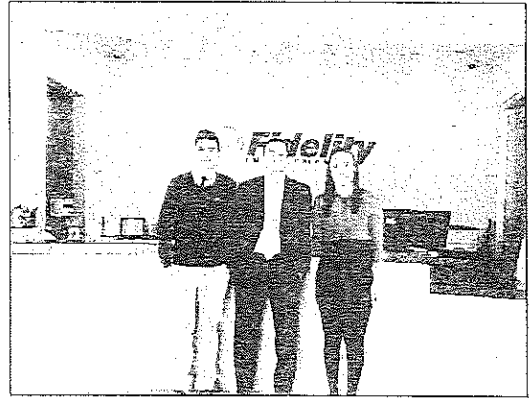
Table of Contents

I.	EXECUTIVE SUMMARY	1
II.	INTRODUCTION	2
	A. Description of the Business or Organization	2
	B. Description of the Community	3
	C. Overview of the Business or Organization's Current Target Market	5
III.	RESEARCH METHODS USED IN THE STUDY	6
	A. Description and Rationale of Research Methodologies Selected to Conduct the Research Study	7
	B. Process Used to Conduct the Selected Research Methods	9
IV.	FINDINGS AND CONCLUSIONS OF THE STUDY	13
	A. Findings of the Research Study	13
	B. Conclusions Based on the Findings	16
V.	PROPOSED STRATEGIC PLAN	19
	A. Objectives and Rationale of the Proposed Plan	20
	B. Proposed Activities and Timelines	22
	C. Proposed Metrics or Key Performance Indicators to Measure Plan Effectiveness	27
VI.	PROPOSED BUDGET	28
VII.	BIBLIOGRAPHY	30



I. EXECUTIVE SUMMARY

"People are in such a hurry to launch their product or business that they seldom look at marketing from a bird's eye view and they don't create a systematic plan." –Dave Ramsey



Interview with Relationship Manager at Fidelity Investments

Location: Fidelity Investment Center – Lone Tree, Colorado
Background: Located 18 miles south of Downtown Denver, the

Lone Tree Fidelity Investment Center is a highly regarded investment firm that specializes in a variety of activities focused on saving money for retirement. One of the few drawbacks of the Lone Tree Investment Center, however, is the fact that most clients are older White males. Our goal is to create an innovative marketing plan that successfully attracts Generation X prospective clients (men and women ages 35 to 49) to take advantage of the amenities at the Fidelity Investment Center in Lone Tree, Colorado only.

Methodology: To effectively develop a strategy that resonates with Generation X, our team created a rigorous research process that was composed of both primary and secondary research. Our primary research consisted of two surveys and two personal interviews. Our first survey was designed for employees at the Lone Tree location, whereas our second survey was designed for members of Generation X. Our first personal interview was with the Relationship Manager at the Lone Tree Investment Center, while our second personal interview was with a financial marketing specialist. We also used numerous websites and online databases to gather outside information and statistics involving investing and advertising.

Research Findings: Based on our research criteria and methodology, our team identified several areas that the Lone Tree Fidelity Investment Center could improve upon to elevate and advance its marketing approach towards Generation X prospects and clients. Fidelity's current website and promotional efforts have been marginally successful and only reach a small portion of Generation X, which is not satisfactory. The Lone Tree Investment Center must amplify its social media presence, augment digital advertising, act upon the specific triggers of potential clients, and educate the general public about the basics of investing if it is to continue to flourish in the financial services sector in the twenty-first century.

II. RECOMMENDATIONS

Planned List of Activities

Create a Facebook Page

Update Existing Twitter Account

Advertise through Web Applications and Websites

Revolutionize the Fidelity Investments App

Create and Broadcast Progressive Television Commercials

Develop a YouTube Channel

Advertise on Social Media

Sponsor Community Activities

Conclusion: The total cost of our proposed strategic plan is \$45,000 and the estimated ROI is 0.056.

We look forward to discussing our ideas with you.

II. INTRODUCTION

a. Description of the Business or Organization

Fidelity Investments is the 23rd largest private company in the world. It manages 41,000 employees



and is headquartered in Boston, Massachusetts. Founded by Edward C. Johnson in 1946, Fidelity Investments was a small mutual fund company. Now, 70 years later, it has grown immensely because the company meticulously analyzes their marketing approach and then strategically makes modifications to meet the needs of the changing market each year. Fidelity Investments has also developed several

innovations that include developing a Retirement Rewards card and was the first mutual fund company to launch its own website.

Annually, the company generates 12.63 billion dollars, which is a revenue change of -1%. The company's mission is to provide financial products and services to over 20 million different independent clients. These services include estate planning, annuities, retirement services, life insurance, wealth management, discount brokerage services, securities execution and clearance, IRAs, and 401(k) rollovers.

One of the core values of Fidelity Investments is hunger for innovation and improvement. The firm has adopted the Japanese belief of *kaizen*, which strives for vast improvement through small changes each day. Fidelity Investments also prides itself in placing the client's needs first. It is Fidelity's founding principle to build long-term relationships with its clients and ultimately help them make the right decisions, taking into account both the ethics side and the business side of the financial industry.

Fidelity Investments is also beginning to embrace a "green" outlook on financial management. Fidelity Investments has reduced its greenhouse gas emissions by 21% since 2007 and decreased its paper suppression rate by 46% since their adoption of the eDelivery system, which allows every important document to be delivered electronically to the client safely and securely. The Fidelity environmental program

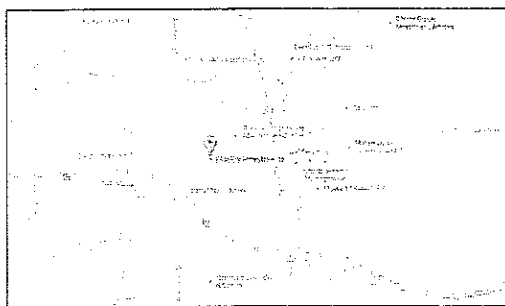


includes three key parts: (1) an overarching policy that affects all functions and business, (2) an officer that manages the program with expertise in order to maintain sustainability, and (3) a committee to foster performance and plan the future of the environmental policy of Fidelity Investments.

Fidelity Investments was ranked the 16th happiest company in 2014, which increased from 27th in the past year. The average salary of a Fidelity Investments employee is \$76,000, and the firm also provides a robust benefit plan for its employees. These benefits include health, life, and disability insurance, which encompasses several managed care and/or group plans that employees can choose from that meet their lifestyle. Fidelity Investments also provides retirement programs and work/life programs for its employees.

Fidelity Investments currently manages over 5,000 financial intermediary firms, called Investment Centers, and three are currently located in the Denver Metropolitan area (Lone Tree, South Denver, Downtown Denver). Fidelity Investments places a significant emphasis on regional distinctiveness. The executive team believes that each region should have a Fidelity Investment Center, and that the Center should have some regional variance to other Centers while still maintaining the core values and beliefs of the firm. The Lone Tree location is described as a serene place in the vicinity of Downtown Denver. The Center emphasizes the fact that Denver is a cultural and historical hub, which offers many attractions. An added bonus is that public transportation is readily available, which makes the Center accessible for prospects and clients.

B. Description of the Community



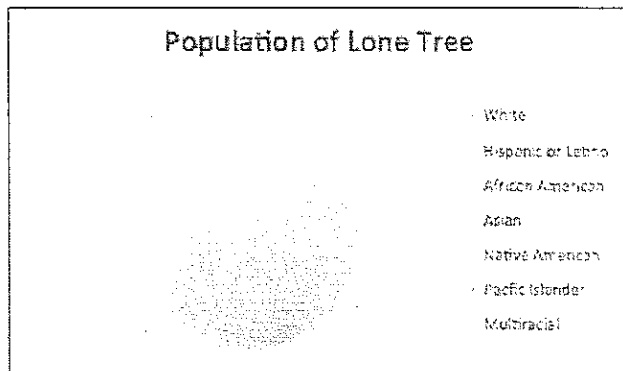
The South Denver Metro Investment Center is currently situated in Lone Tree, Colorado. The population of the state of Colorado is approximately 5,268,367 as of 2013. In Lone Tree, the estimated population is 13,267. For the city of Lone Tree, the unemployment rate is 3.4% and 4.3% of the population lies below the poverty line. In both cases, Lone Tree is below the state average (3.9%

unemployment rate and 12.9% below poverty line). The median household income is approximately \$100,659 compared to the state average of \$58,244. Among employed persons above the age of 16, 53.5% have management and professional related occupations. Another 31.2% work in sales and other office related jobs (<http://quickfacts.census.gov>).

Climate: Located 18 miles south of Denver, the climate in Lone Tree is typical compared to the rest of the state. The city receives an average of 16.9 inches of rainfall and 52.5 inches of snowfall each year. The average high temperature in July is 93°F, and the average low temperature in January is 15.3°F. The city is 5,842 feet above sea level, causing the air to be dry and thin. Winters can be extremely harsh and cold, whereas summers can be extremely hot and arid (<http://www.bestplaces.net/climate>).

Demographics: The overall population of Lone Tree is not particularly diverse. 87.2% of the population is White, 7.2% is Asian, 6.2% is Hispanic or Latino, 2.2% is multiracial, 1.6% is African American, 0.3% is Native American, and 0.1% is Pacific Islander. More

women live in the area than men; in fact, 50.4% of the population is female. Of those men and women, 15.9% have never been married, 74% are married, and 7.3% are divorced. The median age for men currently living in Lone Tree is 38.5 years,



and the median age for women currently living in Lone Tree is 35.2 years. The population as a whole has a median age of 35.5 years. Most Lone Tree citizens are well educated with 97.6% of the total population receiving a high school diploma or higher. Many residents continue to pursue a higher level of education as well. Among the population of people over 25, 38.9% have received a Bachelor's degree and 17% have received a graduate or professional degree (<http://quickfacts.census.gov>).

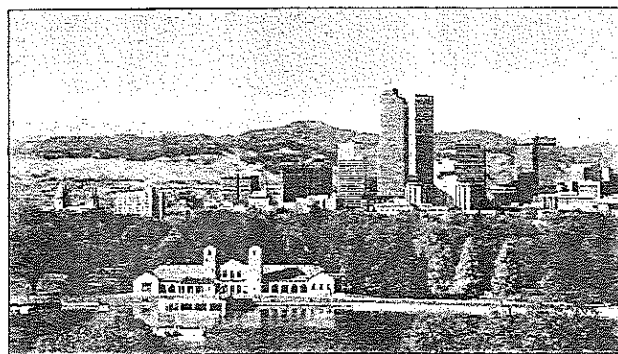
Location: The area surrounding the Fidelity Investment Center in the city of Lone Tree is an expanding economy just south of Downtown Denver. Lone Tree itself is only a few minutes away from fast-growing

businesses, including the Centennial Airport and the Park Meadows Mall. The Denver Tech Center ("DTC") and Meridian Office Park are also in close proximity, which are flourishing regions for technology businesses in the area. Most people in the Denver Metro Area work in non-agriculture related jobs, and some of the most common include education and health services, professional services, and transportation services. Although Lone Tree is not an active tourist destination, Denver tourists and visitors frequent the area in order to enjoy the pleasures of the Park Meadows Mall (<http://www.cityoflonetree.com>).

2. Overview of the Business or Organization's Current Target Market

Fidelity Investments is a blossoming business specializing in helping potential investors learn about opportunities and plans that will capitalize their gains with minimal effort. Fidelity has identified its primary target market as any investor willing to consider new things. The company is able to work with clients as young as newborns and as old as retirees.

Although the firm wants to serve a variety of demographic groups, the Lone Tree Fidelity Investment



Center is mainly targeted toward older White males with higher incomes. The average age of a client is approximately 60 with an average gross income of \$100,000; however, less than 15% of the population fits this description. Most clients live in the Denver Metro area. The typical lifestyle of a client at the Lone

Tree Fidelity Investment Center location is extremely relaxed. Many investors working with the firm are retired and spend their time leisurely. Golfing, traveling, and shopping are among the most popular activities because of the close proximity of golf courses, airports, and malls. Lone Tree Golf Club, Centennial Airport, and Park Meadows Mall offer a wide variety of activities in which most retirees choose to participate. In addition to the numerous amenities, the friendly atmosphere of Lone Tree also appeals to families, allowing retirees to reside in neighborhoods close to their children and grandchildren.



Due to the high occurrence of management and professional related occupations in Lone Tree (53.5%), most retirees are fairly well educated about the investment process before joining the Fidelity family. The availability of information on the Internet allows many potential Fidelity clients to easily learn facts about the investing process. The Fidelity Investments website offers a vast number of resources including online tutorials and newspaper articles that teach the basics of investing. These elementary procedures substantially help incoming clients learn about the investing process before beginning with the firm.

III. RESEARCH METHODS USED IN THE STUDY

Research Goals	Research Methods
1. Gain insightful background information about Fidelity Investments.	Primary Research <ul style="list-style-type: none">• Surveys
2. Determine the target market for Fidelity Investments.	<ul style="list-style-type: none">○ 12 question Fidelity Investments employee survey
3. Understand the current marketing strategies of Fidelity Investments.	<ul style="list-style-type: none">○ 10 question online survey
4. Collect useful information and insights to begin to develop an innovative marketing plan for Generation X.	<ul style="list-style-type: none">• Personal Interviews<ul style="list-style-type: none">○ Mr. Mike Murphy, Relationship Manager, Fidelity Private Client Group
5. Gather public opinions about investing and retirement planning to ensure client satisfaction from the innovative marketing plan.	<ul style="list-style-type: none">○ Mr. Sam Struna, Financial Marketing Specialist Secondary Research <ul style="list-style-type: none">• Numerous websites and online databases

Fidelity

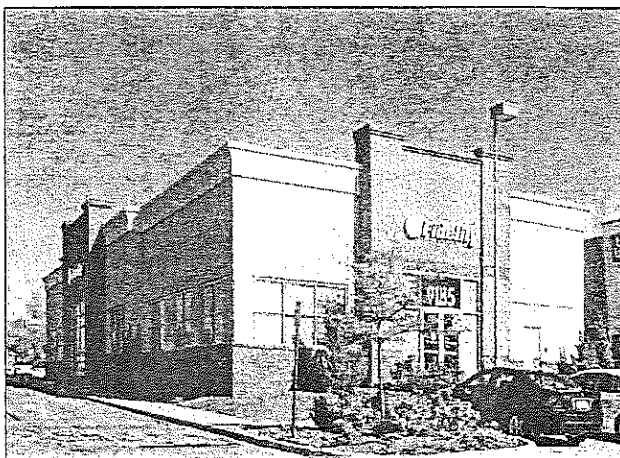
A. DEMOGRAPHIC AND QUALITATIVE RESEARCH METHODOLOGICAL SELECTION AND RATIONALE

THE RESEARCH STUDY

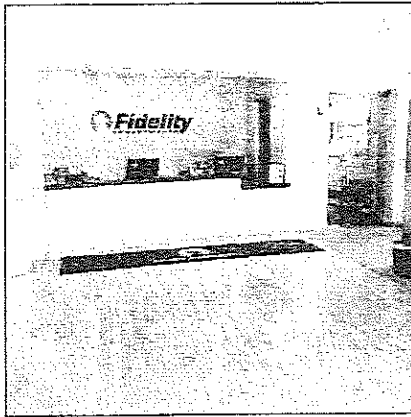
The following section will individually evaluate the methodology of each research technique and provide an explanation of the rationale of the technique. For each study, the effectiveness of the accomplishment of the research goals will be evaluated and explained. The main goal for the research conducted was to maintain consistency throughout each technique.

Our team used surveys to collect information and ideas from a multitude of groups, including the desired target market. The first survey was given to members of Generation X, the second to employees at the Fidelity Investment Center in Lone Tree. The questions in both surveys had two distinct categories.

The first category focused strictly on information about the surveyee; these included: age, gender, and profession. These questions were not open-ended so that there was no subjectivity in the response. This category was designed to be a foundation for the remainder of the survey. This information was essential to the analysis of the survey because it could be used to group the surveyee. The second category of questions pertained to Fidelity Investments, retirement plans, and investing as a whole. These questions in general were open-ended, allowing for the surveyee to incorporate whatever information they possessed about the topic of the question.



The rationale for the employee survey was to gather a wider range of information in the development of the innovative marketing plan. Most Fidelity Lone Tree financial advisors completed the employee survey, and we assessed each response. There was no longer a single opinion on how to approach



Generation X; instead, there was a collective group of ideas that culminated into an effective marketing strategy. The employee survey was critical for three of the research goals: (1) determining the target market for Fidelity Investments, (2) understanding the current target market for Fidelity Investments, and (3) collecting information and insights to develop an innovative marketing plan tailored specifically to Generation X. The rationale for the online survey was to gather

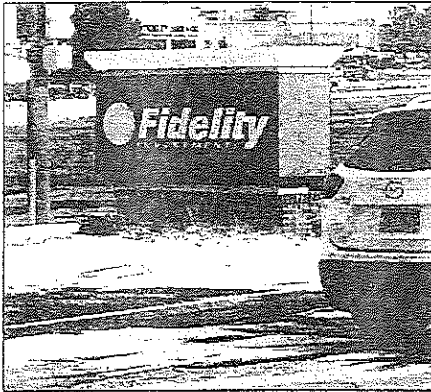
information from the general public so that our team could develop a marketing plan taking into account prospective and current client knowledge, ideas, and insights.

Interviews

We conducted a personal interview at the Lone Tree Fidelity Investment Center to gather information about the firm, its current marketing strategy, and how the firm functions. During the research process, we first interviewed Mr. Mike Murphy, the Fidelity Relationship Manager, at his Lone Tree office. The methods used during the interview were designed to obtain the maximum amount of information from Mr. Murphy. We entered the interview with a prepared list of questions that we asked Mr. Murphy. The questions were open-ended and facilitated the development of other questions. The rationale for this interview was to attain information about Fidelity Investments and how the firm conducts business. Mr. Murphy also provided information about the current marketing strategy for Fidelity Investments. The interview was also conducted in order to receive ideas and information about developing an innovative marketing plan from Mr. Murphy. This personal interview successfully accomplished the first four previously outlined goals for our research.



Fidelity



We conducted a second personal interview later in the year. We met with Mr. Sam Struna, an independent financial marketing specialist, at the DTC Panera Bread restaurant. Mr. Struna is a recent college graduate who entered the work force within the past two years. The methodologies of this interview were similar to the interview with Mr. Murphy. We asked Mr. Struna a modified set of questions derived from the same questions asked of Mr. Murphy because Mr. Struna is not a current Fidelity Investments employee. The rationale for interviewing Mr. Struna was to obtain more information about investing and retirement from a business professional that is not employed by Fidelity. This enabled our team to generate a broader range of ideas to develop an innovative marketing plan for the Lone Tree Fidelity Investment Center. This interview successfully accomplished goals 4 and 5 and provided a different perspective from a professional that recently entered the business world.

Secondary Research

In addition to the primary research that was described above, our team conducted an ample amount of secondary research. Secondary research is research that was compiled and analyzed by other professionals. This particular research was used as support when creating our own ideas and suppositions. Our secondary research was primarily obtained through the Internet, online databases, and eBooks. The rationale for gathering this research was to acquire valuable background information and statistics about investing and retirement as a whole. The information was also used to gain insightful postulations about current marketing strategies and other proposals for creating an innovative marketing plan for Generation X.

B. PROCESS USED TO CONDUCT THE SELECTED RESEARCH METHODS

The following section describes the process and methods used to conduct our various forms of research. Each section begins with a timeline of the selected research methods followed by a more in-depth description of each method.

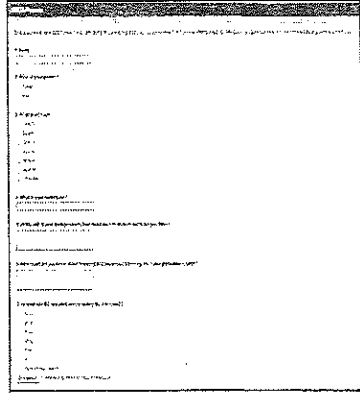
Timeline of Surveys

<u>Type</u>	<u>Date(s)</u>	<u>Location Conducted</u>	<u>Number of Responses</u>
Online Survey	November 2014- December 2014	www.surevymonkey.com	40
Employee Survey	December 14, 2014- December 18, 2014	Fidelity Investments (Lone Tree)	5

Research Techniques

Online Survey	<ul style="list-style-type: none"> • 10 questions • Distribution Methods <ul style="list-style-type: none"> ○ Email ○ Social Media
Employee Survey	<ul style="list-style-type: none"> • 12 questions • Distribution Methods <ul style="list-style-type: none"> ○ Emailed representative to distribute among the employees

Sample Questions

Online Survey	<ul style="list-style-type: none"> • At what age did you start saving money for retirement? • How much did you know about investing when you graduated college? 	
---------------	---	---



Employee Survey

- How do you think Fidelity should market towards Generation X?
- What is the average age of your clients?

Fidelity Employee Survey
A survey by the Fidelity Research Center (FRC)

Name: _____
Age: _____
Gender: _____
Product Line: _____
How long at: _____

1. At what age do you estimate a client's average age is?
2. How do you view the strategy?
3. At what age do you estimate a client's average age is? (Please check all that apply)
4. How do you estimate the average age of all employees in your area? (Please check all that apply)
5. What do you see as the biggest challenge in marketing to Generation X?

Timeline of Personal Interviews

<u>Type</u>	<u>Title</u>	<u>Date Interviewed</u>	<u>Location</u>
Mr. Mike Murphy	Relationship Manager	November 13, 2014	Fidelity Investments (Lone Tree)
Mr. Sam Struna	Financial Marketing Specialist	December 5, 2014	Panera Bread (Denver Tech Center)

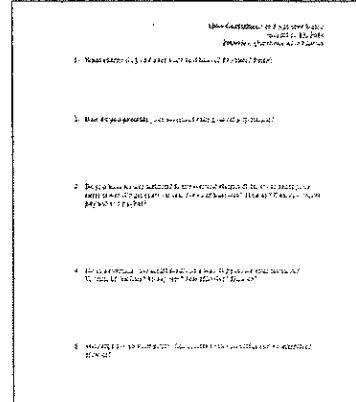
Research Techniques

Mr. Mike Murphy	<ul style="list-style-type: none"> • Asked about the background of Fidelity Investments • Discussed current marketing efforts and goals • Created ideas for an innovative marketing plan
Mr. Sam Struna	<ul style="list-style-type: none"> • Asked questions regarding investment for young adults as a whole • Asked questions about ways to effectively market to Generation X • Created ideas for an innovative marketing plan

Sample Questions

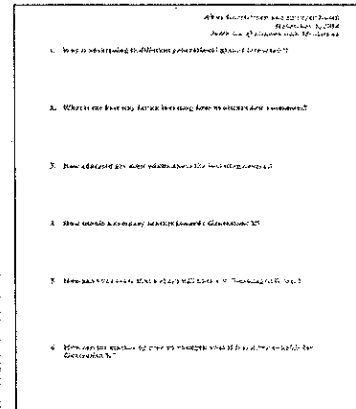
Mr. Mike Murphy

- How do you promote your services to the general population?
- If you could market to any generational group, what group would it be?
- Overall, have all your promotional efforts been successful and/or effective? How so?



Mr. Sam Struna

- How should a company market towards Generation X?
- How can you ensure that a client will have a well-managed future?



Research

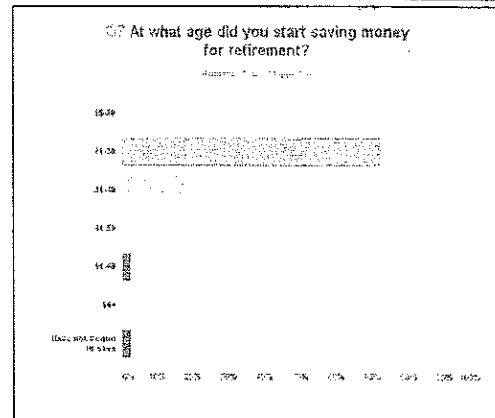
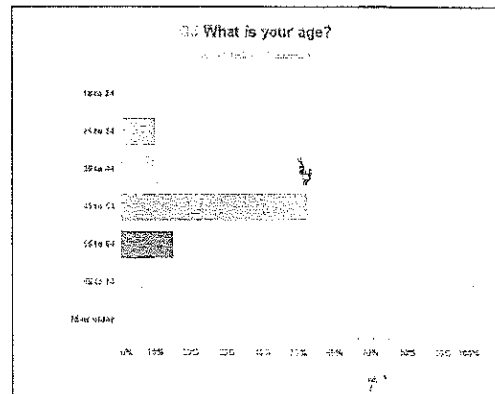
We used numerous other sources to build a strong foundation for our project and support our own primary research. In order to procure adequate research, we used several websites that provided statistics concerning digital advertising. We found www.statisticbrain.com and www.statista.com to be especially helpful and informative. In addition to statistical data, we gained access to several news articles that explained the behaviors of most adults towards investing.

