



Case Study:

Online Banking and Customer Relationship Management Turnaround at One of California's Largest Banks



At the beginning of 2001, Sanwa Bank California was the 3rd largest bank headquartered in California. As the largest and most profitable foreign subsidiary of the world banking giant Sanwa Bank Ltd., it had 107 branches and \$9.3 billion in assets.

Sanwa had been an early advocate of leading edge technologies. It was one of the first banks in the area with PC banking and a debit card linked to a home equity line of credit. But, management had lost favor with this strategy because of uncertainty about its impact on the bank's bottom line. So, for two years, Sanwa Bank California sat on the sidelines while other California banks in their niche caught up, then surpassed them, in customer-focused technologies.

As online business and retail banking became critical to the bank's growth, management decided to bring in an experienced, senior executive to lead Sanwa's e-business efforts. David Espenschied, who had been the President of Countrywide's E-Business Division during its greatest expansion, was recruited to lead the effort. After surveying the situation, David brought in Jeremy Bach-

mann, a Countrywide e-business veteran, who had led Countrywide's online marketing efforts, including developing substantial tracking and data mining capabilities for the company.

Soon after David and Jeremy arrived at Sanwa, the corporate parent in Japan announced a merger with another Japanese banking giant, Tokai Bank. The new U.S. entity would now be called United California Bank. Recognizing a merger and new brand represented a great opportunity to change the status quo, David and Jeremy sprang into action.

Our Solution

From January 2001 to October 2001, David Espenschied and Jeremy Bachmann undertook a massive turnaround in Sanwa's e-

business capabilities.

Two critical applications were launched successfully—commercial banking cash management and retail banking online bill payment.

Rather than redesigning the old Web site, an entirely new, 270-page site was built that accounted for all the bank's products and services. To serve the bank's large Pacific Rim customer population, the entire site was replicated in Chinese. Furthermore, the site was built on a robust content management platform, so that control of content was put back in the hands of product and marketing managers.

Espenschied and Bachmann also launched aggressive channel integration efforts. Telephone banking, the call center, and the Web site were woven together as equal options for the customer to transact. Marketing campaigns for free checking and home equity lines of credit utilized direct mail, web, and mass media in unison. Customer data collection became a high priority and work began to consolidate the information in over 20 customer databases, find the information gaps, and fill them through the call center channel. To drive traffic and communicate with customers, a personalized e-mail marketing program was initiated based on cus-

tomers web activity and call center interaction.

Results Delivered

In the first ten months:

- The total number of online banking customers increased 115%.
- Total Web-based product leads increased 452%.
- Sales originated through the Web channel increased 633%.
- Self-service transactions through the Web site nearly tripled.
- The number of online bill pay customers consistently rose 40% to 60% monthly after its launch.
- Collected 4,200 e-mail addresses in first 60 days through the customer service channel and with no additional marketing spending.

David Espenschied and Jeremy Bachmann's work with United California Bank has been highly successful. United California Bank effectively integrated the Web with the branch and call center channels, resulting in dramatic sales growth throughout the bank. ■

Let Us Help You

Espenschied-Bachmann Group, Inc. is a leading provider of management and technology consulting and services to the financial services industry. With over 30 years' combined experience in the banking, mortgage, insurance, and investments fields, David Espenschied and Jeremy Bachmann have led successful efforts at companies such as Countrywide Home Loans, Sanwa Bank California, Lombard Brokerage, and California Federal Bank.

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