



An Interview with Larry Hyett

Sales Efficiency and Customer Experience

In this Industry Insight we talk to Larry Hyett who is a financial services veteran with over 20 years experience in a broad range of roles including Commercial Lending, Audit, Capital Management, Product Management and Sales and Distribution. Larry has also served on the Board of Trustees of Canada Trust Corporation.

Please provide a brief overview of the retail sales and customer experience group?

“The group is responsible for the strategic direction of the customer experience in the branch channel and as well as improving productivity in the branch channel.”

TD Bank Financial Group has one of the best reputations in North American Banking for Customer Service, how do you institute a culture of excellence in customer service?

“It has to start at the top of the House. Our CEO, Ed Clark, emphasized the customer experience since he was president of TD Canada Trust in 2000. He has made that our mission to focus on that. The organization created guiding principles around the shareholder, employee, and clients, and why customer service is important to the success of the bank. If you treat employees well, they will treat customers well, and the bank and shareholders will be rewarded.”

How do you balance customer service, productivity and sales? (Note in the actual newsletter we may create an illustration of the triangle to show the employee, customer and shareholder triangle relationship)

“We have a balanced score card to cover every channel. People are rewarded on customer service, profit through productivity, and sales of their particular unit. The metrics are aligned with balancing those three things.”

The belief at our bank is that culturally, if you treat employees well, they will treat customers well. Customers in turn, will be loyal and they will give you more business and refer friends, thus rewarding shareholders.

You will develop a strong brand to bring more customers through the door. We measure people to align with those three things with the most important being focus on the customer. We believe if you focus on the customer, all three sides of the triangle will come together.”

Are there any financial or non-financial institutions you admire, and why, in regards to providing a great customer experience. How can banks apply those lessons?

“A big theme for us over the past year is not just to be a good bank, but to be a great retailer. We have looked at other businesses that have demonstrated excellence in their industry such as Apple, Lego, Ritz Carlton, and American Express.

Our managers have actually gone through exercises where we have visited great hotel chains such as Ritz Carlton, and retailers such as Apple and The Bay in Canada.

My favorite is Apple. If you look at how they treat their employees and walk into their stores, they treat and pay them well. When you walk in, you are treated well. Those folks are a happy lot. They aren't paid on commission. There are lots we can learn from companies like Apple.”

What is the biggest complaint you hear from customers and how do you manage those complaints without sacrificing profitability or efficiency?

“The biggest complaint that we hear changes over time. For a while it was holding people's money on deposited check.

You tackle those things one at a time. As an organization you have to be systematic when tackling issues. You make everyone in the organization accountable for the customer experience.

Our senior leadership from the CEO down, have their pay linked to the customer experience, so everyone is impacted. I don't think other banks do that.”

Do you see any new trends emerging that will also impact customer experience and productivity?

“The general trend is the customer are expecting more and more. Customers aren't comparing their experience to other banks, they are comparing it to other recent interactions such as their last visit to a hotel, their mobile service provider, or at the Apple store. The bar is rising.

The second thing is that we haven't been hit as hard as the US. How we deal with customers during an economic downturn is critical. That is a trend banks have to deal with.

Customers have long memories and they will be loyal to banks that are loyal to them. We have to balance our risk as a bank, and our fiduciary responsibility and drawing in your horns such as taking away credit.

We have seen a lot of that in the US. That is a concern if the economy turns further south, however I would be inclined to say that is a trend.”

How does the bank improve efficiency without sacrificing customer experience?

“I don't think the two work at odds. Customers don't want to talk to you forever and a day. Some do, and we find ways to accommodate them. Our job is to get customers to the right person. If you think of a hospital and how they triage, we have to do it as well, and when it's done well it is a good customer experience.

If you talk to a person and find out their net worth, you get them to the right person. The quicker it can be done, and limit the number of forms, the happier the customer will be.

The more streamlined you can make a process, the less vulnerable you are to errors and less likely they are to complain.”

Are there any books you would recommend people read that have helped you think through and/or improve your customer service and productivity?

“While I read quite a few books, I wouldn’t say customer service comes from a book. In the bank we use the “The Ultimate Question” by Fred Reichheld, when training our customer service representatives. It doesn’t necessarily come from books and you can’t build a culture from books. You have to talk about it continuously, reward people for it, and do it even when times are tough. Another good book to read would be “A Customer for Life”.

About the author

Larry Hyett is a financial services veteran with over 20 years experience in a broad range of roles including Commercial Lending, Audit, Capital Management, Product Management and Sales and Distribution. He previously serviced on the Board of Trustee’s of Canada Trust Corporation and is actively involved in his community and in particular is passionate about helping to find a cure for Juvenile Diabetes. Larry has a business degree from the Schulich School of Business. He is married with 3 daughters and lives in Oakville, Ontario.

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