IV. FINDINGS AND CONCLUSIONS OF THE STUDY

A. FINDINGS OF THE RESEARCH STUDY

In this section, the information gathered for each method was compiled and arranged into bulleted lists. Some of the findings are expressed as visuals and not text.

- 64% of respondents began saving money for retirement between ages 21 and 40
- 57% of respondents had no debt after finishing college
- 68% of respondents have used an investment firm to help manage their money
- 85% of respondents had little to no knowledge of investment and retirement planning after finishing their collegiate education
- 23% of respondents used a retirement plan provided as a benefit from their job
- 41% of respondents are not satisfied with their current retirement plan



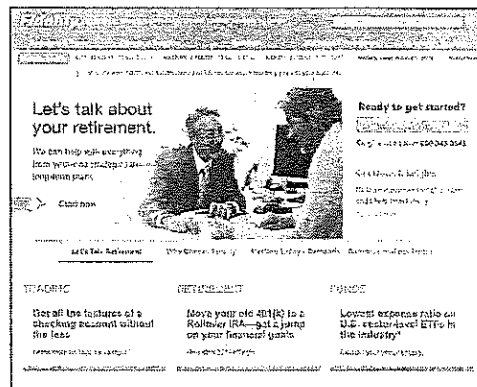
Demographic Data

- 80% of respondents were male
- 100% of respondents had \$10,000 or more in debt after finishing their college career
- The average age of the employee's clients is 58 years of age
- 0% of employee clients came to the firm because they heard of it through social media

- 100% believe that Fidelity has an advantage over other firms because it provides the overall best value at an affordable cost
- 100% think that the best way to market to Generation X is through family referrals and social media
- 100% believe Fidelity Investments does not have a cookie cutter retirement plan; each client receives a unique plan based on their own specific needs or investment goals

Method of Advertising

- Fidelity Investments aims to maintain relationships with clients for as long as possible
- Their website is described as "user friendly"
- Fidelity Investments has a Twitter account and does not maintain a Facebook account
- Competitors, like Charles Schwab, utilize many forms of social media to advertise
- Commercials mainly promote services
- Overall, Fidelity's promotional efforts have been successful in attracting their desired target market (older White males)
- Fidelity Investments wants to work with more female clients to gain market share and increase revenue
- Ease of access to technology increases the number of prospects to whom Fidelity Investments can market its services
- Fidelity Investments offers online tutoring about investments on their website
- If Fidelity Investments could market to any generational group, the firm would market to Generation X because of the mass transfer of wealth that is expected to occur within the next several years



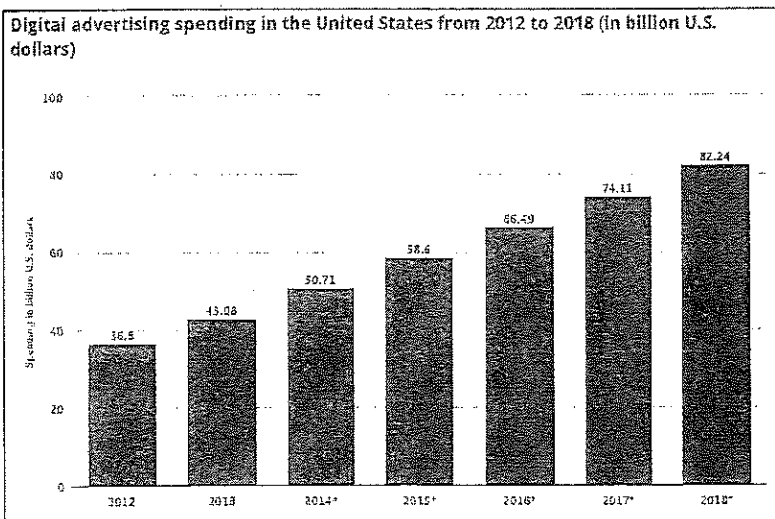
- Fidelity Investments needs to better educate their potential clients about the investing process and the firm's value proposition to capture the Generation X market
- Mass media campaigns are the best way to advertise to Generation X

Marketing Research

- Generation X is projected to receive a substantial amount of wealth in the next decade because as Baby Boomers begin to age and pass on, they will transfer their wealth
- The investment process needs to begin at an earlier age in today's economy because people have longer life expectancies and the cost of retirement is increasing
- Use of mobile technology (particularly smartphones) is crucial to a successful marketing plan
- Generation X responds to certain propositions in a marketing plan including accessibility, individuality, efficiency, price, and effectiveness
- YouTube is gaining in popularity and is more affordable to utilize than other forms of advertising

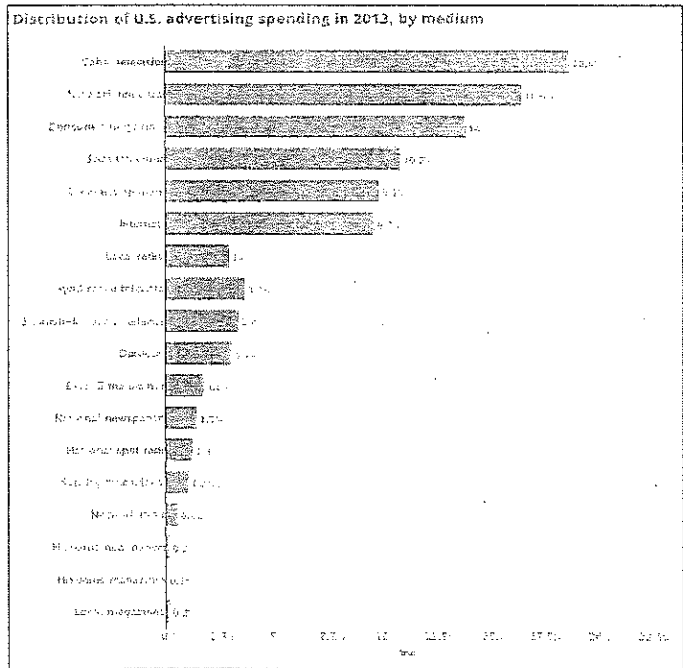
Advertising Research

- \$50.71 billion is spent annually on digital advertising in the United States
- \$210 is spent annually on digital advertising per internet user in the United States



- 74% of North Americans use the Internet and the average time spent on a computer per person in one month is 66 hours
- Facebook's advertising revenue worldwide is \$17.23 billion
- Facebook is the top method used to share online video ads by US internet users

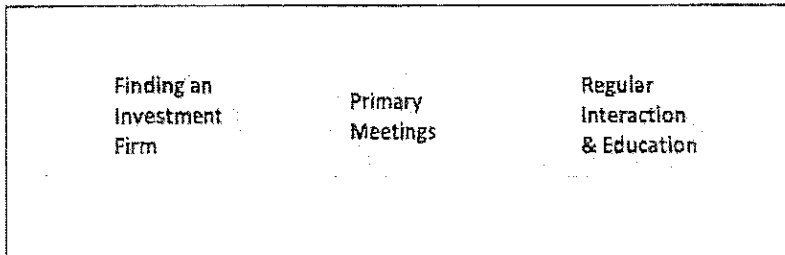
- 48% of 18-34 year olds check Facebook when they wake up each morning
- 18.8% of advertising in the US is spent on cable television
- 16.6% of advertising in the US is spent on network television
- 9.7% of advertising in the US is spent on the Internet
- Numerous studies demonstrate that higher-educated young adults express high levels of confusion when discussing topics of saving and investing



- During a recession, a person's financial ignorance and fear increases
- High levels of unemployment, rising costs of living, depressed wages, and record student debt all add up and push back "adult" activities like marriage, home ownership, and investing
- The stock market is not particularly enticing to young adults

B. CONCLUSIONS BASED ON THE FINDINGS

After completing our research, our team concluded that there are three stages a client goes through to develop a retirement plan with an investment firm. To properly create a comprehensive



marketing plan for Generation X, each stage needs to be considered individually and thoroughly.



Stage 1- Finding an Investment Firm

- This is the most critical stage to gain new clients. Accordingly, the proposed marketing plan pays particular attention on the initial stage. To this end, Fidelity Investments must provide a positive first impression on the new client. Also, this stage will facilitate the client setting up a meeting with one of the Lone Tree Fidelity Investment Center employees.

Stage 2- Primary Meetings

- The second stage marks the beginning of developing the client's specific retirement plan. Each Lone Tree Fidelity Investment Representative will need to create a plan for the client as well as build a professional relationship with that client. This stage also marks the start of personal interaction between the client and the Investment Representative.

Stage 3- Regular Interaction and Education

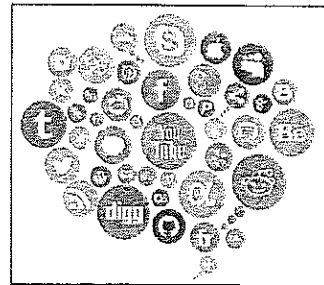
- This final stage is the longest of the three. It represents the time from the first meeting until termination of the retirement plan. The Investment Representative will need to continue building and maintaining the professional relationship as well as modify and upgrade the retirement plan. The clients will also have to continue to educate themselves about investment and retirement strategies and Fidelity Investments is the gateway for that education.

Conclusion: Digital marketing is a large part of our marketing plan. Digital marketing is the use of electronic equipment to interact with the population. Our research concluded that 74% of North

Americans use the Internet and that the average time spent on a computer per person in one month is 66 hours. Our research also concluded that Internet spending for marketing has increased over the past five years. With this substantial amount of time and money spent on the Internet, it is only logical that an innovative marketing plan aimed at a younger group of people needs to include the Internet. The Lone Tree Fidelity Investment Center cannot solely market to Generation X over the Internet, and the Investment Center can also provide opportunities for Generation X to become better informed and involved in their financial future.

Conclusion A - Marketing to Generation X through the use of digital advertising:

Through our research, we discovered that most of digital advertising is done through various forms of social media thus making Facebook, Twitter, Instagram, and several others platforms particularly appealing to prospering companies. We have determined that an increasing number of our prospective clients enjoy using social media; therefore, it is a straightforward and effective way to attract new clients. Although the Lone Tree Fidelity Investment Center already



maintains a Twitter account, it must be updated if the firm wants to meet its strategic goal to continue to grow and develop. Revolutionizing the social media platform would make Fidelity's online and smartphone presence more robust. Creating a Facebook page would also be advantageous and act as another vehicle to drive client growth and revenue.

Conclusion B - Generation X will be the most affluent generation in American history:

In our research, both of the individuals we personally interviewed discussed the massive shift in wealth that is expected to occur over the next decade. Each member of Generation X will have more wealth than the Baby Boomers because there are fewer people in Generation X. The wealth will be condensed, and each person will have more money to manage. If Fidelity Investments can successfully market to the Generation X, then the firm will drive more business, which equates to continued revenue and prosperity.

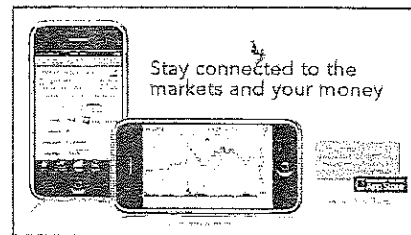
Stage 1

Stage 2

Our research concluded that Generation X responds to accessibility, individuality, efficiency, price, and effectiveness. We inferred that all five of these triggers must be integrated into the marketing plan because they are the best way to get Generation X involved. We have also concluded that the methods to deploy these triggers are through the use of technology (especially smartphones), social media, and other cutting edge techniques.

After

researching the investing behavior of most adults, we ascertained that many do not want to enter the ordeals of the stock market due to fear of the unknown. The ignorance of most Generation X members impedes upon their ability to truly take advantage of the benefits of investing. By educating prospective clients about the perks of investing earlier, the Lone Tree Fidelity Investment Center will be able to increase their client base.



Over the past several years, YouTube has exploded in popularity and has become a viable tutorial platform. The ability of a company to create short, informational videos that can be distributed to a vast number of people is insurmountable. Our research indicated that YouTube is one of the preminent mechanisms to educate prospective clients. Prospects and clients can access the tutorials in the comfort of their own homes, and the Lone Tree Fidelity Investment Center is able to access a diagnostic tool showing how many people watched the videos and for how long. The role YouTube plays in the marketing process to young adults cannot be overstated.

V. PROPOSED STRATEGIC PLAN

The findings and conclusions from our research demonstrate the need for the Fidelity Investments location in Lone Tree to expand its current marketing plan in order to reach Generation X. Our innovative



plan works to achieve five main objectives. These objectives are based on the research we obtained, which was discussed in the previous section. We have listed each objective below.

III. OBJECTIVES AND RATIONALE OF THE PROPOSED PLAN

- 1. Objective 1: Improve social media presence
- 2. Objective 2: Integrate future advertising with a stronger mobile presence
- 3. Objective 3: Focus commercials on the individuality and accessibility of the business
- 4. Objective 4: Educate potential clients about investment and retirement plans
- 5. Objective 5: Increase sales and grow business

Below, we further elaborate on each objective. We have also included why each individual objective is critical as well as beneficial to a successful marketing plan directed towards Generation X.

OBJECTIVE 1: IMPROVE SOCIAL MEDIA PRESENCE

- **Rationale:** The image Fidelity presents on social media is critical to attract prospective clients and portray the firm in a positive light. By expanding the number of social media networks, the firm should result in a corresponding increase of the number of prospective clients. Social media also enables Fidelity Investments to establish an initial relationship with a client, which is the first stage a person goes through during the investing process.

OBJECTIVE 2: INTEGRATE FUTURE ADVERTISING WITH A STRONGER MOBILE PRESENCE

- **Rationale:** Mobile technology, especially smartphones, is becoming more and more popular because of the extensive functions it can perform. The Fidelity Lone Tree Investment Center should consider the increasing role mobile technology serves. Updating the Fidelity app and the website will extend the firm's reach and foster new relationships with clients.



OBJECTIVE 3: FOCUS COMMERCIALS ON THE INDIVIDUALITY AND ACCESSIBILITY OF THE BUSINESS

- **Rationale:** The Lone Tree Fidelity Investment Center prides itself on creating unique investment and retirement plans for every single client. No client receives the same generic approach. This strategy is critical during the second stage of the investing process. If the firm can successfully market these exclusive traits, more Generation X clients will begin to investigate and set up preliminary meetings because they will believe that they are important to the firm. In the end, individuality and accessibility are two of the most significant triggers for Generation X.

OBJECTIVE 4: EDUCATE POTENTIAL CLIENTS ABOUT INVESTMENT AND RETIREMENT PLANS

- **Rationale:** As previously discussed, Generation X is hesitant to enter the investing market because of the recession. Ignorance permeates their minds, which hinders their capacity to truly comprehend the value and relevance of the stock market. By educating the populace concerning investing basics, research dictates that several prospects will begin to migrate towards the firm and establish permanent relationships. Education is paramount throughout the third stage of the investing process.

OBJECTIVE 5: INCREASE SALES AND GROW BUSINESS

- **Rationale:** This objective is essential because Fidelity Investments cannot exist if it is not profitable. The Lone Tree Fidelity Investment Center is not maximizing its financial gains because its current marketing plan only caters to a small minority of the population. Increasing sales and growing market share will enable the firm to be more productive and reach a wider array of clients. In the long run, the Lone Tree Fidelity Investment Center will increase revenue and grow market share with an effective, innovative strategic plan directed towards Generation X.

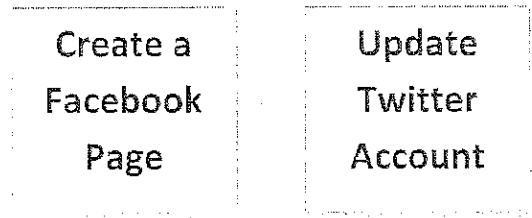


Simply put, the Lone Tree Fidelity Investment Center needs to enhance and augment their current marketing plan if it wants to evolve as a firm, distinguish itself from the competition, and be at the forefront in future generations. Our objectives above specifically focus on an innovative marketing plan directed towards Generation X. This generational group offers incredible opportunity for the firm due to the mass transfer of wealth that is discernable in the next few years. The Lone Tree Fidelity Investment Center must take advantage of this opportunity in order for the business to gain market share.

B. PROPOSED ACTIVITIES AND TIMELINES

After establishing a series of goals we plan to achieve through our innovative marketing plan, we must be able to attain these goals in order to gain market share. While setting goals is important, we must also be able to create activities and meet sensitive timelines to attain our desired results. Without structure and an innovative marketing plan, the Lone Tree Fidelity Investment Center will not be able to effectively reach to Generation X. We have organized our proposed activities by their individual objective, which are then followed by a corresponding six-month timeline.

Activity Name and Description



Create a Facebook Page: The Lone Tree Fidelity Investment Center does not currently maintain a Facebook page to communicate information about the firm. A straightforward and cost effective way to advertise and establish a stronger initial link with prospective clients, especially Generation X, is to create a Facebook page where prospective clients can learn basic information about investing and the firm. Our research indicates that expanding our marketing techniques to Facebook will allow the Lone Tree Fidelity Investment Center to better connect with to Generation X because it is a popular and relevant social network.



Update Twitter Account: While Fidelity Investments currently uses Twitter as a way to connect with people, it is highly inefficient at attracting prospective clients. We plan to revolutionize the Twitter account by tweeting daily facts and updates about investing and the stock market that will capture the attention of many Generation X prospects. The tweets will be straightforward, captivating, and informative. The tweets will inform the reader about the perks of investing early and why Fidelity Investments is the preeminent firm in the financial sector. By updating the Lone Tree Fidelity Investment Center Twitter account, Generation X prospects and clients will receive real-time details and facts on the latest happenings in the investing world and the firm instantaneously.

Advertise
through
Applications
and Websites

Update
Fidelity
Investments
App

Advertise through Applications and Websites: Our marketing strategy plans to use popular applications and websites to reach Generation X with banners and pop-up ads about Fidelity Investments. Popular websites can include www.netflix.com and www.amazon.com. Our research revealed that members of this generational group constantly visit these high-traffic websites. If Fidelity Investments advertises on these websites, then an increased number of prospective clients will learn about the firm, which in turn can grow market share.

Update Fidelity Investments App: Currently, the application is used primarily for existing clients; however, if the Lone Tree Fidelity Investment Center wants to successfully market to Generation X, it must be revolutionized. As indicated by our research, Generation X is devoted to their smartphones, so the Lone Tree Fidelity Investment Center must find a way to reach prospective clients through the application. We believe that the present application can be effectively updated with three tabs: (1) a beginner tab where interested prospects and clients can learn about the principles of investment and strategies for creating a retirement plan with the firm, (2) a location tab on which a prospect can find the Lone Tree Fidelity Investment Center location and schedule meetings



directly, and (3) a help tab where prospects and clients can download relevant information and current news articles to educate themselves about retirement.

**Create
Commercials
that Emphasize
the Originality
of Plans**

**Advertise New
Commercials
During Local
Newscasts**

Create Commercials that Emphasize the Originality of Plans: These commercials will showcase the manner in which the Lone Tree Fidelity Investment Center sets itself apart from the competition, driving more prospective clients to it. Straightforward 30-second commercial spots can be developed to highlight the distinctive client value the firm generates compared to its competitors. Generation X will respond favorably to these commercials because individuality is a focal point for this age group.

Advertise New Commercials During Local Newscasts: The Lone Tree Fidelity Investment Center can more effectively reach Generation X by airing the new commercials throughout the day and night during local newscasts. 7NEWS and 9NEWS are potential avenues that lend support to reach the Generation X demographic. Research dictates that the most effective times to air the television spots will be during the 6:00 PM and 10:00 PM newscasts because a vast majority of the Generation X views the news during these periods. Consistently advertising the authentic benefits of the Lone Tree Fidelity Investment Center at times when most Generation X consumers are watching television will effectively increase the number of prospective clients and generate new revenue.

**Create
YouTube
Channel**

**Advertise
on Social
Media**



Create YouTube Channel: A straightforward and economical mechanism to educate Generation X is to develop a YouTube channel where the Lone Tree Fidelity Investment Center can post four to five minute tutorials explaining the benefits of investing and planning retirement early. Our research shows that Generation X is ill informed, which presents an incredible opportunity for the Lone Tree Fidelity Investment Center. YouTube is a viable platform because it is an effective way to articulate important information to the populace, especially Generation X. Creating a YouTube channel is also practical because it can be accessed by anyone with an Internet connection.

Advertise on Social Media: Another viable option to educate Generation X is through cost-per-click ads on social media. The Lone Tree Investment Center can create Facebook advertisements that adults can view while scanning their News Feeds. If clicked, the ad will direct the prospect to Fidelity's website and provide additional marketing information to persuade the prospect to invest at the Lone Tree Center. For Generation X members who frequently visit Facebook, social media advertising offers an alternative platform to communicate our message.

Community Sponsorship Activities

**Sponsor
Community
Activities**

Sponsor Community Activities: In addition to the promotional strategies we have discussed throughout this plan, the Lone Tree Fidelity Investment Center can sponsor various events in the surrounding communities including 5K runs and food drives to create a sense of identity and improve the perception of the firm. This marketing strategy is relevant to Generation X because a sense of cooperative spirit and volunteerism is important to this age group. Sponsoring community activities enables the firm to reach a broader and more diverse audience, which in turn drives market share and increases revenue.

Projected Timeline of Activities: Each of our activities has been organized in a table below detailing the specific timeline we plan to meet in order to better serve Generation X. Our projected timeline begins this June and ends this November.

Fidelity

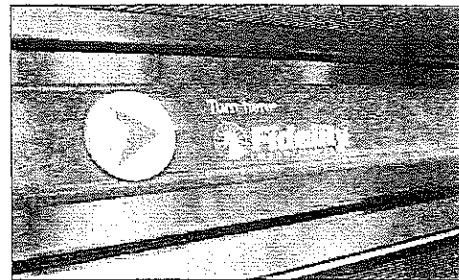
ACTIVITY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER
Create a Facebook Page	Hire social media consultant to develop a Facebook page	Generate content	Begin posting	→		Evaluate effectiveness
Update Twitter Account	Work with social media consultant to update Twitter account	Begin tweeting daily facts and updates	→			Evaluate effectiveness
Advertise through Applications and Websites	Procure contract with www.netflix.com and www.amazon.com	Finalize banners and pop-up ads	Begin displaying new ads	→		
Update Fidelity Investments App	Consult with app developer to design new tabs	Release updated app with new tabs	→			Evaluate effectiveness
Create and Advertise New Commercials	Meet with consultants for 7NEWS or 9NEWS	Negotiate a contract with either news station	Finalize commercial	Begin airing	→	
Create YouTube Channel	Plan and develop new online tutorials	Create YouTube channel	Begin releasing tutorials on a weekly basis	→		Evaluate effectiveness
Advertise on Social Media	Outline primitive ads for Facebook	Finalize Facebook ads	Display initial ads on Facebook to Generation X users	Evaluate effectiveness and make changes as needed	→	
Sponsor Community Activities	Research and analyze potential community events	Sponsor first community event	Evaluate effectiveness	Research and analyze additional community events	Sponsor second community event	Evaluate effectiveness

C. PROPOSED METRICS OR KEY PERFORMANCE INDICATORS TO MEASURE PLAN EFFECTIVENESS

Historically, the Lone Tree Fidelity Investment Center has mainly attracted and assisted clients over the age of 60, which is currently becoming a major problem as the Baby Boomers begin to pass away. The main goal of our innovative marketing plan is to entice Generation X to understand the advantages of developing a financial relationship with the firm so it continues to prosper well into the future. To evaluate the effectiveness of our plan, we have selected five metrics to assess the effectiveness of our innovative strategy throughout the marketing campaign.

1. Track the number of Generation X prospects who enter the Lone Tree Fidelity Investment Centers. A straightforward way to tell if our marketing plan is working is to track the number of Generation X prospects who enter the Lone Tree Fidelity Investment Centers. Asking clients to complete a short questionnaire about their experience before leaving the firm will complete this task without much effort. At the end of each month, we will review the completed questionnaires and categorize the responses based on age. If our marketing plan is successful, we will see a steady increase of prospects and clients ages 35 to 49 over an extended period of time.

2. Track the number of clients who learned about the firm. During the initial meetings with prospective clients, we will instruct employees to ask how the clients learned about the firm. Similar to the questionnaire, employees will record the results and review them at the end of each month. The marketing plan is designed to drive increased traffic to the firm because the improved and strategic marketing techniques are directed towards Generation X. Research dictates that an approximate increase of 20% in prospects and clients that learned about Fidelity Investments through social media or digital and television advertising will be considered a success.



3. Track the firm's sales pipeline. To adequately critique if our innovative marketing plan delivers a positive return on investment, our team will consistently monitor the firm's sales pipeline, which encompasses prospects and new client accounts on a monthly basis. Because advertising often has a delayed

effect, our team will not be discouraged if the firm does not see immediate increase in the numbers of prospects and clients. A 25% increase in total new sales accounts after eighth months will be recognized as a success. Within the next three to four years, we expect to see a 30% increase in new account sales for Generation X clients at the Lone Tree Fidelity Investment Center.

A business cannot effectively function if it does not retain clients as well as employees. The Lone Tree Fidelity Investment Center must not forget to support established clients and staff members during this exciting new marketing campaign. Although the firm wants to continue to prosper and



reach a new target market, it must remember that its current clients contributed to the firm's success in the first place. Losing clients and employees is a vital mistake that the firm cannot afford. We anticipate that less than 5% of current clients and employees will leave during the launch of our new marketing plan.

One of the incentives of using of social media as a marketing platform is the ability to analyze the number of individuals who visit the firm's pages and click on the firm's ads. Our team can observe the number of likes, follows, views, and clicks each of our social media pages and ads receives in the next six months to determine if our marketing plan is effective. An average of 10,000 likes on Facebook, 200,000 followers on Twitter, 5,000 views on YouTube tutorials, and 5,000 clicks on ads will validate the effectiveness.

Our team's plan to measure the effectiveness of the Lone Tree Fidelity Investment Center's marketing strategy is ongoing. As a thriving business, the Lone Tree Fidelity Investment Center's goal is to continue to drive a larger market share and generate increased revenues.

VI. PROPOSED BUDGET

In the following section, we will discuss our proposed budget and return on investment for our innovative marketing plan for the Lone Tree Fidelity Investment Center.



After incorporating our innovative strategic marketing plan directed towards Generation X, the Lone Tree Fidelity Investment Center should apportion \$45,000 of its future annual budget for this expenditure. The chart below outlines the calculated costs associated with our proposed strategies.

<u>Activity</u>	<u>Cost</u>
Creation of Facebook Page	\$500
Twitter Account Update	\$1,500
Maintenance of Social Media Pages	\$1,500
Netflix and Amazon Advertising	\$8,000
Fidelity Investments App Update	\$10,000
Local News Advertising	\$5,000
YouTube Channel	\$7,500
Social Media Advertising	\$5,000
Sponsorship of Community Events	\$6,000
Total Cost	\$45,000

We allocated a significant sum of money to the promotion of social media, especially Facebook and Twitter, in this budget. The creation of a Facebook page will approximately cost \$500. The majority of this expenditure will be used to compensate the current employee that will design and release the page. The same employee will also be appointed to update our Twitter account. We estimate that this will cost an additional \$1,500. After our employee successfully launches the new Facebook Page and Twitter account, we will permanently promote him or her to

monitor our social media networks. Since this staff member is already part of the firm, we predict that \$1,500 will be added to his or her existing salary. The total social media budget for Facebook and Twitter is, therefore, estimated to be \$3,500.

While the social media portion of our budget is of high importance, we intend to designate approximately 30% of our budget to digital and television advertising. This line item will be used to pay for the creation and distribution of the new digital and television advertisements and commercials.

The largest budget appropriation is set aside to update of the Fidelity Investments application. We predict the total cost to be \$10,000. The money will be used to hire an app developer who will redesign the app and create the new tabs described earlier in our proposed marking plan. Although there is some risk by allocating this money to an update app, our research demonstrates that the firm must have a strong mobile presence to be successful in today's global economy. Updating the app will ensure an increase in revenue.



To create and develop online tutorials to educate Generation X about the investment process, our team set aside \$7,500. This expenditure will primarily be used to develop the videos the firm will post on YouTube. The Lone Tree Fidelity Investment Center will actually save money by posting tutorials on YouTube because there is no cost to activate an account.

A small fraction of our budget is allocated for social media advertising and community events. Both expenses are economical, and the projected gains will be overwhelmingly positive.

Our team projects that the Lone Tree Fidelity Investment Center will make \$47,500 from this innovative marketing plan directed to Generation X. When our team factors in the costs associated with the plan, we estimate that the firm's return on investment is 0.056. Our mathematical calculations are below.

$$\text{ROI} = \frac{(\text{Gain from Investment} - \text{Cost of Investment})}{(\text{Cost of Investment})}$$
$$\text{ROI} = \frac{(\$47,500 - \$45,000)}{(\$45,000)} = 0.056 = 5.6\%$$

Overall, our team believes that our proposed marketing plan and budget will attract new Generation X clientele that will become lifelong clients of the firm.

VII. BIBLIOGRAPHY

Websites

- http://www.bestplaces.net/climate/city/colorado/lone_tree
- <http://www.cityoflonetree.com/index.aspx?NID=237>
- <https://www.fidelity.com/>
- <http://www.forbes.com/companies/fidelity-investments/>
- <https://www.google.com/maps/place/Fidelity+Investments/>
- <http://quickfacts.census.gov/qfd/states/08/0845955.html>
- <http://www.statisticbrain.com/facebook-statistics>
- <http://www.statisticbrain.com/internet-statistics/>
- <http://www.statisticbrain.com/internet-use-statistics/>
- <http://www.statista.com/search/?q=digital%2Badvertising>

Consultants

- Mr. Mike Murphy, Relationship Manager, Fidelity Private Client Group
- Mr. Sam Struna, Financial Marketing Specialist



DECA

WRITTEN EVENT WINNERS

— 2016 —

INTERNATIONAL CAREER DEVELOPMENT CONFERENCE

FINANCE
OPERATIONS
RESEARCH
EVENT

1st Place

SOPHIA GE
HANNAH WANG

Bayview Secondary School, ON



FINANCE OPERATIONS RESEARCH EVENT

Sophia Ge
Hannah Wang

April 24, 2016

Bayview DECA
Bayview Secondary School
10077 Bayview Avenue
Richmond Hill, ON L4C 2L4

TABLE OF CONTENTS

I. EXECUTIVE SUMMARY 1

II. INTRODUCTION 3

 A. Description of the business..... 3

 B. Description of the community 5

 C. Overview of the business or organization’s current culture or employee engagement strategies..... 6

III. RESEARCH METHODS USED IN THE STUDY 7

 A. Description and rationale of methodologies selected to conduct the research 7

 B. Process used to conduct selected research methods..... 8

IV. FINDINGS AND CONCLUSIONS.....10

 A. Findings and conclusions to the research study10

 B. Conclusions based on the findings16

V. PROPOSED STRATEGIC PLAN18

 A. Objectives and rationale of the proposed plan18

 B. Proposed plan and timeline23

 C. Proposed metrics or key performance indicators to measure plan effectiveness24

VI. PROPOSED BUDGET27

VII. BIBLIOGRAPHY29

EXECUTIVE SUMMARY

BUSINESS OVERVIEW

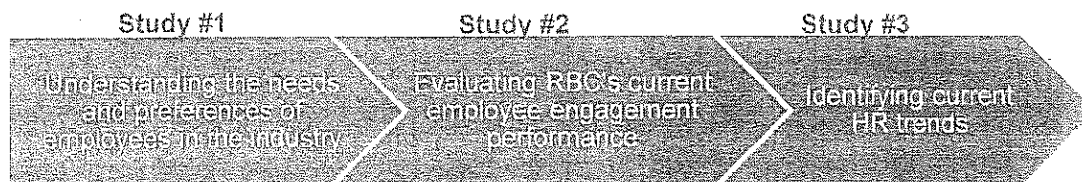
A globally recognized leader in financial services, The Royal Bank of Canada is by market capitalization the largest financial institution in Canada. It has bases in 40 different countries providing services to over 16 million clients with over 81,000 employees. RBC provides a variety of financial services in 5 distinct business segments: personal and commercial banking, insurance, wealth management, capital markets, and investor and treasury services.

PROBLEM

Historically, financial capital has been the most important indicator of a company's success or limitations; now, human capital is becoming a largely competitive factor especially in the finance industry. Having a strong employee base directly leads to quality, productivity, and an improved brand image. However, RBC's current engagement methods such as *RBC Connect*, although partially effective, fail to engage the entire employee base. To retain its position as a leader in the human resource sector and to maximize employee talent, RBC must find innovative approaches to strengthen the engagement level of current and future employees.

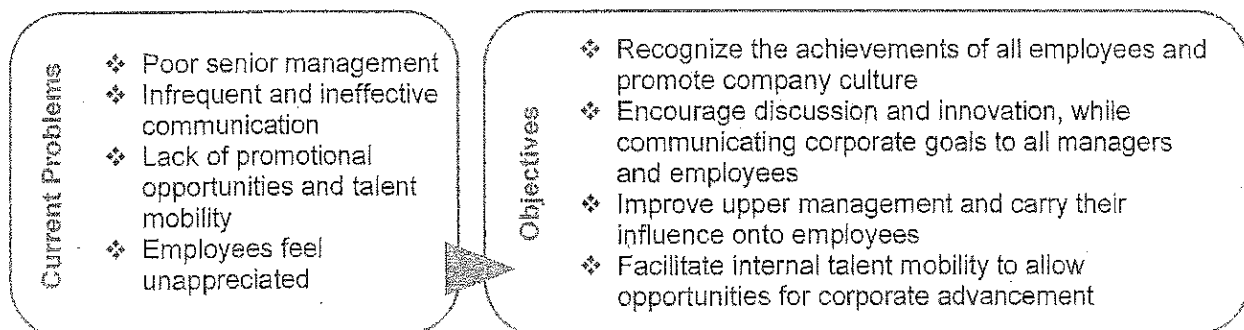
RESEARCH METHODS

After considering a multitude of potential research methods, it was concluded that the following four would be most effective to gather the necessary qualitative and quantitative data: **surveys, focus groups, corporate interviews, and secondary research**. Using this research methodology, a series of 3 studies was conducted:



RESEARCH FINDINGS AND CONCLUSIONS

RBC's current employee engagement initiatives are effective to some extent; however, they fail to meet a number of specific needs of their employees. Fortunately, RBC has the necessary financial and intellectual resources to establish an effective engagement program with clear objectives to address these issues.



PROPOSED PLAN AND TIMELINE

The **RBC GOLD Initiative** will be implemented in all Canadian RBC branches and offices beginning in 2017. This program comprises of:

- ❖ **INSPIRE Leadership Summit:** A 3-day annual leadership and employee engagement training conference held in Toronto and Vancouver for RBC branch managers as well as director-level and higher office employees
- ❖ **Discussion Table:** Bi-monthly discussion meetings between employees and their manager to build connections, establish clear goals, and encourage leadership and creativity
- ❖ **CareerVision:** An individual professional development program consisting of semi-annual meetings between employees and a manager or Human Resources; and
- ❖ **Employee Appreciation:** A recognition program designed to reach a wide range of employees with small-scale awards



RBC GOLD logo

The GOLD Initiative will run on an annual basis, and will be managed by RBC's Human Resources department at select head offices throughout Canada. Every year, the program will be re-evaluated and re-budgeted to accommodate for feedback. The planning stages will begin in September 2016, and the first leadership conference will take place February 2017.

PROPOSED METRICS

In order to accurately describe the success of this employee engagement program, both quantitative and qualitative measures will be taken. This will be completed through the Integrated Operational Feedback System (IOFS):

INTEGRATED OPERATIONAL FEEDBACK SYSTEM			
Quarterly pulse surveys	Focus groups	Annual employee reports	Day-to-day observation

In addition to IOFS, the success of RBC GOLD will be measured by three key performance indicators: **employee performance reviews** for qualitative analysis, as well as **employee turnover rate** and **annual revenue increase** for quantitative data.

PROPOSED BUDGET

This plan will cost RBC an estimated \$53,819,790.00 USD annually, with a start-up expense of \$12,641,890.00 USD. A three-tier budget was created to forecast low, mid, and high costs to run the GOLD Initiative for 2017. This plan will generate a forecasted \$106 million each year, which is a 0.3% increase in revenue in Canada. Therefore, the anticipated ROI will be 96%.



II INTRODUCTION

A. DESCRIPTION OF THE BUSINESS

RBC, formally known as The Royal Bank of Canada, is among the largest among banks across the world and largest in Canada by assets and market capitalization, earning \$8.4 billion in 2013.¹

RBC was originally founded in Halifax, Nova Scotia in 1864 as the Merchants Bank of Halifax, and is now based in Toronto, Canada.²

RBC is among the five largest financial institutions in Canada, commonly known in the industry as the "Big Five", including: The Bank of Montreal (BMO), the Toronto-Dominion Bank (TD Canada Trust), The Bank of Nova Scotia (Scotiabank), and the Canadian Imperial Bank of Commerce (CIBC). As of 2013, RBC has a 22% share of the banking industry in Canada. These are the services provided by RBC:

PERSONAL AND COMMERCIAL BANKING

As the largest source of revenue, and generating 51% of total earnings, RBC serves many of its customers through various personal and commercial banking services. For instance, corporate banking and personal banking operations, retail investment businesses, etc.

WEALTH MANAGEMENT

Catering to clients of high net worth, wealth management offers asset management products and services, which includes but is not limited to invest and trust. These services make up 12% of RBC's total earnings, and ranks RBC number one nationally in wealth management.³

¹ "RBC at a glance." *Royal Bank of Canada: Annual report 2013*. 22 Nov 2014
<http://www.rbc.com/investorrelations/pdf/ar_2013_e.pdf>.

² "Royal Bank of Canada." *Wikipedia*. Wikimedia Foundation, 20 Nov 2014.
<http://en.wikipedia.org/wiki/Royal_Bank_of_Canada>.

³ N.p., 2016. Web. 23 Apr. 2016.



Figure 1: RBC's 5 business segments as shown on their website

Business Segments

RBC's Five Business Segments	
Personal & Commercial Banking	Personal & Commercial Banking comprises our personal banking operations and certain retail investment businesses in Canada, the Caribbean and U.S. as well as our commercial and corporate banking operations in Canada and the Caribbean. This segment is headed by <u>Jennifer Tory</u> .
Wealth Management	
Investor & Treasury Services	<ul style="list-style-type: none">▶ <u>RBC Royal Bank</u>▶ <u>RBC Direct Investing</u>
Capital Markets	<ul style="list-style-type: none">▶ <u>RBC Bank</u>▶ <u>RBC Royal Bank Caribbean</u>
Insurance	

INVESTMENT AND TREASURY SERVICES

Investment services contribute the least in terms of revenue, making up 5%. This service is geared towards institutional investing clients to provide custodial, advisory, financing and other services to safeguard customers' assets, maximize liquidity and manage risk.⁴

CAPITAL MARKETS

RBC Capital Markets is able to provide services to companies of both the public and private sectors, governments, central banks, etc. with services from RBC's Corporate and Investment Banking and Global Markets business lines, and accounts for 25% of RBC's total annual revenue.

INSURANCE

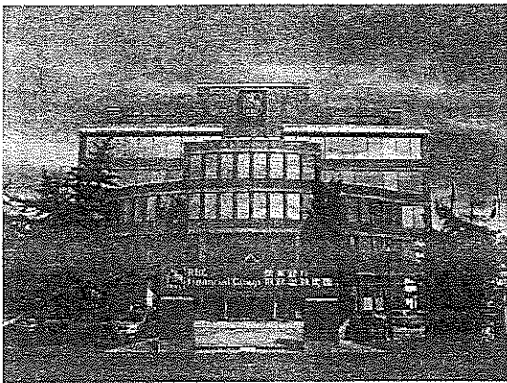
Insurance includes health, life, home, auto, travel and wealth accumulation solutions for both individual and group clients, not only in Canada but also the world. Although insurance only contributes 7% of total earnings, this segment is a considerable source of revenue nonetheless.

⁴ Forbes.com,. (2016). *Forbes Welcome*. Retrieved 6 January 2016, from <http://www.forbes.com/sites/joshbersin/2014/04/10/its-time-to-rethink-the-employee-engagement-issue/>



B. DESCRIPTION OF THE COMMUNITY

RBC is a global institution with its largest consumer base situated in Canada. The vast majority of RBC's earnings come from Canada and the US, which generate 64% and 18% of total earnings respectively. The company's corporate headquarters are situated in Montreal, Quebec and its head office in Toronto, Ontario. In Canada, the bank's personal and commercial banking operations are branded as *RBC Royal Bank* and consists of 1,209 branches serving over 10 million clients across the nation.



A RBC branch in Richmond Hill, Ontario

RBC's target demographic groups offer a variety of social, economic, and racial backgrounds. As listed by Statcan, the median individual income was \$32,020 in 2013, and household income was \$76,100. However, national wages can range from under \$5,000 to over \$250,000 annually. With the variety of financial programs RBC offers, the corporation has the ability to

reach all socioeconomic classes, and mainly caters toward middle-upper class citizens.

As a financial institution, RBC is directly affected by economic conditions; economic growth generally correlates with increased profitability. Clients tend to have more cash to deposit into bank accounts, are more likely to purchase assets, and will likely take loans on which the bank can earn interest as the consumers are more apt to borrow money when they are employed. Additionally, improvements in the economy leads to growing stock, bond, and mutual fund markets, which results in more trading and earnings for financial institutions. On the other hand, a weak economy would result in significantly more subprime debts from clients, resulting in net losses in various investments made over the years.



C. OVERVIEW OF THE BUSINESS OR ORGANIZATION'S CURRENT CULTURE OR EMPLOYEE ENGAGEMENT STRATEGIES

Historically, RBC has been widely recognized as one of the top employers in Canada with a greatly admired company culture, and the leading bank in terms of employee engagement within the Big Five. This is evident through nominations of RBC being among the best workplaces nationwide for consecutive years by notable employment and culture institutions such as the Great Place to Work Institute and Mediacorp Canada.

RBC's core values in the workplace are service, teamwork, responsibility, diversity, and integrity. In fact, RBC is highly committed to these values, and as a result, allow them to create a positive company culture. Through this, RBC is able to kindle the success of employees, and by extension, the company as a whole. Recently, in order to further improve their employee engagement, RBC has been striving towards giving employees opportunities for leadership and contribution for a rewarding and unique work experience. In addition to that, RBC's current employee engagement strategy involves improving communication throughout the company and working towards more accessible and supportive employees in managing positions.

As seen from recent employee reviews regarding their work experience at RBC, it can be concluded that while RBC certainly maintains its position as one of the top employers in Canada with a highly positive company culture, RBC's strategy for improvement in areas including leadership, communication, and management has not been entirely effective.

III. RESEARCH METHODS USED IN THE STUDY

HYPOTHESIS

By improving on RBC's current employee engagement methods through implementation of new training and involvement in company-wide programs, the workforce will increase productivity, thereby establishing a sustainable human resources sector and ensuring long-term profit for the business.

RESEARCH PURPOSE

Research will be conducted to examine RBC's current performance in human resources and employee engagement, to comprehend the wants of their current and future employees, and to appraise prevailing trends in the financial market.

A. DESCRIPTION AND RATIONALE OF METHODOLOGIES SELECTED TO CONDUCT THE RESEARCH

To begin, we carefully identified and assessed every possible method for gathering quantitative and qualitative data for our study. Table 1 demonstrates a brief overview on all the potential research methods considered and what each of these methods involve:

Table 1: comparison of qualitative and quantitative research methods

Research Method	Description
Surveys	<ul style="list-style-type: none">• Easy to answer questions, closed-end answers• Trend based analysis of responses, easily comparable results• Able to filter target respondents• Larger amounts of data can be obtained because surveys can be distributed to a variety of demographic groups
Focus groups	<ul style="list-style-type: none">• Prompt questions for an open discussion• Can formulate collective opinion and ask follow-up questions• May include social or confirmation bias with other participants
Corporate Interviews	<ul style="list-style-type: none">• Interaction with company representative, in-person, through the phone or via other technology (i.e. Skype)• Specific, focused information from a corporate employee• Controlled discussion with prompt• May include follow-up discussion and further clarification



Experiments	<ul style="list-style-type: none"> • Participants are observed in an environment with fixed and controlled variables • Used primarily to assess user-product interaction and interface of service provided • Time-consuming and possibly requires capital investment
Observations	<ul style="list-style-type: none"> • Options of cross-sectional or longitudinal study • Group of participants with as little integrated bias as possible • May be difficult to determine and gather sample population
Secondary Research	<ul style="list-style-type: none"> • Gathers information from reliable secondary sources • Sources may include websites, comments from social media, etc. • Easily obtainable • May be less reliable/verifiable than primary data

After analyzing all methods, 4 methods were decided upon: surveys, focus groups, corporate interviews, and secondary research.

B. PROCESS USED TO CONDUCT SELECTED RESEARCH METHODS

The following illustrate the detailed process we followed for every research method used. First, we organized our research into 3 distinct studies: 1) understanding the needs of employees; 2) evaluating RBC's current performance in employee engagement; and 3) identifying current trends in the human resource market. These studies were carried out with the implementation of the following procedures, Figures 1-4:

Figure 2: Corporate interview process

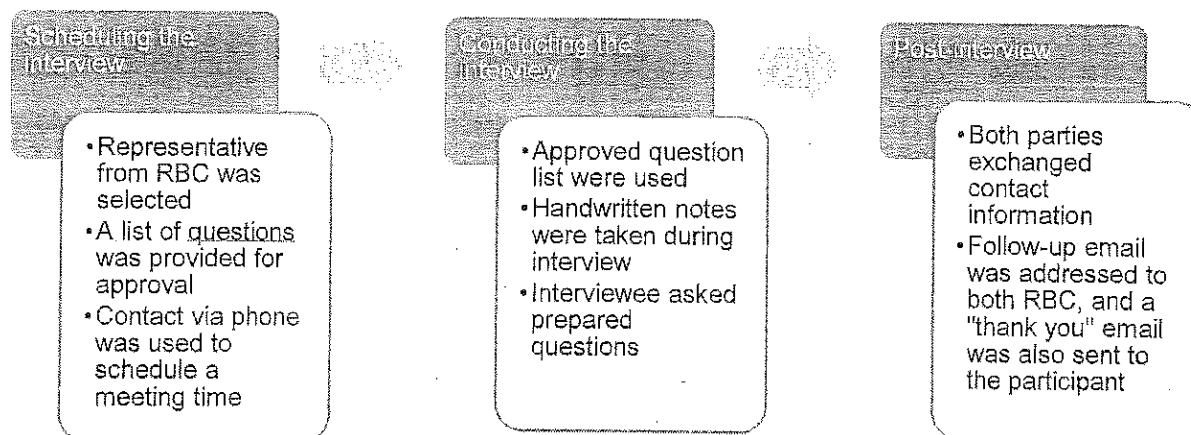


Figure 3: Survey distribution and collection process

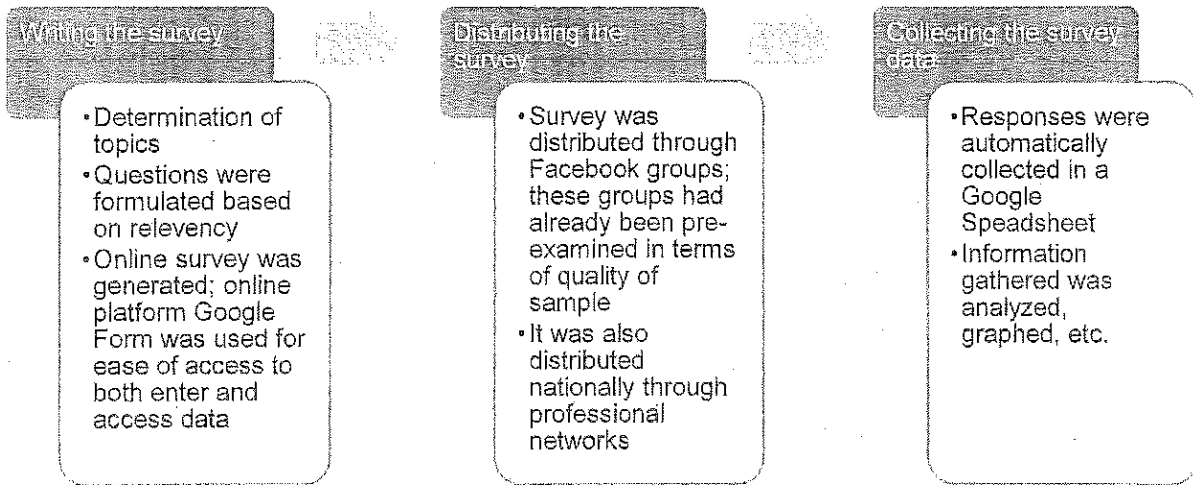


Figure 4: Focus group process

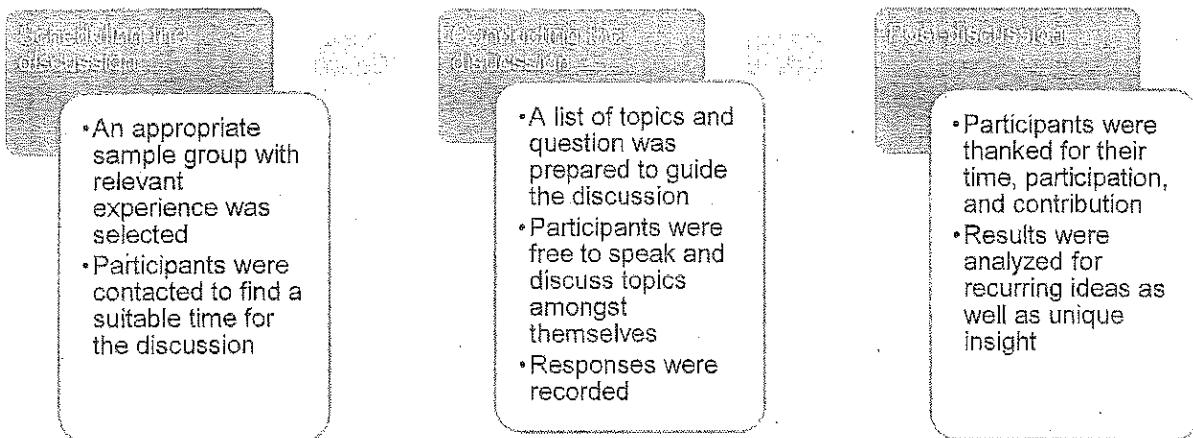
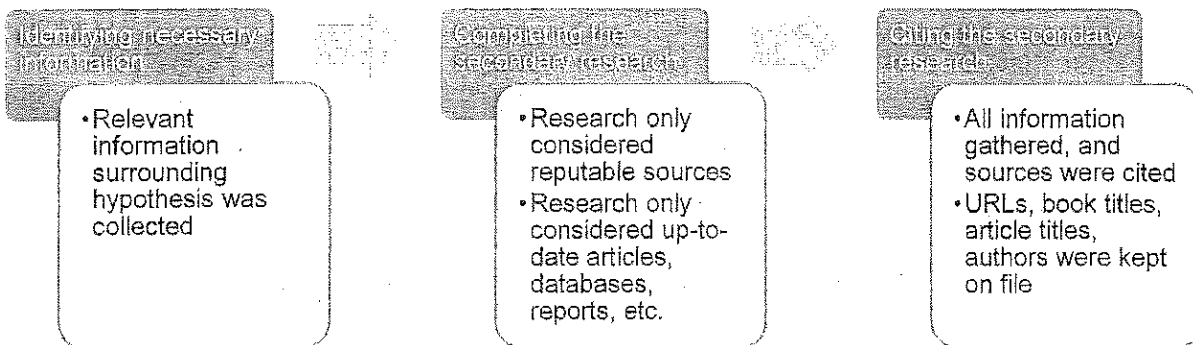


Figure 5: Secondary research process



IV. FINDINGS AND CONCLUSIONS

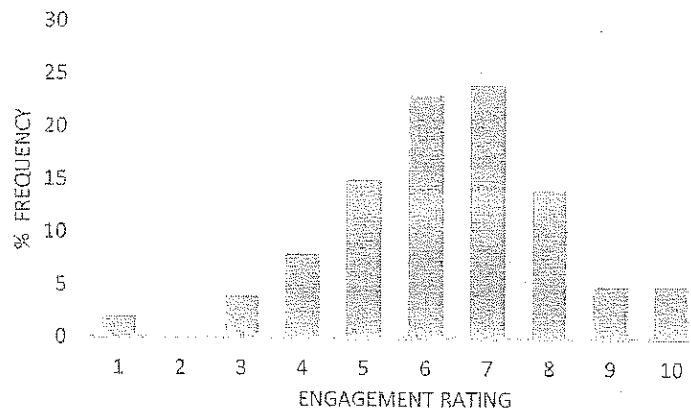
A. FINDINGS AND CONCLUSIONS TO THE RESEARCH STUDY

STUDY #1: UNDERSTANDING THE NEEDS AND PREFERENCES OF EMPLOYEES

In order to determine how employee engagement can be improved at RBC, it was first necessary to understand the needs and preferences of employees today. Two sets of surveys were distributed: the first to RBC locations in the Greater Toronto Area, and the second was distributed online to all Canadian workers in the sectors of business, finance, or customer service. Furthermore, secondary research was conducted through various online sources, including Glassdoor, a website where employees can post anonymous ratings or reviews of their workplace.

The following results discussed account for the total of our survey responses, which incorporates both sets of surveys. Looking at the distribution of results in Figure 6, it is evident that the majority of employees feel somewhat engaged, with about 76% of results clustered from 5 to 8 in terms of level of engagement.

Figure 6: Rate your level of engagement in the workplace from 1-10.



In order to determine some general positive and negative aspects of current workplaces, respondents were asked to select which aspects they were satisfied with. From Figure 6, it can be hypothesized that employees in this sector are generally least satisfied with communication and future opportunities in at their company, with less than 35% of employees satisfied with



communication, and less than 25% of employees are content with future opportunities. On the other hand, positive results show that more than half of employees surveyed are satisfied with their compensation and benefits, as well as company culture.

After gaining general feedback on our participants' experiences with their workplace, we also asked questions regarding their specific opportunities or experience as an employee. For example, to assess company communication in more detail, we asked if participants had regular, meaningful discussions with their co-workers and managers. A screenshot of our online survey, distributed to all Canadian business sector employees, is shown in Figure 7.

Figure 7: Which aspects of your company are you satisfied with?

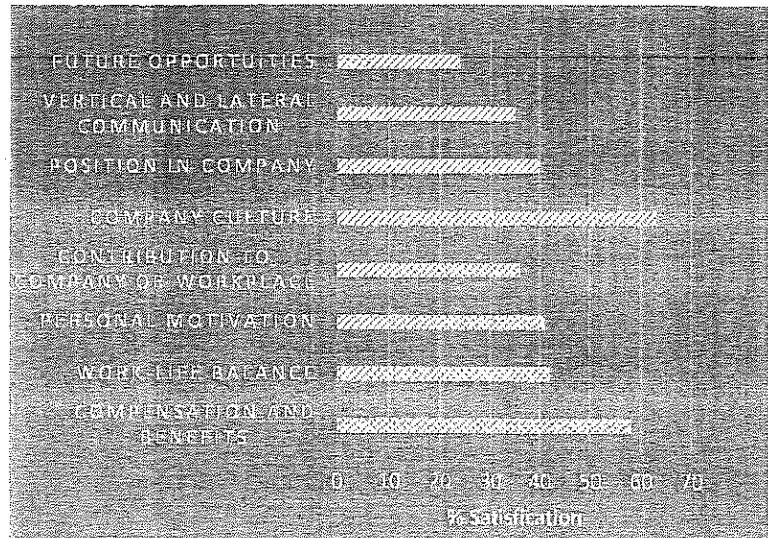


Figure 8: Online survey

Employee Engagement Survey

Please fill out this short survey to help us gain a better understanding of employee opinions and preferences. The data will be used as a primary quantitative source for our DECA research paper.

Rate your level of engagement in the workplace from 1 to 10.

1 2 3 4 5 6 7 8 9 10

Low ○ ○ ○ ○ ○ ○ ○ ○ ○ High

Which of the following aspects of your work environment are you satisfied with?

- Future opportunities
- Vertical and lateral communication
- Position in company
- Company culture
- Personal contribution to workplace
- Work-life balance
- Compensation/benefits

Similar results were found in our secondary research once we compared primary data to secondary data.

STUDY #2: EVALUATING RBC'S CURRENT PERFORMANCE IN EMPLOYEE ENGAGEMENT

After discovering some general issues in the business, finance, and customer service employment sectors, it is necessary to research employee engagement specific to RBC as a company. As an international bank, there is a wide variety of office and branch positions, as well as locations all across Canada and in other countries. Table 8 shows pros and cons of employee engagement at RBC locations:



Strengths

- Compensation and benefits
- Bonuses
- Work-life balance
- Job security
- Work environment and company culture
- Flexible hours
- Training and mentorship
- Employees proud to be part of RBC

Weaknesses

- Lack of promotion/advancement opportunities
- Too many levels of middle/upper management
- Priorities unclear
- Resistant to change and risk-averse
- Politics; connections to senior management is largely influential

STUDY #3: IDENTIFYING CURRENT TRENDS IN THE FINANCIAL MARKET

Other financial institutions in "the Big Five" were analyzed in order to prospect possible solutions already tested in similar working environments; ideas and models were considered to enhance our proposed plan. We developed two comprehensive case studies that give an in-depth look into companies with a similar situation, and how they resolved their issues to achieve long-term corporate sustainability.





CASE STUDY #1: CANADIAN IMPERIAL BANK OF COMMERCE (CIBC)

In 2015, CIBC achieved a number of achievements and milestones in employee engagement, and was recognized as one of Canada's Top 100 Employers by

2015 highlights

- Strong annual employee survey results in key indices:
 - Employee Commitment Index – 86.
 - Manager of People Index – 86, and
 - Learning and Development Index – 82;
- 94% participation rate in CIBC's annual employee survey; and
- More than \$60 million invested in corporate-wide learning and development.

Figure 9: 2015 employee engagement highlights, as provided by the official CIBC website, www.cibc.com

Achievers, a company-wide employee recognition program, has experienced remarkable success and has handed out over 48,100 awards to high-performance individuals and teams in only one year.⁵ These awards comprise of eAchievers, an online program that allows employees to recognize the contributions of their colleagues; Quarterly Achievers; Annual Achievers; and Awards of Distinction. The resulting output: according to their 2015 Employee Survey, 87% of employees feel that their contribution is valued by their manager, and 88% feel that their contribution is valued by the team. Compared to previous years, the CIBC Achievers Program has steadily increased these statistics, and they are considerably higher than other competitive banks such as RBC.

MediaCorp for the third consecutive year.⁵ The 2015 Corporate Responsibility Report listed their employee recognition and performance management programs as main attributors to their success. As part of the Big Five Canadian Banks along with RBC, both have highly similar operating procedures and clientele. CIBC

⁵ "Awards And Recognition". *Cibc.com*. N.p., 2016. Web. 23 Apr. 2016.

⁶ "CIBC 2015 Corporate Responsibility Report and Public Accountability Statement". *Corporateresponsibilityreport.cibc.com*. N.p., 2013. Web. 23 Apr. 2016.



Employee performance is monitored through their Performance Management and Measurement program (PMM), which consists of individual meetings with managers to review progress, help them develop their knowledge or professional pathway, and reach their career potential. As quoted from the CIBC statement, "these conversations reinforce how employees can demonstrate our values in their daily interactions, which contribute to our bank's vision and help to achieve overall success."⁷ In 2015, over 92% of CIBC employees have written a PMM scorecard.

JPMORGAN CHASE & CO.

CASE STUDY #2: JPMORGAN CHASE & CO.

JPMorgan Chase & Co. is the largest financial institution in the United States and largely similar to RBC in terms of their financial products and services offered. Today, JPMorgan Chase is widely recognized for its employee engagement through numerous awards by Fortune magazine and Universum, and is considered arguably the number one American bank to work for.^{8,9} A few of the contributing factors to their success is their strong management team and potential for progression and mobility.

JPMorgan Chase takes pride in its Board and senior management team of highly engaged and competent members.¹⁰ This is also reflected in the company's general employees that voiced their satisfaction with the "excellent and balanced management," and especially their respectable CEO, Jamie Dimon. Through the example of JPMorgan Chase, it is evident that a company's

⁷ "CIBC 2015 Corporate Responsibility Report and Public Accountability Statement". *Corporateresponsibilityreport.cibc.com*. N.p., 2013. Web. 23 Apr. 2016.

⁸ "AWARDS & RECOGNITION | Jpmorgan Chase & Co.". JPMorgan Chase & Co.. N.p., 2016. Web. 23 Apr. 2016.

⁹ Sachs, Here's. "Here's Why Employees Say Jpmorgan Is A Better Place To Work Than Goldman Sachs". *Business Insider*. N.p., 2016. Web. 23 Apr. 2016.

¹⁰ "A Strong Corporate Culture, Annual Report 2014 | Jpmorgan Chase & Co.". *JPMorgan Chase & Co.*. N.p., 2016. Web. 23 Apr. 2016.



management is highly influential to the company's morale and overall success, as they not only lead the company, but are also instrumental to determining the experience of the company's employees.

At JPMorgan Chase, the availability of opportunities for progression and mobility is a huge benefit to employees. One of the ways in which JPMorgan Chase is unique is that the company places heavy emphasis on development of the individual employee. In addition to investing in employees through providing financial support for professional development, JPMorgan Chase encourages personal discussions between the employee and their manager regarding their "individual career path." Through these discussions, managers can help employees set meaningful goals and offer opportunities for development and career advancement of the individual employee.¹¹

As the leading financial institution in the United States with assets of \$2.4 trillion and one of the top ranked employers in America, a portion of JPMorgan Chase's success can certainly be attributed to its employee engagement strategies.¹²

¹¹ "AWARDS & RECOGNITION | Jpmorgan Chase & Co.", *JPMorgan Chase & Co.*, N.p., 2016. Web. 23 Apr. 2016.

¹² "A Strong Corporate Culture, Annual Report 2014 | Jpmorgan Chase & Co.", *JPMorgan Chase & Co.*, N.p., 2016. Web. 23 Apr. 2016.



B. CONCLUSIONS BASED ON THE FINDINGS

RBC'S CURRENT PERFORMANCE IN EMPLOYEE ENGAGEMENT

A SWOT analysis was conducted to analyze the strengths, weaknesses, opportunities, and threats RBC currently faces, in particular, human resources. This is shown in Table 2:

Table 2: RBC SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ❖ Large in market capitalization and employee base ❖ Strong reputation within Canada, ranked 1st in total assets ❖ Diverse workforce ❖ Well-known as one of the Big 5 Banks 	<ul style="list-style-type: none"> ❖ Centralized bank with little foreign investment (ex. Scotiabank) ❖ Complaints of career stagnation ❖ Employees experience difficulty with work/life balance ❖ Poor communication between upper or middle management and general employees
Opportunities	Threats
<ul style="list-style-type: none"> ❖ Improve creativity to offer new services and improve revenue growth and diversification ❖ Use effective work environment to become for efficient ❖ Implement effective employee engagement programs, and encourage participation in existing ones 	<ul style="list-style-type: none"> ❖ Strong competition from other major banks for strong human resources ❖ Workplace dissatisfaction is a major cause of voluntary turnover ❖ Workplace dissatisfaction can cause short-term employees to leave the company, thereby reducing new innovation and creativity

Evidently, there are a multitude of areas in both general management and in human resources where RBC has the opportunity for improvement and new planning. As seen from the reviews on Glassdoor, RBC shows a generally strong standing, however, there are still evident weaknesses in their treatment of employees, outlined below:



A) POOR SENIOR MANAGEMENT

- ❖ In the past few years, more RBC branches have shifted from focusing on individual skills and creativity to micro-management. There has been recently more focus on serving clients and earning profit, rather than ensuring proper engagement in the workplace.
- ❖ Communication between senior management and lower-level employees is weak. Both full-time and part time employees, as well as interns, have stated that there is a division between them and branch executives.

B) INFREQUENT AND INEFFECTIVE COMMUNICATION

- ❖ Employees do not feel that they have regular and meaningful discussions with their colleagues or manager
- ❖ This lack of effective communication prevents clear understanding of corporate short- and long-term goals

C) LACK OF PROMOTIONAL OPPORTUNITIES AND TALENT MOBILITY

- ❖ It is becoming increasingly difficult for high-performing employees to advance within the company, and many have cited a lack of opportunity for advancement as a reason for leaving their position.
- ❖ RBC should invest in helping their existing employees acquire more skills to and experience that will help them both with their current position as well as future promotion opportunities.

D) LACK OF EMPLOYEE RECOGNITION

- Many employees do not feel that their contribution is valued by their colleagues, manager, or company, thus resulting in lack of motivation.
- There are only limited and highly exclusive opportunities to receive recognition for their efforts, and few employees benefit from these opportunities.



V. PROPOSED STRATEGIC PLAN

A. OBJECTIVES AND RATIONALE OF THE PROPOSED PLAN

In order to improve employee engagement, RBC is advised to introduce a new employee engagement program, called the **RBC GOLD Initiative**. The "GOLD" initiative is symbolic of the golden RBC lion, and the four letters represent Gratitude, Open-mindedness, Leadership, and Development. Each of these words correspond to one of the four aforementioned objectives.

1. **Gratitude:** Recognize the achievements of all employees and promote company culture
2. **Open-mindedness:** Encourage discussion and innovation, while communicating short-term and long-term goals to all managers and employees
3. **Leadership:** Improve upper management and carry their influence onto employees
4. **Development:** Facilitate internal talent mobility to allow opportunities for corporate advancement and promotion of existing employees

The proposed plan is comprised of four segments: an annual human resources training conference for directors, bi-monthly discussions sessions within regular work teams, individual career pathway planning, and an employee appreciation program.

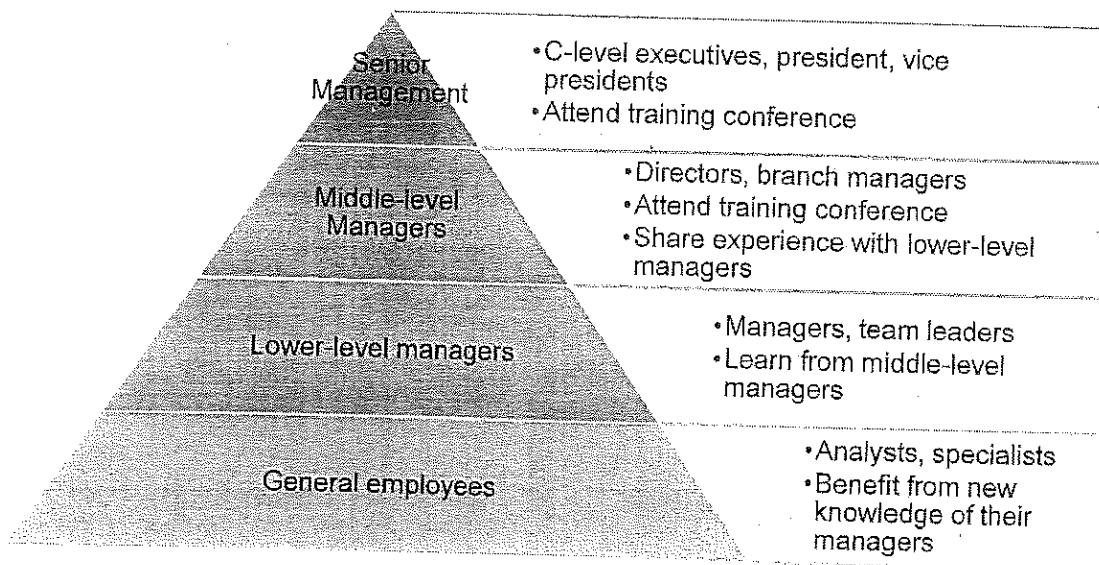


INSPIRE Leadership Summit Annual 3-day inter-provincial leadership and training conference

Every year, RBC will host a completely subsidized three-day training conference focusing on employee engagement, which all branch managers and employees above the director level will attend. During the training conference, attendants will participate in presentations, seminars, and workshops, all centered around developing techniques for improved employee engagement.

This conference will be necessary as a regular event to ensure adequate leadership in all branches in Canada. As concluded from our research findings, there were many complaints regarding human resources-related issues in upper-management: RBC has an overly conservative corporate procedure and policy. For that reason, the conference aims for managers and executives to develop an open-minded attitude. Approximately 1,600 director level and above employees will be attending INSPIRE; which is a specifically selected group of leading individuals whose improved training and motivational abilities will benefit not only their personal development, but also the development of their offices, branches, and RBC as a whole. Middle-level managers and branch managers are crucial to creating a positive work environment and are largely influential to their employees. In terms of the responsibility of branch managers, they are to report to RBC at the end of each year regarding what they have done to help their employees as well as general outcomes of their efforts. Furthermore, attending a training conference offers an opportunity for all participants to network with each other, even with those in different departments or corporate levels.

Figure 10: Hierarchy of RBC workers





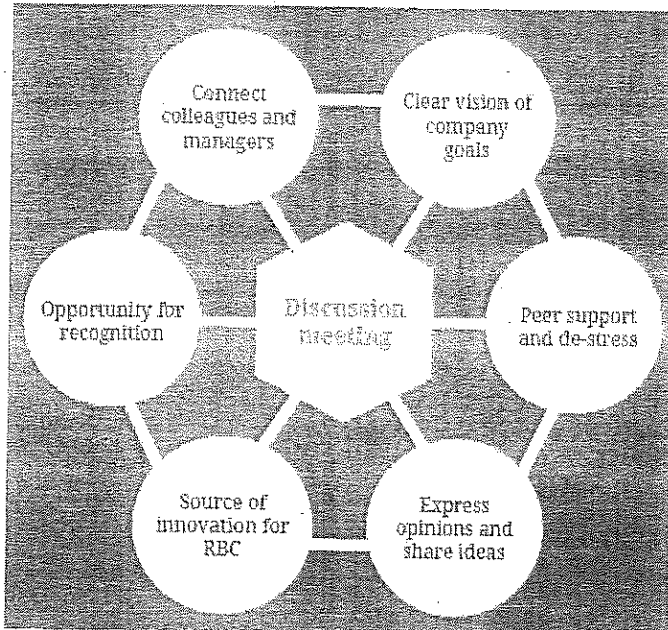
RBC Discussion Table

Bi-monthly meet-ups with colleagues and managers

In addition to annual employee engagement training conferences, all employees of all levels will have bi-monthly discussion sessions with their regular work teams, namely their close colleagues and boss. During these discussions, employees are free to discuss essentially anything they prefer. However, topics are strongly recommended to be work-related. Employees will be able to talk about what they are working towards and their progress, as well as express any concerns, difficulties, or stress that they are experiencing.

Employees are encouraged to voice their opinions on current matters as well as share any ideas they may have. To employees, this is beneficial because they are able to express their thoughts and at the same time, have an opportunity to receive recognition. Meanwhile, the company

Figure 11: Discussion meeting outcomes



benefits from hearing different perspectives and perhaps even implementing innovative improvements. These regular meet-ups with other colleagues they are working with is also a means of promoting collective effort, achievement, and teamwork. Most importantly, it fosters a local community of acceptance and branch development.



CareerVision

Individual career pathway
mentoring and long-term objectives

As one of RBC's core values, the GOLD Initiative will encourage long-term corporate planning and establishing an individual professional pathway in the company between each employee and manager.

In order to create a more individualized approach to employee engagement, CareerVision is designed to specifically address the needs of each employee, especially low and mid-level employees. CareerVision encourages employees to schedule approximately annual 1-2 meetings with their manager to set and review personal career goals, and to explore future professional options outside of their assigned role.

One of the key objectives of CareerVision is for RBC to offer more opportunities for personal and professional development. Whether this is through the form of gaining more leadership opportunities and exploring new roles in the company, or receiving financial support for outside education, CareerVision gives allows employees and managers to discuss these options, and the manager will strive to assist the employee and making this a reality.

Another major objective of CareerVision is individual career pathway planning. In such a large company, employees currently feel that there is a lack of promotional opportunity. Realistically, due to the hierarchical nature of corporate structure, this is fairly true. However, these discussions address this issue by focusing not only on corporate promotions, but also other forms of career advancement, such as taking on larger projects and leadership roles.





Employee Appreciation: Emphasizing employee value through recognition and awards

As a means of promoting and ensuring effective engagement in the workplace, RBC will introduce a new employee appreciation program, titled *GOLD Employee Appreciation*, that will aim to increase opportunities for awards or recognition, and allow more employees to realize their vital contribution to the team.

What differs this new achievement program from RBC's current employee recognition initiatives is that awards and conferences are organized locally and on a smaller scale, so more employees have the chance to be recognized for their work, rather than the same high-achieving workers receiving merit for their work every year. This will allow the RBC workforce to develop an improved understanding of their local and national impact. The RBC Discussion Table provides an excellent opportunity for employees to demonstrate these attributes to their managers. With these awards in mind, employees will be motivated to work hard towards earning them to significantly increase their possibility at a potential promotion in the near future. Recipients will be invited to a region-wide ceremony where they can celebrate their collective achievements with co-workers.

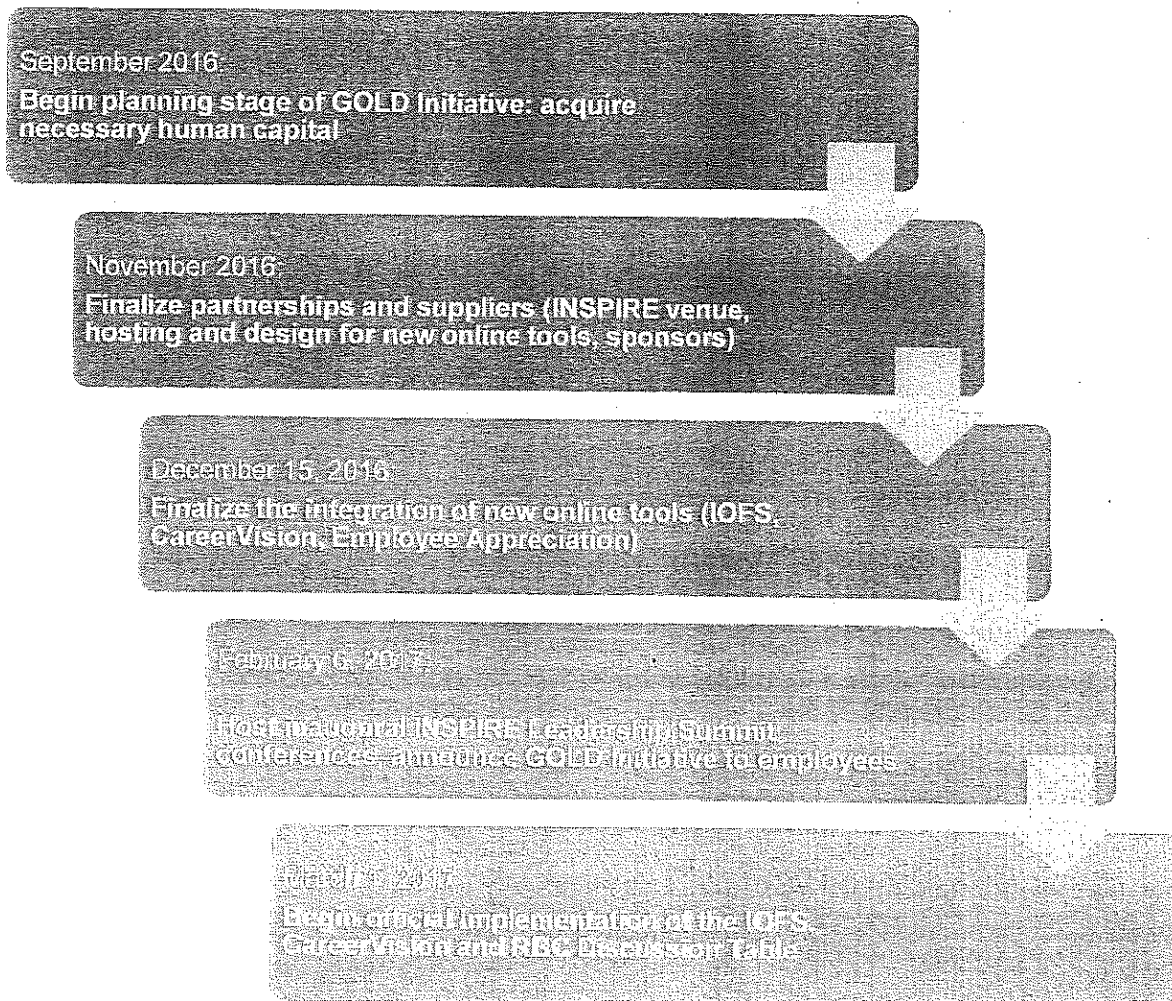
In addition to this, there will also be e-Awards, which are nomination-based and hosted on the RBC Connect site. Employees or managers can nominate colleagues who contribute significant work or innovation to their branch, office, or RBC as a whole on a quarterly basis. These achievements will be posted on the site and recognized by all RBC staff who interact with them, where colleagues are free to post congratulatory messages.



B. PROPOSED PLAN AND TIMELINE

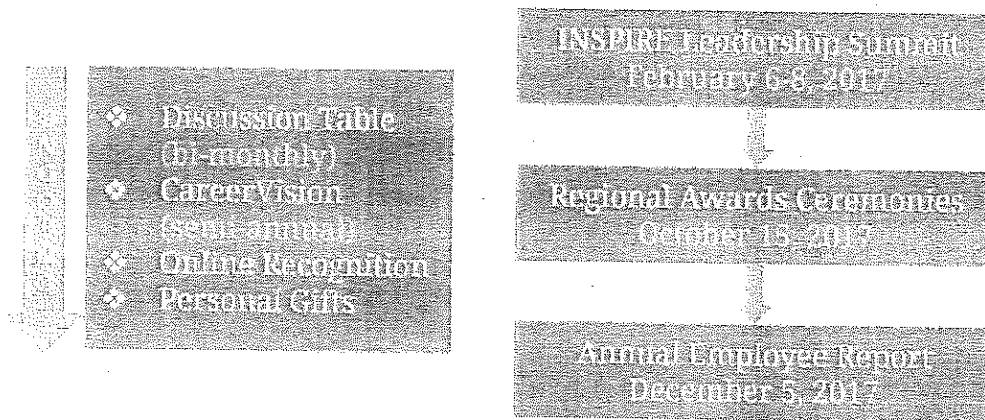
To implement this plan, a clear set of regulations must be followed, however, office and branch managers must still have the authority to establish their own engagement methods that are specialized to their team. For this reason, a timeline was developed after thorough consideration of the needs of both managers and general employees. The GOLD Initiative will begin implementation in Fall 2017, and the timeline is shown in Figure 10:

Figure 12: GOLD Initiative Implementation timeline, 2016-2017



After the completion of the implementation stages in 2016, the RBC GOLD initiative is scheduled to officially commence in 2017, in accordance to the following timeline of events:

Figure 13: Timeline of events for 2017



In this timeline, only three events, namely the INSPIRE Leadership Summit, Regional Awards Ceremonies, and Annual Employee Report submission, are indicated for specific dates. The other four are ongoing throughout the year, with Discussion Table and Career Vision being bi-monthly and semi-annual, respectively. For these events, it is the responsibility of each individual branch, office, manager, and/or employee to plan accordingly for a suitable time and date at their convenience.

C. PROPOSED METRICS OR KEY PERFORMANCE INDICATORS TO MEASURE PLAN EFFECTIVENESS

In order to accurately describe the success of this employee engagement program, both quantitative and qualitative measures will be taken to assess the improved productivity within RBC branches. The projected achievement of our proposal will allow RBC to assess the overall effectiveness of the program and whether it brings profitable revenue to their business. This will be completed through the use of the GOLD Initiative's reinvented feedback system:



Integrated Operational Feedback System (IOFS)

Measuring GOLD's success

Table 3: IOFS metrics

Method	Description and procedure	Purpose	Frequency
Surveys & questionnaires	Pulse surveys (brief and specialized surveys to solicit ideas for improvement) will be distributed online through an integrated software, in a program called Pulse Check RBC. After collecting this data, it will be compared across departments and branches, as well as to other major banks in Canada.	To assess the short-term satisfaction of a wide range of employees. Due to the short length and simple nature of the surveys, participants will be more inclined to complete them with honest, accurate responses. RBC will target 85% participation by 2019.	8-12 times a year, as decided by the office or branch manager
Focus groups	A group of employees from one office or branch will be systematically selected to participate in a focus group led by the HR department of RBC Canada.	To obtain thorough, descriptive responses that allow RBC Canada to assess the engagement plan's effect and/or ways to improve.	Twice a year
Annual Employee Engagement Reports	Mini employee engagement reports will be submitted annually by branch managers to report progress within their employee base.	To track progress of individual branches or offices and adopt policies accordingly, to ensure an effective system is being implemented by managers	Annual
Observation	Managers and supervisors will observe employees on a day-to-day basis for signs of disengagement.	To understand the overall satisfaction of employees in a natural setting.	Daily or weekly, as decided by the office or branch manager



KEY PERFORMANCE INDICATORS

In addition to IOFS, the success of RBC GOLD in improving the company's employee engagement will be measured by three key performance indicators:

EMPLOYEE PERFORMANCE REVIEWS

As employee performance reviews currently exist at RBC and are conducted on a regular basis, they will serve as a key performance indicator of RBC GOLD for qualitative analysis. The comments in employees' performance reviews will be evaluated to identify any trends of improvement or change in employee engagement.

EMPLOYEE TURNOVER RATE

Employee turnover rate is the ratio of the number of employee separations, or employees that leave the company, to the average number of employees. By definition, employee separations include both voluntary and involuntary terminations; some examples include retirements, dismissals, and resignations. While employee turnover rate is evidently not entirely correlated to employee engagement, it is expected that with the success of RBC GOLD, this ratio will decrease, as there would be fewer resignations if all other factors remain more or less consistent.

ANNUAL REVENUE INCREASE

With the success of the RBC GOLD initiative, improved employee engagement would result in higher productivity of employees, subsequently corresponding to an increase in revenue earned. However, since RBC GOLD will only be implemented in Canada as of now, specifically Canadian revenue increases will be considered to assess the effectiveness of the initiative. Although revenue increase is not exclusively attributed to improved employee engagement, overall a greater success of the initiative will result in a greater revenue increase.



VI. PROPOSED BUDGET

REVENUE

With the GOLD Initiative implemented as RBC's main employee engagement strategy, **annual revenue is projected to increase by 0.3%, or 106,463,000.00** generated by this program alone. This percentage was obtained with the combination of several factors. Firstly, there is a clear trend within Canada's five major banks of an annual increase in revenue of approximately 4%, thus it is logical to assume that this trend will continue for future years. Next, while employee engagement may appear to be relatively insignificant in comparison with other sources of revenue increase such as global expansion, the GOLD Initiative will cause a nationwide impact, which will culminate in notable improvements at each RBC location, ultimately totalling to a significant amount of revenue earned.

For that reason, a modest estimate was made of revenue from the GOLD Initiative accounting for an additional 0.5% increase in revenue to the expected 4%. However, since Canada generates 63% of RBC's total revenue and the GOLD Initiative will only apply to Canada, it is predicted that the program will increase RBC's revenue by 0.3%, which is 63% of the previous 0.5%, rounded down to ensure that the projected revenue is not overestimated.

EXPENSES

ONE-TIME EXPENSES (2017)

RBC GOLD Initiative Program Budget: 2017-18	
INSPIRE Conference planning	\$933,870.00
Materials	\$1,102,990.00
IOFS platform set-up	\$3,440,760.00
Information processing and software development	\$2,904,800.00
CareerVision planning and set-up	\$4,259,470.00
Grand Total	\$12,641,890.00



RECURRING EXPENSES (ANNUAL) 3-TIER BUDGET

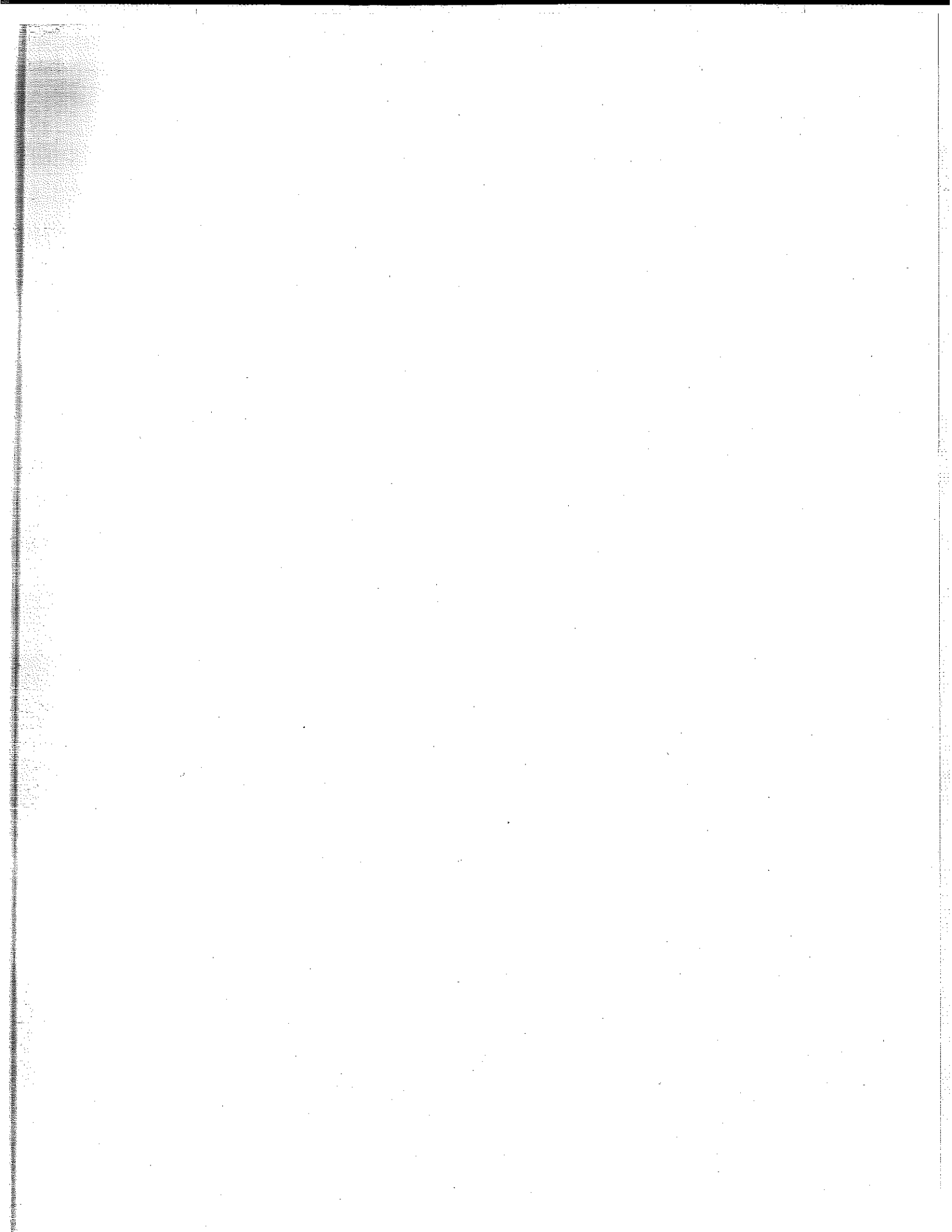
RBC GOLD Initiative Program budget, 2019			
EXPENSES			
INSPIRE Leadership Summit			
Site fees and materials	\$ 3,767,880.00	\$ 3,977,240.00	\$ 4,209,500.00
Accommodations (travel, hotels)	\$ 9,780,620.00	\$10,190,180.00	\$10,704,560.00
Total	\$13,548,500.00	\$14,167,420.00	\$14,914,060.00
Employee Appreciation Program			
Online platform set-up	\$ 809,330.00	\$ 950,840.00	\$ 1,102,990.00
Regional Award Ceremonies	\$ 4,455,600.00	\$ 5,193,340.00	\$ 5,880,400.00
Total	\$ 5,264,930.00	\$ 6,144,180.00	\$ 6,983,390.00
RBC Discussion Table			
Salary compensation	\$ 5,330,655.00	\$ 5,998,440.00	\$ 6,365,700.00
Materials	\$ 1,596,500.00	\$ 1,809,970.00	\$ 2,100,320.00
Total	\$ 6,927,155.00	\$ 7,808,410.00	\$ 8,466,020.00
CareerVision			
Technological operations and maintenance	\$ 1,304,030.00	\$ 1,500,490.00	\$ 1,870,440.00
Training and HR salary	\$ 4,596,500.00	\$ 4,809,970.00	\$ 5,100,320.00
Materials	\$ 770,980.00	\$ 801,760.00	\$ 994,800.00
Total	\$12,927,155.00	\$13,808,410.00	\$14,466,020.00
Integrated Operational Feedback System (IOFS)			
Technological operations and maintenance	\$ 6,344,030.00	\$ 7,100,490.00	\$ 7,570,440.00
Marketing and promotion	\$ 1,709,330.00	\$ 1,810,840.00	\$ 2,129,990.00
Information processing	\$ 2,399,480.00	\$ 2,980,220.00	\$ 3,108,740.00
Total	\$10,452,840.00	\$11,891,550.00	\$12,809,170.00
Grand Total	\$49,120,580.00	\$53,819,970.00	\$57,638,660.00

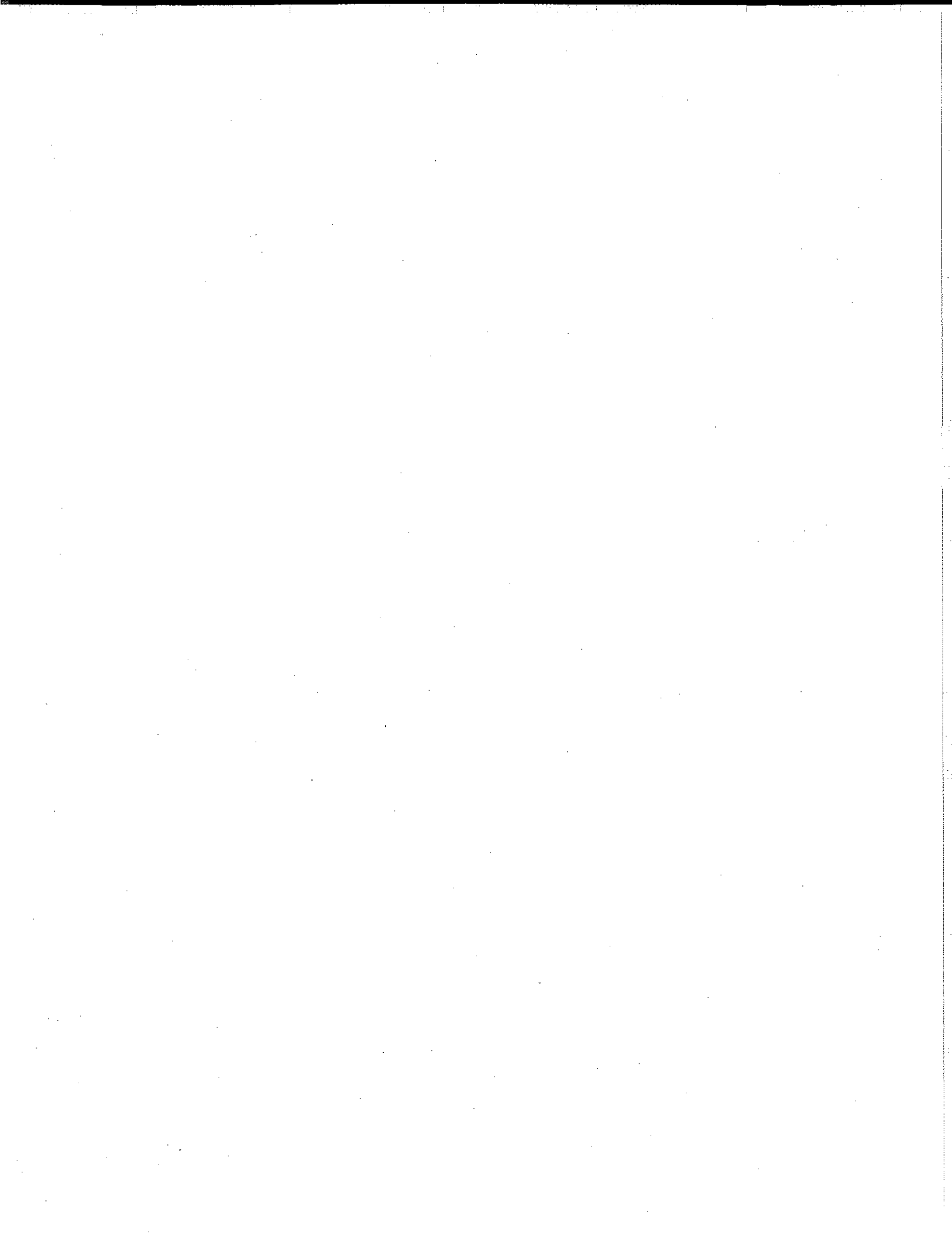


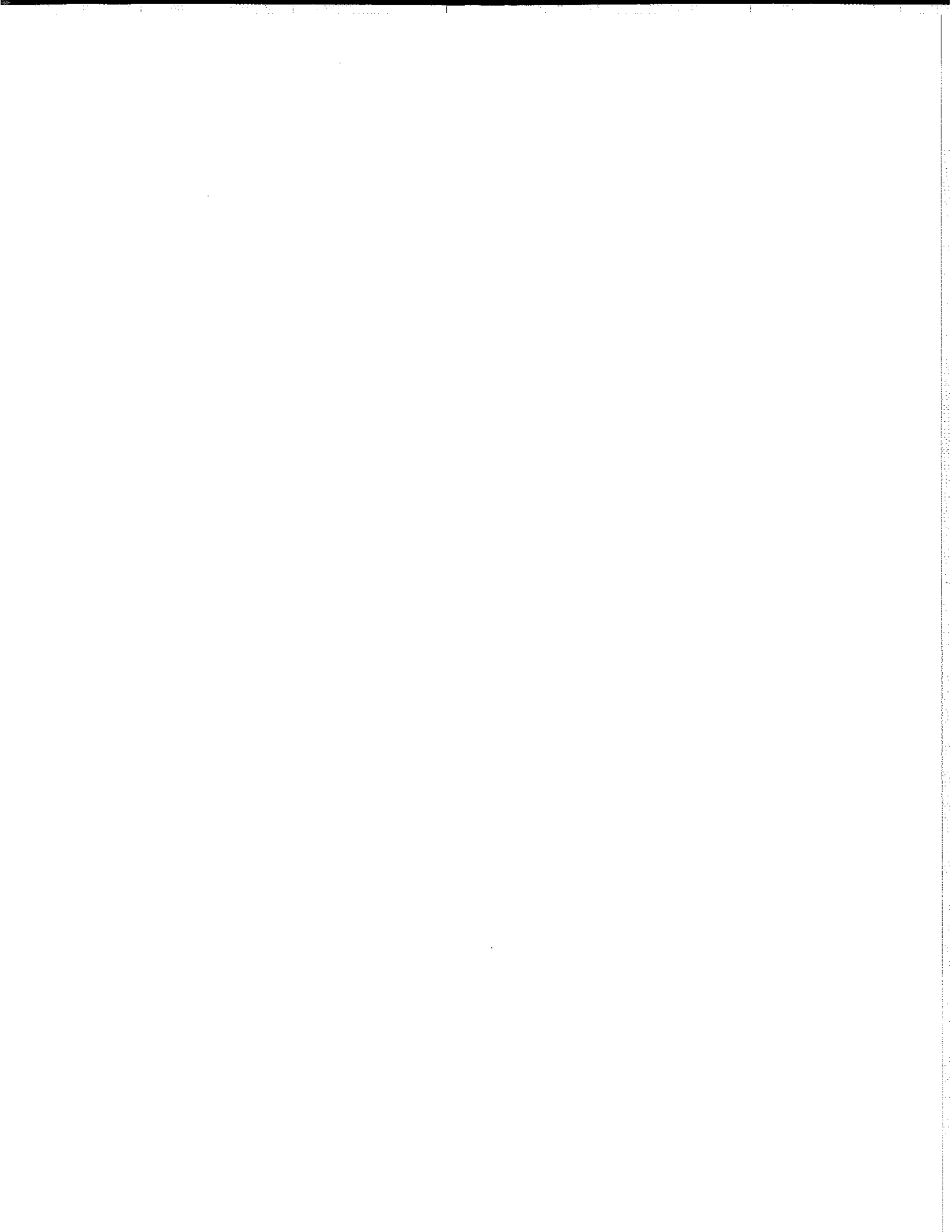
VI. BIBLIOGRAPHY

- CIBC. *CIBC 2015 Corporate Responsibility Report and Public Accountability Statement*. (2013). Corporateresponsibilityreport.cibc.com. Retrieved 23 April 2016, from <http://corporateresponsibilityreport.cibc.com/engaging-employees.html>
- Deloitte University Press,. (2016). *Becoming irresistible: A new model for employee engagement*. Retrieved 5 January 2016, from <http://dupress.com/articles/employee-engagement-strategies/>
- Forbes.com,. (2016). *Forbes Welcome*. Retrieved 6 January 2016, from <http://www.forbes.com/sites/joshbersin/2014/04/10/its-time-to-rethink-the-employee-engagement-issue/>
- Glassdoor,. (2016). *Royal Bank of Canada Reviews*. Retrieved 11 January 2016, from <https://www.glassdoor.ca/Reviews/Royal-Bank-of-Canada-Reviews-E3358.htm>
- Hozouri, A. (2015). Meeting with RBC banking advisor and mutual funds representative. Leslie Centre, 1450 Major Mackenzie Dr E, Richmond Hill, ON L4S 0A1.
- How to Calculate the Employee Turnover Rate on an Annual Basis*. (2016). Smallbusiness.chron.com. Retrieved 23 April 2016, from <http://smallbusiness.chron.com/calculate-employee-turnover-rate-annual-basis-10202.html>
- JP Morgan and Chase Co. (2014) *A Strong Corporate Culture, Annual Report 2014 | JPMorgan Chase & Co.*. JPMorgan Chase & Co.. Retrieved 23 April 2016, from <https://www.jpmorganchase.com/corporate/annual-report/2014/ar-strong-corporate-culture.htm>
- Royal Bank of Canada,. (2014). *Annual Report 2014*. Retrieved from http://www.rbc.com/investorrelations/pdf/ar_2015_e.pdf
- Sachs, H. (2016). *Here's Why Employees Say JPMorgan Is A Better Place To Work Than Goldman Sachs*. Business Insider. Retrieved 23 April 2016, from <http://www.businessinsider.com/jpmorgan-is-better-than-goldman-2011>
- Verma, R. (2016). Telephone interview with RBC Senior Financial Analyst.
- Xu, M. (2016). Meeting with RBC Student Intern. Bayview Secondary School, 10077 Bayview Ave, Richmond Hill, ON L4S 0A1.









 **DECA**

WRITTEN EVENT WINNERS

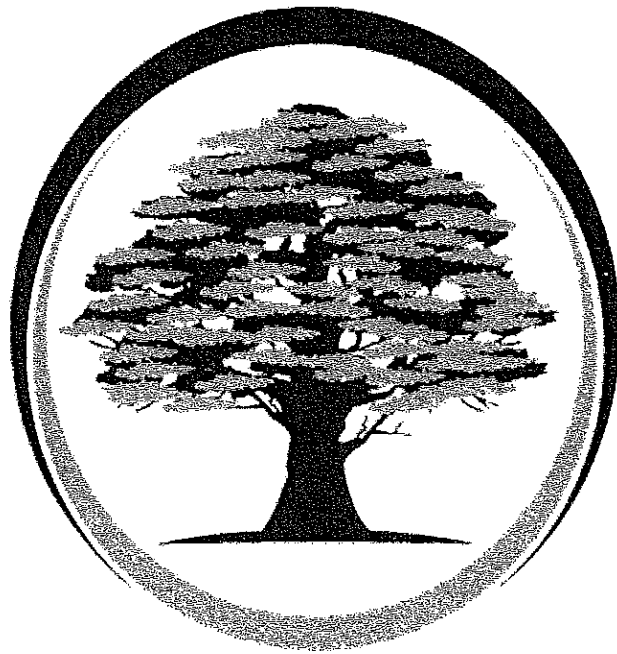
FINANCE OPERATIONS RESEARCH

1st PLACE
GAURI BINOY
TYLER HAAS
DHRUV METHI

Wayzata High School, MN

2017
INTERNATIONAL CAREER
DEVELOPMENT CONFERENCE

FINANCE OPERATIONS RESEARCH EVENT



SILVER OAK WEALTH MANAGEMENT

WAYZATA HIGH SCHOOL
DECA CHAPTER

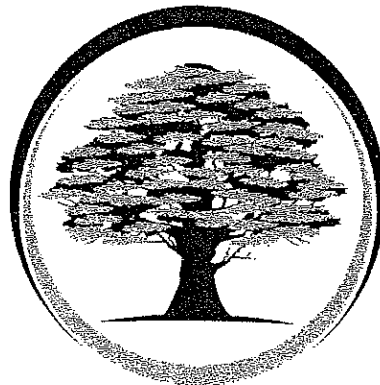
WAYZATA HIGH SCHOOL
4955 PEONY LN N
PLYMOUTH, MN 55446

GAURI BINOY
TYLER HAAS
DHRUV METHI

APRIL 27TH, 2017

TABLE OF CONTENTS

I.	EXECUTIVE SUMMARY	1
II.	INTRODUCTION	4
	A. DESCRIPTION OF THE BUSINESS	4
	B. DESCRIPTION OF THE COMMUNITY	5
	C. OVERVIEW OF CURRENT PROMOTIONAL STRATEGIES AND PRACTICES	7
III.	RESEARCH METHODS USED IN THE STUDY	8
	A. DESCRIPTION AND RATIONALE OF RESEARCH METHODOLOGIES	8
	B. PROCESS USED TO CONDUCT THE SELECTED RESEARCH METHODS	10
IV.	FINDINGS AND CONCLUSIONS OF THE STUDY	13
	A. FINDINGS OF THE RESEARCH STUDY	13
	B. CONCLUSIONS BASED ON THE FINDINGS	18
V.	PROPOSED STRATEGIC PLAN	19
	A. OBJECTIVES AND RATIONALES OF THE PROPOSED PLAN	19
	B. PROPOSED ACTIVITIES AND TIMELINES	20
	C. PROPOSED METRICS TO MEASURE PLAN EFFECTIVENESS	24
VI.	PROPOSED BUDGET	26
	A. COSTS ASSOCIATED WITH THE PROPOSED STRATEGIES	26
VII.	BIBLIOGRAPHY	28

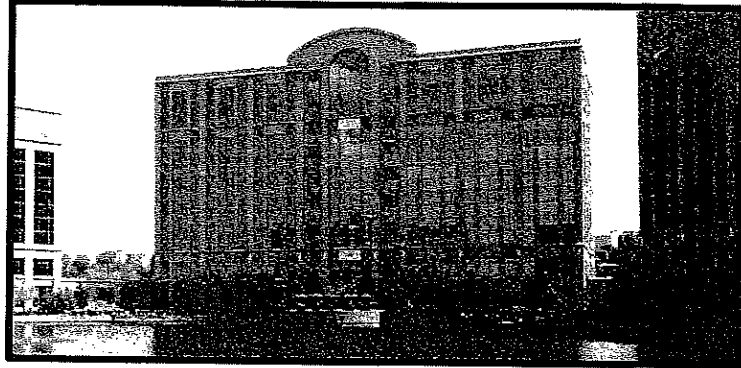


I. EXECUTIVE SUMMARY

CLIENT

Silver Oak Wealth Management – Edina, Minnesota. Silver Oak Wealth Management is a prestigious wealth management firm that controls more than half a million dollars in total assets and is consistently rated among the top fee-only based asset management firms in the country.

It provides services for both businesses and individuals ranging from financial consulting, retirement planning, and investment banking.



PURPOSE

Despite Silver Oak's prestigious standing amongst wealth management companies nationwide, their marketing dramatically needs improvement as they rely solely on word of mouth based advertising to expand their clientele. Our team therefore created a social, local, and mobile marketing plan to improve upon Silver Oak's marketing with the goal of expanding Silver Oak's clientele.

RESEARCH METHODS

To adequately determine the various elements that needed to be included into the marketing plan, our team used the following combination of research methods to obtain the necessary qualitative and quantitative data:

- ✦ **SURVEYS** – These surveys focused on establishing a target market and learning their preferences in regards to local advertising, community events, local businesses, and Silver Oak's mobile website, and mobile search-based advertising.
- ✦ **PROSPECTIVE CLIENT INTERVIEWS** – These interviews provided more context for the quantitative data established in the surveys and additionally covered each interviewee's social media preferences.
- ✦ **FOCUS GROUPS** – The focus group discussion centered around feedback on Silver Oak's mobile website and various possible improvements that could be made to it.
- ✦ **SECONDARY RESEARCH** – This provided background information from which we identified current trends in social, local, and mobile marketing and researched the relative effectiveness of different forms of marketing.



To ensure our research was conducted in a strategic fashion, we crafted the following research objectives and timeline:

FIGURE 1: OVERVIEW OF RESEARCH METHODS



RESEARCH FINDINGS AND CONCLUSION

After concluding our research study, we established the following objectives for the marketing plan:

- ✦ **EXPAND SOCIAL MEDIA PRESENCE** - We discovered that the target market of Silver Oak primarily discovered new brands on social media, providing an additional avenue for Silver Oak to increase its brand visibility.
- ✦ **EXPAND COMMUNITY PRESENCE** - Our research found that the target market also gained awareness of different local brands through their involvement in community events and services.
- ✦ **UTILIZE GEOLOCATION SEARCH-BASED ADVERTISING** - The people interviewed indicated that the advertisements they typically click on are either ones that pertain to items they have searched for or that advertise local businesses.
- ✦ **OPTIMIZE WEBSITE FOR MOBILE DEVICES** - The focus group concluded that the mobile website had the immediate effect of deterring people from using the website as it gave the company an unprofessional image.

PROPOSED STRATEGIC PLAN

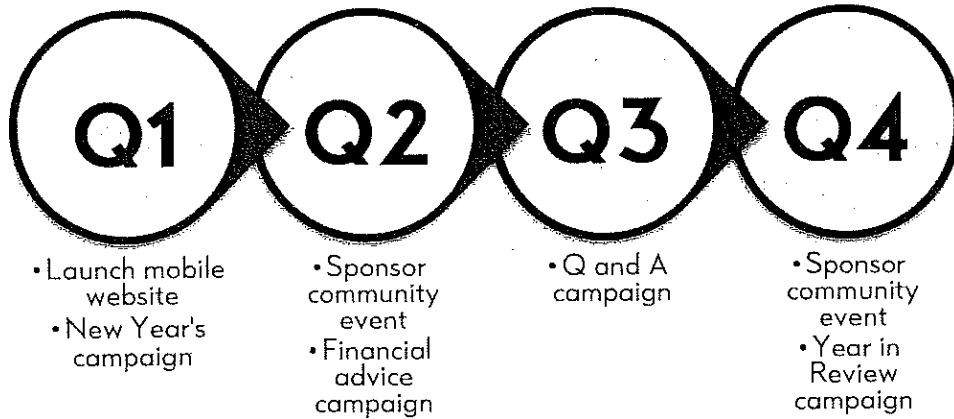
In order to meet the objectives outlined above, our team crafted a strategic plan composed of the following activities:

- ✦ **UTILIZE LOCAL SEARCH-BASED ADVERTISING THROUGH 15MILES** - The company 15miles specializes in creating and implementing a local online advertising campaign to boost local success.
- ✦ **POST CONSISTENT BUSINESS UPDATES AND FINANCIAL ADVICE ON TWITTER AND FACEBOOK** - These updates will expand Silver Oak's brand presence on social media, expanding overall brand visibility and increasing the likelihood of expanding clientele. There will be a distinct social media campaign in each quarter of the calendar year.



- ♣ **REDESIGN THE MOBILE WEBSITE** - A redesigned website optimized for mobile devices would increase brand credibility and have the effect of attracting clients instead of turning them away.
- ♣ **SPONSOR AN ANNUAL LOCAL EVENT** - A local event would expand brand visibility and create a positive brand image amongst the Edina community.

FIGURE 2: TIMELINE OF QUARTERLY ACTIVITIES



BUDGET FOR PROPOSED ACTIVITIES

The overall cost of the program is **\$31,500**. We calculated the ROI in terms of the increased website traffic that would emerge as a result of the proposed activities. The ROI was computed by researching industry standard conversion rates and case studies from other companies.

FIGURE 3: BUDGET AND ROI

NAME OF PROGRAM	COST (ANNUALLY)	EXPECTED ROI
LOCAL ADVERTISING THROUGH 15 MILES	\$5,000	3-5% INCREASED AD EFFECTIVENESS
FACEBOOK AND TWITTER ADS	\$10,000	6-8% INCREASED PAGE VIEWS
REDESIGNED WEBSITE	\$1,500	60% INCREASED PAGE RETENTION RATE
SILVER OAK COMMUNITY EVENTS	\$5,000	2% CLIENT CONVERSION RATE
GOOGLE ADVERTISING	\$10,000	5-7% INCREASED PAGE VIEWS



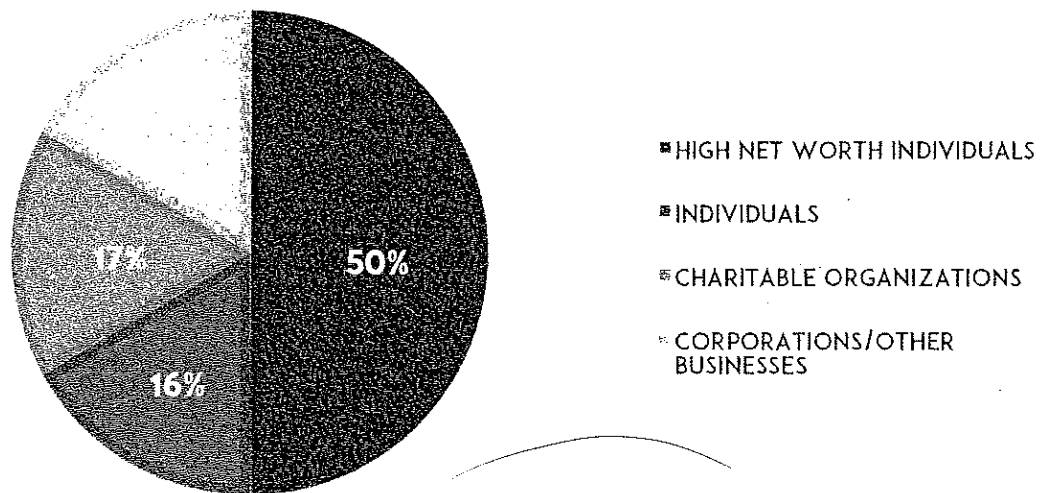
II. INTRODUCTION

A. DESCRIPTION OF THE BUSINESS

Silver Oak Wealth Management is a Minnesota-based wealth management firm which specializes in financial planning for both businesses and individuals. They were initially established in 2000 and have now been operating for 17 years. They operate on a fee-only basis, not selling any products or receiving any commissions from clients. Their services for individuals include retirement planning, tax consulting, and investment planning. For businesses, they provide financial education programs and business plan consulting¹.

As of 2015, Silver Oak held 527.5 million dollars in total assets with 12 total employees. Silver Oak has a wide and diverse clientele, encompassing almost 900 total clients. Approximately half of their total assets are held by high net-worth individuals while the rest is distributed amongst middle-income individuals, charitable organizations, and corporations².

FIGURE 4: CLIENTELE OF SILVER OAK



Silver Oak has employees with significant expertise and experience. The President of Silver Oak, Shannon King, has 21 years of experience and has been rated as a five-star

¹ SilverOak Wealth Management LLC. Web. 11 Jan. 2017.

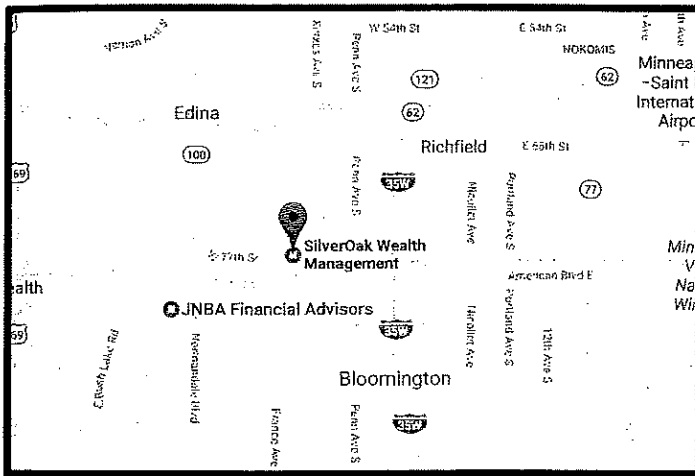
² "Silver Oak Wealth Management LLC." BrightScope. Web. 11 Jan. 2017.



professional wealth manager for every single year since 2010. Additionally, Silver Oak has consistently been rated as one of the top fee-only wealth management businesses, ranking #8 on CNBC's top-100 rankings of fee-only firms in 2014.

B. DESCRIPTION OF THE COMMUNITY

Geographic: Silver Oak is located within Edina, Minnesota, a wealthy suburb located



southwest of Minneapolis in Hennepin County. The city has a land area of 15.45 square miles and neighbors the cities of Bloomington, Richfield, Eden Prairie, and Minnetonka. Silver Oak is in the southeast corner of the city, so many clients reside in Bloomington and Richfield³.

Demographic: Minnesota's population is projected to grow substantially by 2035.

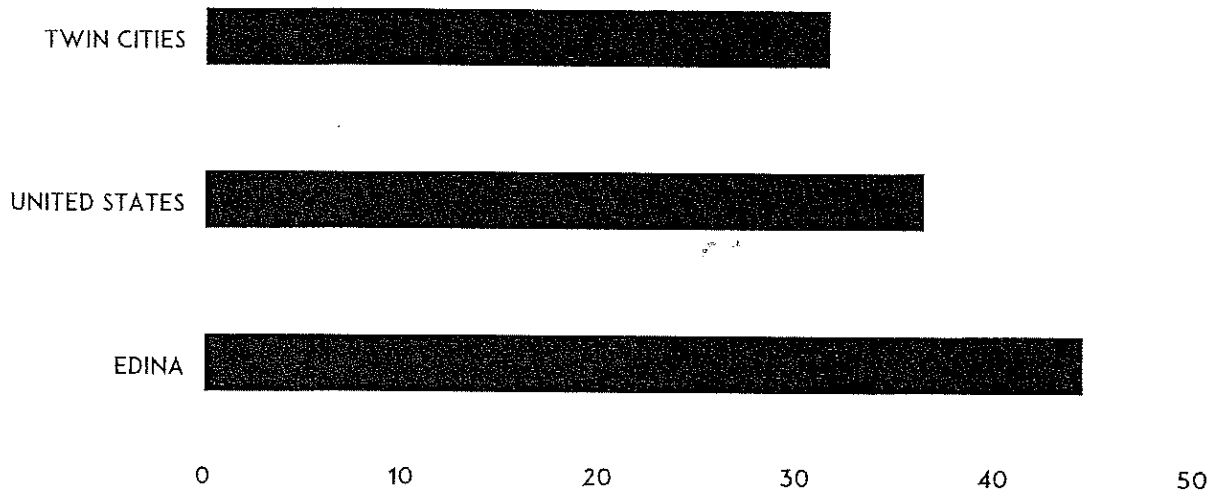
Edina has grown substantially in the past decade, enjoying steady growth for every single year since 2006. As of 2015, Edina was estimated to have a population of 50,138, an increase of 4.6% from its 2010 population of 47,940. In the Twin Cities, the population increased by 7.9% growing from 2,642,062 to 2,849,567 based on economic development in the region. Estimates from 2005 project that the entire Twin Cities metro area's population will increase by 20.6% between 2005 and 2035, growing from just over 3 million people in 2005 to 3,352,500 in 2035. Between 2000 and 2010, the median age in Edina was estimated at 44.5 years, an age at which people are looking to invest money but also begin saving for retirement. This is compared to a median age of 36.5 years for the United States as a whole. Roughly 24% of Edina residents

³ "Census Information." *City of Edina*. Web. 11 Jan. 2017.



are over the age of 65, and 5.37% are under age 5. According to 2010 Census data, the median age in Minnesota is 37.4 years. Edina is located extremely close to the Twin Cities, and some of its clients reside in that area. The Twin Cities have an even younger age average, with an average age of 31.7 years. Edina's population of 400,000 is expected to remain steady for the most part until 2030 while the population of older adults will double, meaning that the average age of the clientele will become older over time⁴. This implicates the promotional plan as our plan will have to tailor to older audiences.

FIGURE 5: AVERAGE AGE OF RESIDENTS



Economic: Edina has a very solid economic foundation, with a per capita income of \$62,587 compared with a \$30,913 per capita income for Minnesota overall. The median income for Edina was \$88,298, further showing Edina's economic strength. Edina also enjoys a high 73.4% home ownership rate, compared to a rate of 72.5% statewide. Thriving business clusters dot the city, from popular retail centers to thriving healthcare and professional office complexes to light industrial and production facilities. More people work in Edina than live here resulting in a daytime population of more than 50,000. Fortune 500 companies, regional headquarters and local start-ups have selected Edina as their base for business operations. Major employers

⁴ "Edina City, Minnesota." United States Census Bureau. Web. 12 Jan. 2017.



in the City include several Fortune 500 companies such as SpartanNash. Other major employers include Fairview Southdale Hospital, Edina Public Schools, City of Edina, BI Worldwide, Regis Corporation, Lunds & Byerlys, Jerry's Enterprises, International Dairy Queen, Edina Realty and Dow/FilmTec Corporation⁵.

Socioeconomic: Across Minnesota, high school graduation rates increased between 2005 and 2009. In 2009, an estimated 97.6% of Edina residents over the age of 25 had a high school diploma or higher, while approximately 68.5% had a bachelor's degree. Edina has a lower percentage of poverty than the rest of the state. Approximately 2.3% of families and 4.3% of individuals live below the federal poverty line in Edina, while 7.5% of families and 11.6% of individuals statewide are. There's also been a substantial increase in diversity within Edina. Non-white racial groups made up 17.2% of the population in 2013, compared to just 5.7% in 2000. Unemployment rates are also lower in Edina than the rest of the state. Edina had an unemployment rate of 2.9% in 2013, compared to a statewide rate of 3.8%

C. OVERVIEW OF THE BUSINESS'S CURRENT PROMOTIONAL STRATEGIES AND PRACTICES

Currently, Silver Oak's promotional strategies aren't characterized by specific goals. Their marketing is completely reliant upon other third-party entities to portray a positive brand image for their company even though these entities do not have any obligation to do so. This is shocking for a firm of Silver Oak's prestige and asset worth. There are two primary avenues through which these promotional strategies function. First, they operate off word of mouth advertising and their, relying heavily upon on their clientele to spread positive words about the company to many others. The success of this strategy hinges upon the customer having a positive experience with the company. This is why Silver Oak heavily prioritizes customer services within its employee training and consistently strives to ensure that its customer has the

⁵ "Economic Development." City of Edina. Web. 12 Jan. 2017.



best possible experience with its company. Additionally, Silver Oak utilizes press coverage based off of rankings within investment bank rating journals and websites in order to establish credibility with its client base and spread a positive brand image nationwide, as these ranking agencies rank companies nationwide and consequently have a wide readership and network.

However, this is unsurprising when viewed in relation to the rest of the finance services market. Very few finance firms have seized upon the marketing opportunities that recent technological developments in social, local, and mobile platforms have provided, as shown by several analyses of finance firms across all three platforms. This presents an enormous opportunity for Silver Oak. The firms that have in fact seized upon have reported higher conversion rates from their advertisements. This shows that Silver Oak can differentiate itself from other wealth management firms that similarly have antiquated marketing tactics if it seizes upon the recent developments that have taken place and updates its marketing strategy.

III. RESEARCH METHODS USED IN THE STUDY

A. DESCRIPTION AND RATIONALE OF RESEARCH

METHODOLOGIES SELECTED TO CONDUCT THE STUDY

To craft a promotional plan that specifically caters to the demographic in Edina and Minnesota more broadly, our team utilized several research methods to gauge the effectiveness of several different social, mobile, and local promotional strategies. Our research focused solely on prospective clients as opposed to existing clients. Existing client data isn't helpful as the business does not have a status quo marketing plan. Existing client data would only evaluate the current plan without helping craft a new one.

We divided the data we would collect/obtain into three groups:

MOBILE DATA

This data focused on the effectiveness of the website in communicating the company's purpose and attracting prospective clients. We evaluated the website on the following metrics:



- ♣ **Usability** – Ability to seamlessly navigate the website and find desired information
- ♣ **Aesthetic** – Visual appeal of the website.
- ♣ **Content** – Whether website info answered crucial questions about the business.

LOCAL DATA

This data focused the most effective local marketing tactics. We looked for the following:

- ♣ **Search results** – Whether advertisements for local companies based on search queries generated more interest in consumers than ads for general companies.
- ♣ **Community events** – Overall attendance at community events and interest that each potential client had in community happenings.

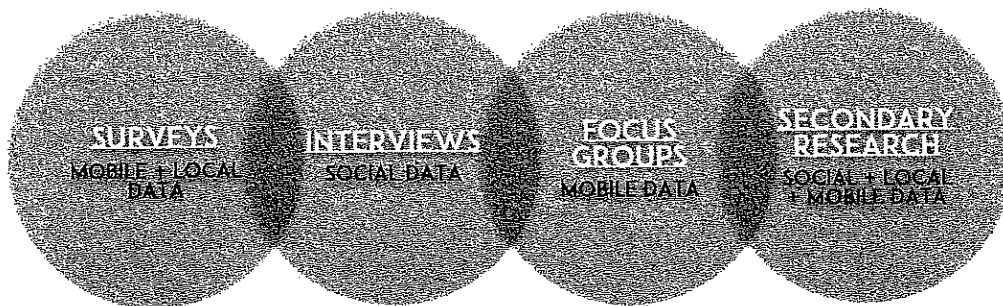
SOCIAL DATA

This data focused on the effectiveness of different social media posts. We asked the following:

- ♣ **Types of posts** – The types of posts that garnered the most interest in viewers.
- ♣ **Social media platforms** – The specific platforms and mediums through which social media marketing was most effective for each user.

Given that Edina's population is older than the national average, our research targeted the older segment of the population. Since corporations and businesses only composed 16.7% of Silver Oak's clientele, we tailored our research towards individuals. To gather the necessary qualitative and quantitative data on these fronts, we used the following research methods: surveys and interviews of prospective clients, focus groups, and secondary research.

FIGURE 6: OVERVIEW OF RESEARCH METHODS



SURVEYS

Surveys allowed us quantitatively analyze a large sample group representative of the Edina and Minnesota population. They were effective in this instance as they provided data about how large population segments felt about marketing tactics in a low-cost and efficient manner.

INTERVIEWS

Surveys can't capture each person's complete perspective. Therefore, we picked several of the people we gave surveys to and asked to conduct a short interview with them to gain additional qualitative data to provide additional insight as to which marketing tactics were most effective.

FOCUS GROUPS

Focus groups encourage individual participants to engage with others about the subject at hand, fostering a more in-depth discussion and revealing more information that otherwise could have been omitted from individual interviews about marketing tactics.

SECONDARY RESEARCH

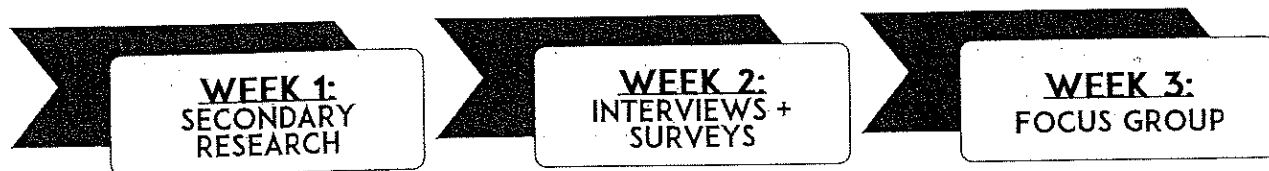
Secondary research gave our team a background about recent trends in social, mobile, and local marketing and their implications on the finance sector. This secondary research framed the rest of our primary research and determined each of our lines of inquiry.

B. PROCESS USED TO CONDUCT THE SELECTED RESEARCH

METHODS

Our team created a three-staged research process to conduct our research materials to ensure our methods were implemented in a strategic fashion over a three-week period.

FIGURE 7: TIMELINE OF RESEARCH PROCESS



STAGE 1: SECONDARY RESEARCH

We first researched the trends in social, local, and mobile marketing across all sectors of the economy. After having a background in these three marketing channels, we looked for information describing the status quo marketing methods utilized by the banking industry. The discrepancy between trends in other sectors and the strategies in the finance sector provided a starting point for developing a strategic marketing plan for Silver Oak wealth management. This research also provided the basis from which we developed our primary research tools.

STAGE 2: INTERVIEWS/SURVEYS

After our secondary research was completed, we conducted surveys of prospective clients in Edina. Our team visited the Southdale Center (a shopping complex) in Edina on two different days. We didn't ask survey questions about social media, as macro level data is available through secondary sources. We used the interview to gain qualitative data about what Edina residents specifically thought about social media. The survey data consequently focused on mobile and social channels. We prepared the following questions to ask in the survey:

- ♣ Rate the aesthetic appeal of Silver Oak's website on a scale of 1 to 5.
- ♣ Rate the ease of finding company information on the website on a scale of 1 to 5.
- ♣ On a scale of 1 to 5, how helpful is the content on the website?
- ♣ How often do you click on advertisements on the internet? Rate on a scale of 1 to 5.
- ♣ How often do you attend local, community events? Rate on a scale of 1 to 5.

After respondents filled out the surveys, we requested to conduct interviews with a select few. We asked the following questions to obtain qualitative data about social media preferences:

- ♣ Which social media networks do you use the most?
- ♣ On these networks, which advertisements do you click on?

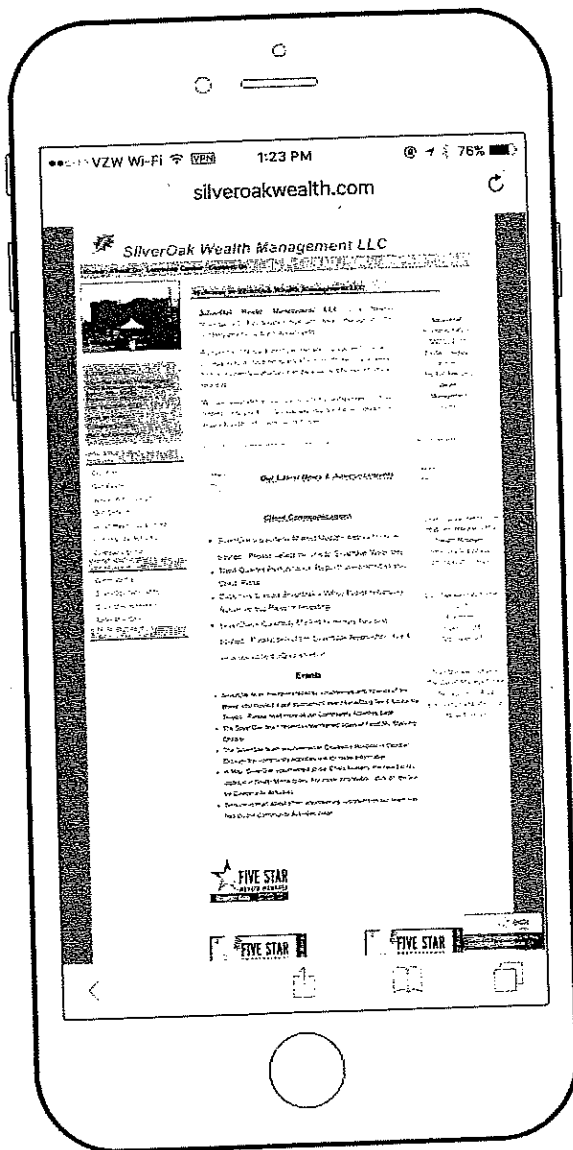
This data was used to determine the broader social media strategy to be utilized.



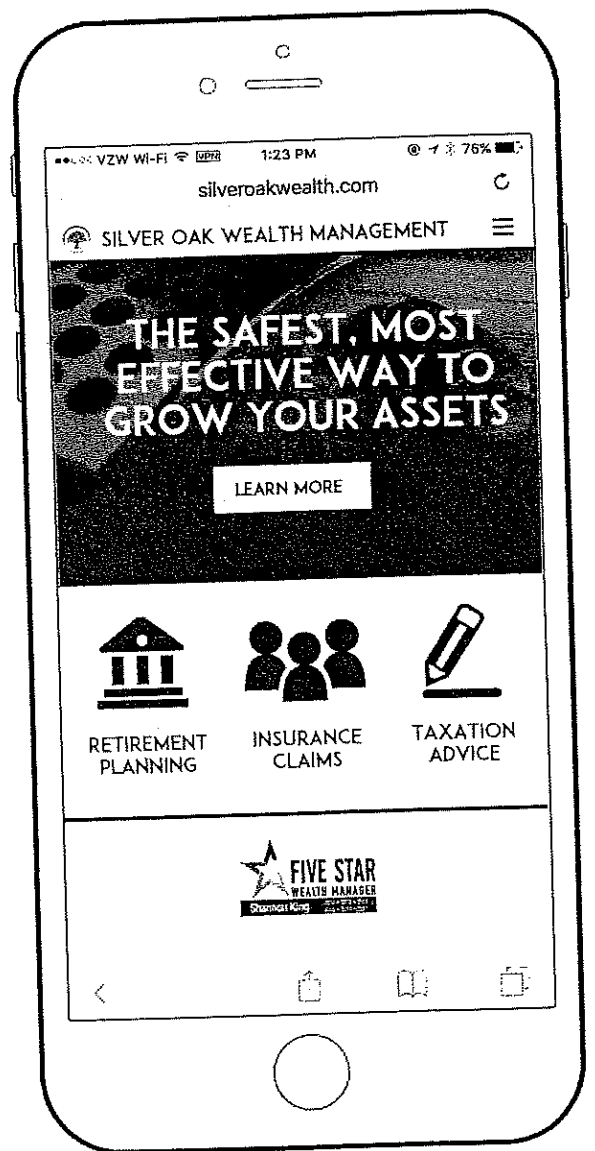
STAGE 3: FOCUS GROUPS

We utilized focus groups to primarily analyze the mobile website. We didn't have any specific questions to ask; we simply started the conversation about the website and let the group carry it out hoping to gain insights about mobile design and the type of information to prioritize on the main page of the website. We held one focus group with ten people of ages from 30-57, as these ages met the main ages of the target market in Edina. Within this focus group, we also

FIGURE 8: CONCEPT DESIGN OF MOBILE WEBSITE



CURRENT WEBSITE



REDESIGNED WEBSITE



facilitated a discussion about the provided concept design of the new website and suggestions for possible improvements.

IV. FINDINGS AND CONCLUSIONS OF THE STUDY

A. FINDINGS OF THE RESEARCH STUDY

SECONDARY RESEARCH

Our secondary research uncovered some interesting discoveries. The finance industry is antiquated relative to other industries in terms of adopting social, local, and mobile marketing strategies. There is a lack of coherence within the marketing plans of financial institutions across all digital channels⁶. The problems primarily center on social media strategies⁷ and the mobile website⁸ of financial companies, both of which need dramatic changes to attract a broader clientele. While we researched the effectiveness of different types of advertisements, we found that Google search-based advertisements, Twitter advertisements, and Facebook advertisements are the most effective mediums to advertise through and increased page views by an average of 3 to 5 percent, demonstrative of the broader fact that wealth management companies must give digital marketing a higher priority in their overall business operations⁹. Since the majority of wealth management companies have not made substantial inroads into digital marketing, this platform represents an avenue for Silver Oak to differentiate itself.

SURVEY FINDINGS

Overall, we surveyed 56 people over the course of two days at Southdale mall. While the survey responses varied slightly from person to person, there were clear overall trends throughout the data which provided a clear direction that the promotional plan of Silver Oak needed to take.

⁶ "Majority of Wealth Managers Lack a Coherent Strategy; Few Perform Robustly across All Digital Channels." MyPrivateBanking. Web. 13 Jan. 2017.

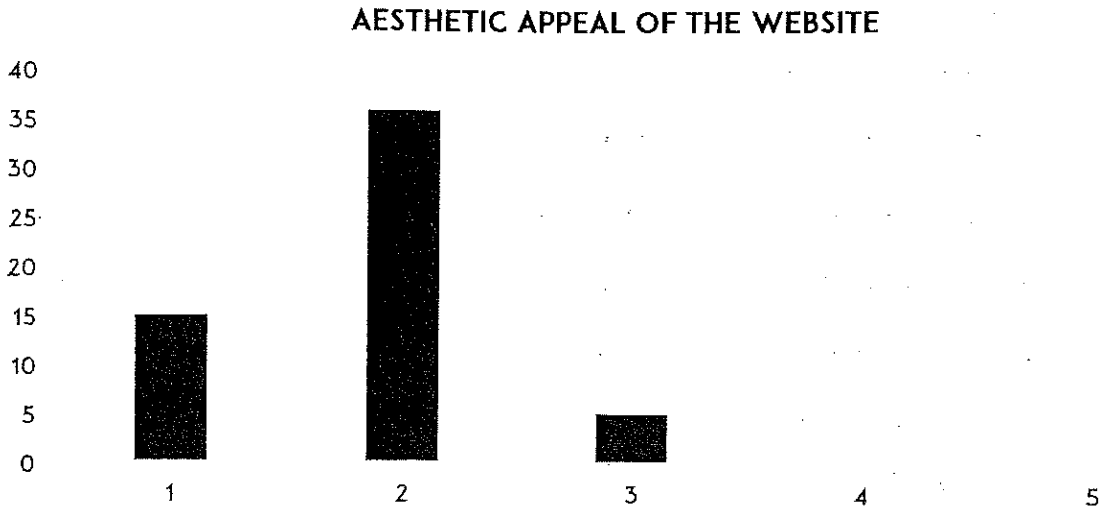
⁷ "Wealth Managers Need to Better Exploit Social Media." MyPrivateBanking. Web. 13 Jan. 2017.

⁸ "One-third of Wealth Managers' Websites Need Complete Relaunch." MyPrivateBanking. Web. 13 Jan. 2017.

⁹ "Why Wealth Management Can't Afford to Miss the Digital Wave." PwC (2016): n. pag. Web.

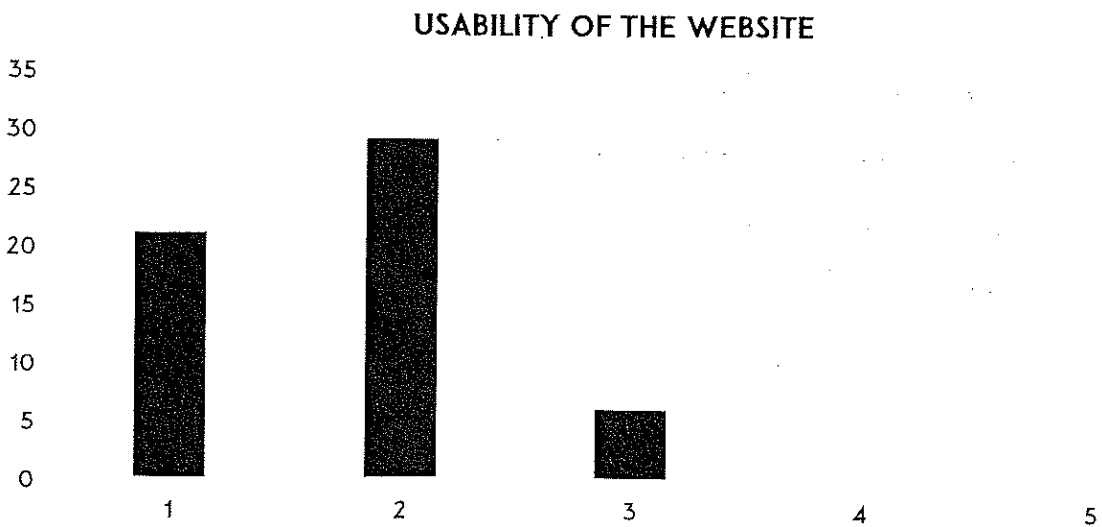


Question 1: Aesthetic appeal of the website.



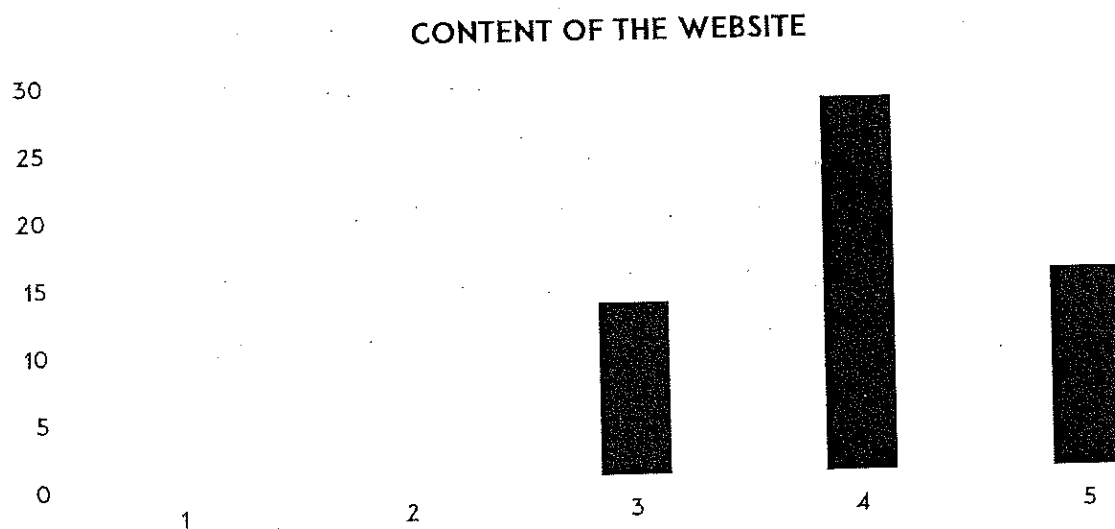
Findings: The survey results clearly indicate that the website does not have any aesthetic appeal. 15 people rated the website as a 1, 36 rated it as a 2, and 5 rated it as a 3. None rated it higher than a 3, showing that the aesthetic appeal clearly needs improvement. This is something that immediately needs improvement. Silver Oak does not have any other promotional materials other than their website, making it imperative for the company to have a visually appealing mobile website to create a positive image and establish credibility thus creating a higher likelihood to attract clients.

Question 2: Usability of the website.



Findings: The survey results again were critical of Silver Oak's website on this issue. 21 people rated the website as a 1, 29 people rated the website as a 2, and 6 people rated the website as a 3, with none rating it higher. This problem further complicates existing aesthetic problem with the website. Not only is it visually unreliable, it's difficult for visitors to navigate and find the information they're looking for. Our team did closer analysis of the website and discovered that a large reason for these critical ratings is that there are a lot of empty links (links that don't navigate to any page) present on the website. This creates confusion among lots of website viewers and further complicating the ability of the website to attract clients.

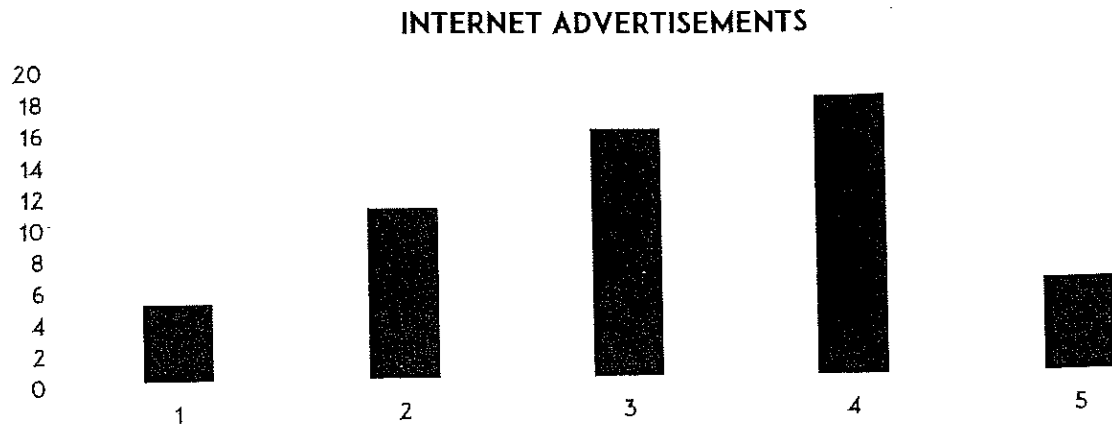
Question 3: Content of the website.



Findings: The survey results indicated that most website viewers found the content present on the website satisfactory in providing information about Silver Oak's services and offerings. 13 people rated it as a 3, 28 people rated it as a 4, and 15 people rated it as a 5. This shows that the problem on the website isn't the information presented on it, but rather the way it is packaged and presented, each of which makes a huge impact on the way that viewers make judgements on the website.

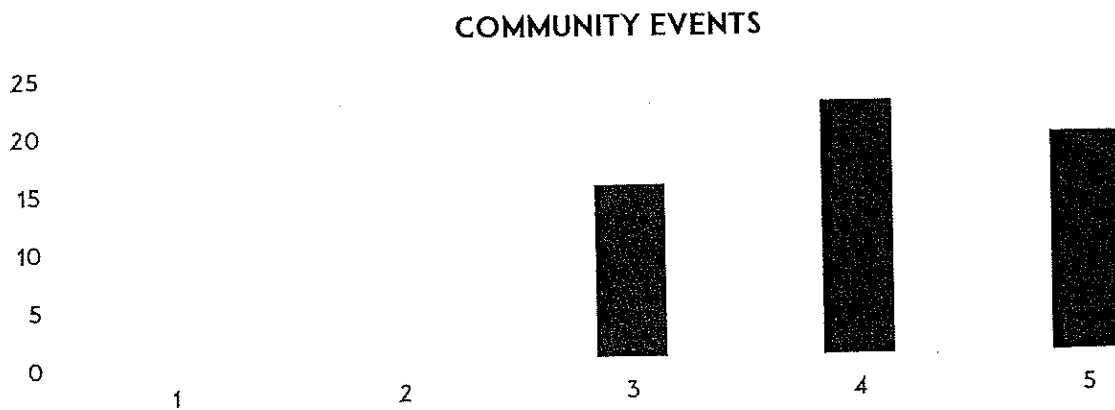


Question 4: Internet advertisements



Findings: Our survey results weren't too insightful on this issue, as there was a wide range of variance in these responses. 5 people gave a 1, indicating that they never clicked on internet advertisements, 11 people gave it a 2, 16 people gave it a 3, 18 people gave it a 4, and 6 people gave it a 5, indicating they clicked on internet advertisements extremely often. There were no clear identifiable trends within internet advertisement use.

Question 5: Community events



Findings: Our survey results indicated that most of the survey respondents were very involved in the community for the most part. 15 people gave a 3, 22 people gave a 4, and 19 people gave a 5, showing that most of the survey respondents participated heavily in community events. This presents a prime marketing opportunity for Silver Oak and increase awareness of their company and services.



INTERVIEW FINDINGS

The interviews provided perspectives primarily about social media, but also substantiated upon the survey question about internet advertisements. 17 people consented to being interviewed after taking the survey.

Question 1: Social media networks

Results: While three of the older interviewees indicated that they did not use social media, the rest of the interviewees primarily used Facebook and Twitter for networking purposes. Of the two, Facebook was the preferred option, as several interviewees went so far as to say that they spent 10-15 hours per week on Facebook. This provided the basis for the choice of social media networks to focus on within the strategic plan.

Question 2: Social media advertising

Results: Many of people interviewed indicated that they seldom clicked on social media ads. They further described, however, that they only clicked on advertisements that were relevant to things they had been searching for, substantiating the inconclusive results present in the survey data. The people who indicated that they never clicked on social media ads must have not seen ads that were relevant to items they searched for while the ones who clicked on lots of ads did in fact see ads relevant to previous searched. This indicated that a large chunk of the advertising budget needs to be dedicated towards search-results based advertising.

FOCUS GROUP FINDINGS

The focus group discussion was extremely fruitful in pinpointing several specific aspects of the existing website that need to be improved. First, they concluded that the home page (landing page) of the website needs changing. It immediately places the focus on client communications but does not do an effective job of communicating the company purpose with graphics and pictures. It only has some small text which the general viewer won't take the time to read. Additionally, they were confounded by the presence of empty links on the left-hand side of the mobile page, all of which need to be removed. The group was also critical of both the theme and color scheme of the website, describing how it destroys any credible image of the company.

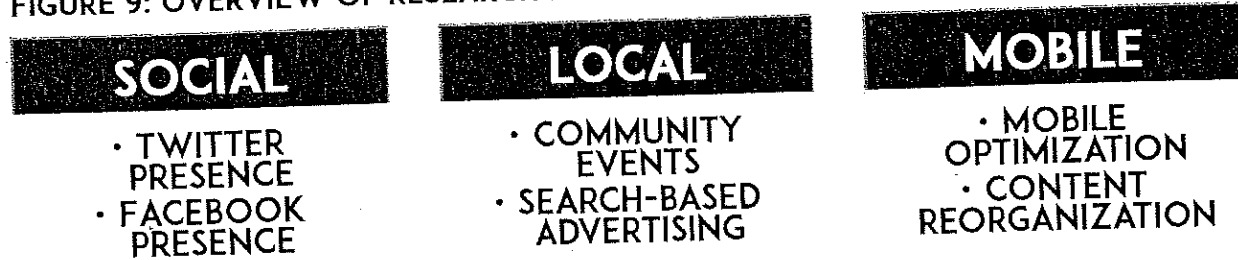


Each of these things need changing if Silver Oak is to attract additional customers through their website. They unanimously concluded that the concept design of the website was a fantastic starting point for a redesigned mobile website and would go a long way towards attracting a broader clientele.

B. CONCLUSIONS BASED ON THE FINDINGS

We found that there were several clear areas in which Silver Oak needs to boost its social, local, and mobile marketing strategies to expand its clientele.

FIGURE 9: OVERVIEW OF RESEARCH FINDINGS



SOCIAL MARKETING

Within the social platform, our research indicated that the company should utilize and aggressively market on Facebook and Twitter, the two most used social media platforms by the prospective client base in Edina, as each of these tactics will result in increased web traffic and awareness about the services of Silver Oak.

LOCAL MARKETING

Within the local platform, the research indicated that company should expand its presence at community events and utilize local search-based advertising to increase traffic towards its website and expand its brand presence.

MOBILE MARKETING

Within the mobile platform, the research results indicated that the Silver Oak's website needs to improve its structure, color scheme, and organization without changing its content. Adapting the website to the mobile platform specifically will substantially boost the company's image and increase its prospects of attracting additional clients.



V. PROPOSED STRATEGIC PLAN

A. OBJECTIVES AND RATIONALES OF THE PROPOSED PLAN

Based on the findings of our research study, we decided to concentrate our strategic plan on three unique areas that Silver Oak is lacking in the status quo – social media marketing, local brand awareness, and digital advertising. We therefore provided the following objectives for the strategic plan:

- ✦ **EXPAND SOCIAL MEDIA PRESENCE** – Since the target market primarily discovers new brands and companies through the use of social media (primarily Twitter and Facebook), Silver Oak must expand its social media marketing in order to be competitive with other wealth management firms and expand its client base. An expanded social media presence will increase the web traffic towards the firm's main webpage thereby increasing the likelihood of attracting more clients.
- ✦ **EXPAND COMMUNITY PRESENCE** – An expanded community presence will develop a closer relationship between the target market and Silver Oak, generating trust and interest in the company thereby increasing the likelihood that customers will choose Silver Oak as their wealth management company.
- ✦ **UTILIZE GEOLOCATION SEARCH-BASED ADVERTISING** – Geolocation advertising works by prioritizing companies who are geographically located close to the searcher's location within the search results and the advertisements listing. This will be another avenue through which Silver Oak can expand its community presence and local brand awareness.
- ✦ **OPTIMIZE WEBSITE FOR MOBILE DEVICES** – An optimized website will ensure that the viewers that do in fact visit the website are greeted with an appealing and engaging website as opposed to a text-based ineffective website that does more to deter viewers than attract them.



Meeting these goals will be imperative to improving Silver Oak’s promotional strategies on the specific areas that it is lacking in. This is will not only improve the existing structure that exists within the company and the current clientele that it serves to, but it will also allow for an influx of new clients and a higher awareness of the brand amongst people living in the local area.

B. PROPOSED ACTIVITIES AND TIMELINE

FIGURE 10: OVERVIEW OF PROPOSED ACTIVITIES

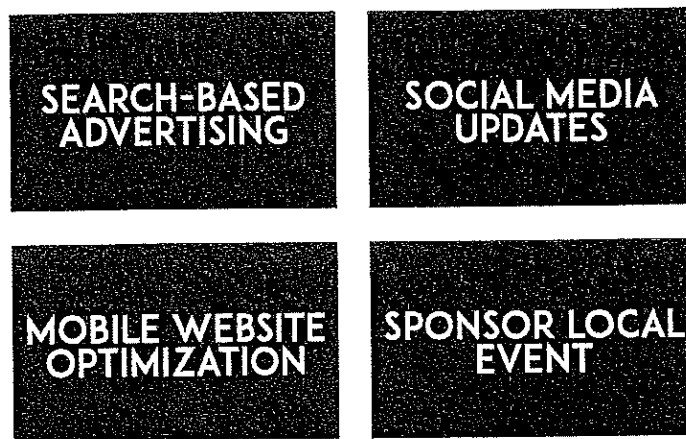
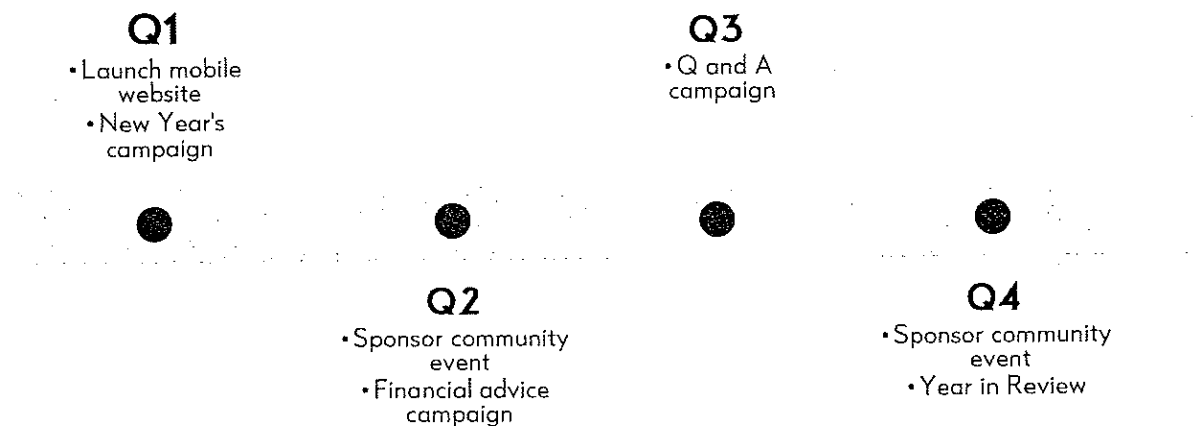


FIGURE 11: OVERVIEW OF SPECIFIC QUARTERLY ACTIVITIES



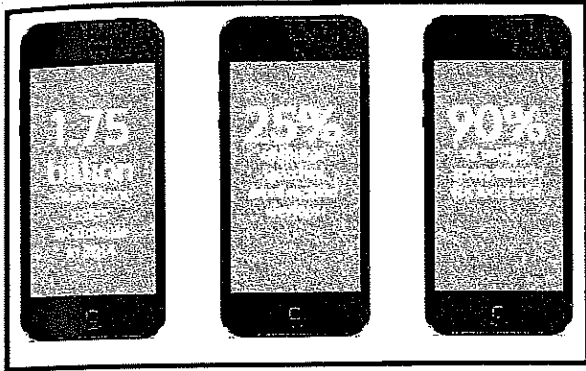
YEAR-ROUND ACTIVITIES (ACROSS ALL QUARTERS):

- ♣ Local search-based advertising
- ♣ Social media advertising
- ♣ Mobile website analytics



SEARCH-BASED ADVERTISING

We plan to implement a local search engine-based advertising strategy through the use of a



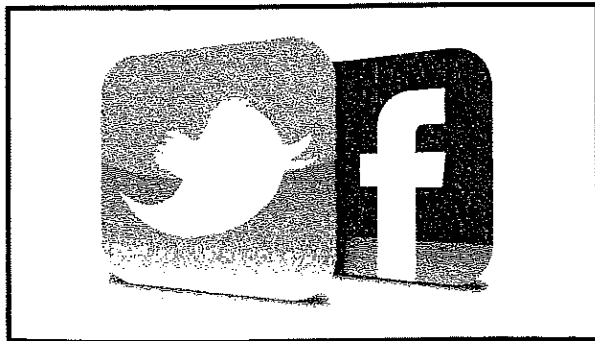
third-party service named 15miles. They boost the company's name search in results when someone within 15 miles of the geographic location of the company searches for something related to the company. For example, if a prospective client searches "retirement planning" within 15 miles of

Silver Oak, Silver Oak's website will be one of the primary search results that will emerge.

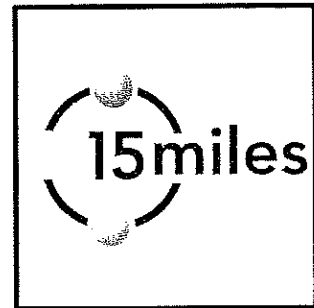
Given that clients prefer local companies, this advertising strategy will substantially boost the effectiveness of Silver Oak's local advertising and marketing.

SOCIAL MEDIA UPDATES

It is imperative for any company that is looking to improve its



outreach to potential clients to create a



platform on social media. This part of the plan specifically entails the creation of Twitter and Facebook accounts, which would allow direct interaction with people

interested in the company. Through this, Silver Oak would create a direct outlet for various services.

- **DIRECT AND QUICK CLIENT CONSULTATION** - Allows for companies to quickly respond to any customer questions or feedback.



SILVER OAK WEALTH MANAGEMENT | FINANCE OPERATIONS RESEARCH EVENT

- ✦ **COMPANY DEVELOPMENTS** - Allows companies to keep customers constantly updated on company events, creating a closer relationship with customers.
- ✦ **PROMOTIONAL MATERIAL** - Fantastic outlet for showcasing promotional material that Silver Oak has created or any press articles that have been written about it.
- ✦ **FINANCIAL ADVICE** - Customers interested in wealth management would be intrigued by articles describing different methods of investing smartly and planning more effectively, generating more trust between the customer base and Silver Oak.

71% of consumers who have good social media service experiences with a brand are more likely to recommend it to others¹⁰. This results in a domino-type effect, creating faster overall growth for the company. Another benefit of creating a social media platform is the reach that it creates. With people sharing information regarding Silver Oak, the brand marketing will extend beyond the company's own media pages. In order to most effectively capture social media's advertising potential, we planned a series of four distinct social media campaigns for Silver Oak to use within each quarter:

- ✦ **Q1: NEW YEAR'S CAMPAIGN** - Emphasizes the importance of planning for the year ahead and the ability for Silver Oak to not only streamline that process but ensure that each client has a fiscally responsible plan for the whole year.
- ✦ **Q2: FINANCIAL ADVICE CAMPAIGN** - Each employee provides pro-bono advice on any finance-related issue. These posts will not only be intriguing for any viewer, but will also increase trust and credibility that customers have for Silver Oak.
- ✦ **Q3: Q AND A CAMPAIGN** - Focuses on directly engaging the customer base by encouraging viewers to submit questions they have not only about the services of Silver Oak but also about any finance-related questions, further increasing client trust.

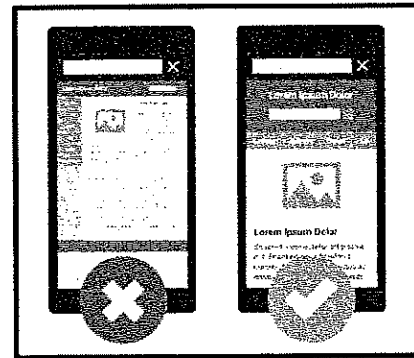
¹⁰ "21 Social Media Marketing Statistics You Need to Know in 2017." DreamGrow. 03 Jan. 2017. Web.



- ✦ **Q4: YEAR IN REVIEW CAMPAIGN** – This campaign will be a series of posts describing the highlights of Silver Oak’s past calendar year while also informing readers about how to analyze their investments of the past year and use the lessons obtained from them to inform their future financial decisions.

MOBILE WEBSITE OPTIMIZATION

In order to increase the attractiveness of Silver Oak, it is instrumental for people to be able to easily access the resources that Silver Oak provides. This is separate from social media, as it is important that the foundational aspect of Silver Oak (their website) on the Internet is effective and informational. The way that this would be implemented is through the optimizing the current content presented on the desktop website of Silver Oak for mobile devices, as the majority of page views



these days come from mobile devices. The current mobile website that Silver Oak has does not have the navigation capabilities or tools to be easily used by people who are interested in learning about the firm. There are a few ways that this could be fixed:

- ✦ **PLEASING AESTHETIC** – Includes easy navigation tools and neutral yet pleasing color schemes creating a higher retention rate.
- ✦ **LIVE CHAT INTEGRATION** – Allows people to directly communicate with employees, facilitating direct interactions with customers.
- ✦ **SOCIAL MEDIA DEVELOPMENT** – Develops the social media platform as well, as it the landing page for all promotional material on social media, creating a better marketing strategy, more efficient client relations, greater brand visibility for Silver Oak.



SPONSOR LOCAL EVENT

In order to create a clientele that will not only want to approach Silver Oak but stay with it, it is extremely important to personalize client relations. To do this, our plan looks to hosting events in local areas. This will create a face-to-face interaction between employers and both existing and potential clientele, which improves the chances of gaining more clients and also the interest to stay with the firm. The event will be a fundraising drive for any local charity that Silver Oak chooses. This will associate the brand of Silver Oak with local and charitable ideals



thereby creating a positive brand image. This is also fantastic promotional material, as by advertising the said event, the company will also have the ability to reach out to completely new people that they haven't been able to reach through other platforms and outlets.

Each event would take place in a local area creating easy access for those who could be potential investors and clients. These events would allow for direct conversations that create an atmosphere of individual care, where clients and potential clients feel as though their unique issues would be the top priority if there were to join. Face-to-face discussions have 93% communication effectiveness, therefore showing the positive impact on improving Silver Oak's promotions¹¹.

C. PROPOSED METRICS OR KEY PERFORMANCE INDICATORS TO MEASURE PLAN EFFECTIVENESS

Two specific metrics will be used to measure the effectiveness of the strategic plan:

FIRM PERFORMANCE ANALYSIS SURVEY

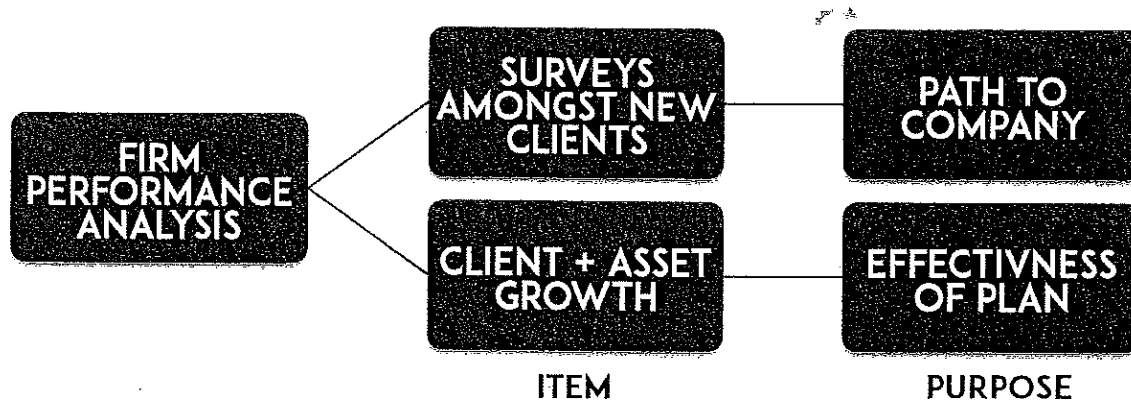
The most efficient way to see whether or not the firm promotional strategy is improving. There are two channels through which we will analyze this and we will analyze both channels on a

¹¹ Tardanico, Susan. "Is Social Media Sabotaging Real Communication?" Forbes. Forbes Magazine, 15 Apr. 2014. Web. 16 Jan. 2017.



six-month basis. First, we will analyze the financial performance of the firm in terms of asset size and numbers of total clientele. We will compare the bank’s financial growth over each period to its growth in years past. We expect to see a spike in the overall growth rate of the bank. If the firm’s financial performance improves, then the firm should dedicate more funds towards each of the activities in the proposed plan. Additionally, we will do a survey amongst new clients to determine how they learned about Silver Oak’s services. This will be used to gauge whether or not the new marketing channels opened by the plan directly translated into increased sales. Both the analysis of the firm’s financial growth as well as the survey will be implemented every three months. A shorter timeframe will risk not giving enough time for the promotional plan (specifically each social media campaign) to take effect while a longer timeframe will risk missing subtleties within the data from each campaign.

FIGURE 12: FIRM PERFORMANCE ANALYSIS



INTERNET ANALYTICS

Google, Facebook and Twitter analytics will detail the amounts of webpage views Silver Oak receives from each of these digital platforms. These analytics will be compared to the expected ROI (expected percentage increase in page views) to see whether or not they are effective and meeting industry standards. However, this is not a large concern as we are already contracting a marketing firm (15miles) to ensure that the advertising budget is optimized. Since Google, Facebook, and Twitter all constantly create analytics for each company that advertises using their services, an analysis of these metrics can be done on a monthly basis.



VI. PROPOSED BUDGET

A. COSTS ASSOCIATED WITH PROPOSED STRATEGIES

NAME OF PROGRAM	COST (ANNUALLY)	EXPECTED ROI
LOCAL ADVERTISING THROUGH 15 MILES	\$5,000	3-5% INCREASED AD EFFECTIVENESS
FACEBOOK AND TWITTER ADS	\$10,000	6-8% INCREASED PAGE VIEWS
REDESIGNED WEBSITE	\$1,500	60% INCREASED PAGE RETENTION RATE
SILVER OAK COMMUNITY EVENTS	\$5,000	2% CLIENT CONVERSION RATE
GOOGLE ADVERTISING	\$10,000	5-7% INCREASED PAGE VIEWS

BUDGET BREAKDOWN

- ✦ **LOCAL ADVERTISING THROUGH 15MILES** – 15miles charges \$5,000 annually to optimize client websites.
- ✦ **FACEBOOK AND TWITTER ADS** – On an annual basis, \$10,000 across the two platforms is necessary to ensure a high visibility for each of Silver Oak’s promotional materials.
- ✦ **REDESIGNED WEBSITE** – This cost stems from the hosting fees charged by each website template designer optimized for mobile devices.
- ✦ **SILVER OAK ANNUAL EVENT** – There will be two events held throughout the year, each one costing \$2,500. The cost to rent space at the Minneapolis Convention Center is \$2,000 and we have reserved \$500 for any promotional materials Silver Oak chooses.
- ✦ **GOOGLE ADVERTISING** – Like with Facebook and Twitter, this amount of money is essential to be able to be prioritized above other advertisements in order to generate higher traffic to the website.

ROI

In the digital realm, many marketers have struggled to effectively measure ROI¹² because it is a multi-channel form of media. This is why we’ve only been able to describe ROI in terms of

¹² Central, ASI. "Study: Marketers Struggle with Measuring Digital ROI." ASI - Promotional Products Membership Organization. Web. 16 Jan. 2017.



website traffic. Without any Silver Oak-specific, we estimated the increase in page views using industry standard data.

- ✦ **TWITTER AND FACEBOOK ADS ROI** - On average, marketers that use Twitter and Facebook ads see web traffic increased by 6-8%¹³.
- ✦ **GOOGLE ADS ROI** - Similarly, Google advertisements on average increase web traffic by 5-7%¹⁴.
- ✦ **15MILES ROI** - 15miles reported that typically their clients see an increase of 3-5% web traffic from each of their advertisements after having 15miles optimize their advertisements.
- ✦ **EVENT ROI** - Researchers have found that on average, 2% of attendees at events become clients¹⁵, so the ROI of the event is expected to be 2% of the attendance.
- ✦ **MOBILE WEBSITE ROI** - ineffective mobile site causes 60% of viewers to immediately jump to competitors websites¹⁶. Therefore, a more effective website will increase the page retention rate by 60%.

Compounding all of these, we expect the promotional plan to net an increase of 15.7%-22.5% in page views. Overall, to make up the cost of the budget, Silver Oak needs roughly \$3,000,000 in increased assets (it collects profit based off of 1% interest on each dollar in each account). Since the average account size at Silver Oak is \$600,000, Silver Oak only needs 5 additional clients to cover the cost of the plan. Given the plethora of items presented in the plan, this is not a difficult feat ensuring that the plan will foster growth for Silver Oak well into the future.

¹³ Kim, Larry. "New Data Proves Facebook Ads Lift Search ROI." WordStream. N.p., 21 Nov. 2016. Web. 16 Jan. 2017.

¹⁴ "Google Adwords Conversion Rate Averages by Industry." Smart Insights. N.p., 21 Sept. 2016. Web. 16 Jan. 2017.

¹⁵ "Average ROI At Events Is 5x; Time For Marketers To Stop Being Average!" PR Newswire. Web. 16 Jan. 2017.

¹⁶ Randolph, Bridget. "Tracking Mobile Visitors in Google Analytics: A Checklist Guide for Mobile Insights." Distilled. N.p., n.d. Web. 16 Jan. 2017.



VII. BIBLIOGRAPHY

- "21 Social Media Marketing Statistics You Need to Know in 2016." *DreamGrow*. N.p., 20 Dec. 2016. Web. 02 Jan. 2017.
- "5 Digital Marketing Trends in Banking for 2016." *The Financial Brand*. N.p., 29 Mar. 2016. Web. 02 Jan. 2017.
- "Average ROI At Events Is 5x; Time For Marketers To Stop Being Average!" PR Newswire. Web. 16 Jan. 2017.
- "Census Information." *City of Edina*. Web. 11 Jan. 2017.
- Central, ASI. "Study: Marketers Struggle with Measuring Digital ROI." ASI – Promotional Products Membership Organization. Web. 16 Jan. 2017.
- "Economic Development." *City of Edina*. Web. 12 Jan. 2017.
- "Edina City, Minnesota." United States Census Bureau. Web. 12 Jan. 2017.
- "Google Adwords Conversion Rate Averages by Industry." *Smart Insights*. N.p., 21 Sept. 2016. Web. 16 Jan. 2017.
- Kim, Larry. "New Data Proves Facebook Ads Lift Search ROI." *WordStream*. N.p., 21 Nov. 2016. Web. 16 Jan. 2017.
- "Majority of Wealth Managers Lack a Coherent Strategy; Few Perform Robustly across All Digital Channels." *MyPrivateBanking*. Web. 13 Jan. 2017.
- "One-third of Wealth Managers' Websites Need Complete Relaunch." *My Private Bank Research*. N.p., n.d. Web. 02 Jan. 2017.
- Randolph, Bridget. "Tracking Mobile Visitors in Google Analytics: A Checklist Guide for Mobile Insights." *Distilled*. N.p., n.d. Web. 16 Jan. 2017.
- SilverOak Wealth Management LLC*. Web. 11 Jan. 2017.
- "Silver Oak Wealth Management LLC." *BrightScope*. Web. 11 Jan. 2017.
- "Social, Local, Mobile Trends Transform Search for Businesses." *AOL.com*. AOL, 14 July 2016. Web.
- Tardanico, Susan. "Is Social Media Sabotaging Real Communication?" *Forbes*. *Forbes Magazine*, 15 Apr. 2014. Web. 16 Jan. 2017.
- "Wealth Managers Need to Better Exploit Social Media." *My Private Bank Research*. Web. 02 Jan. 2017.
- "Who Says Banks Can't Be Social? Become a Social Bank, inside and out." (2013): n. pag. *Deloitte*. Web.
- "Why Wealth Management Can't Afford to Miss the Digital Wave." *PwC* (2016). Web.

