

# FANS!

not customers

**How to Build a Growth Company  
in a Slow Growth World**



May 2015

# building the brand



# building the brand

<b>Model</b>	Value differentiating
<b>+ Culture</b>	Unique
<b>Execution</b>	Fanatical

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= **FANS!**  
Not Customers

# **create a unique model**

- **Add clear customer value**
- **Create an emotional brand**
- **Reproduce and prosper**

# *Commerce* *Bank*

*Most beloved*



by its

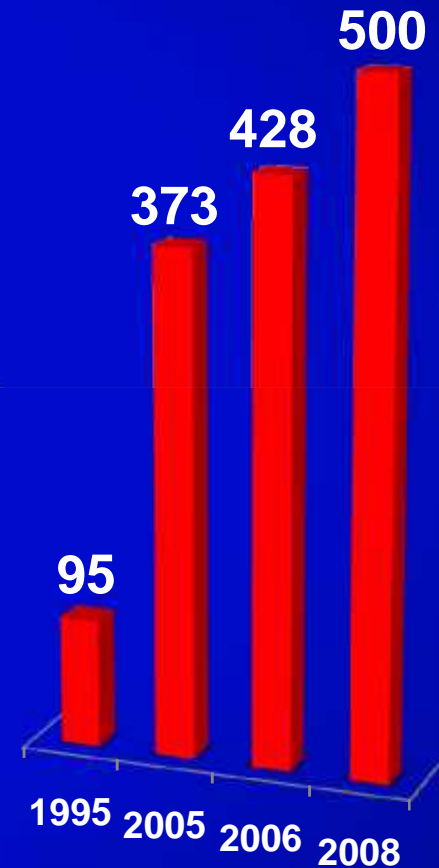
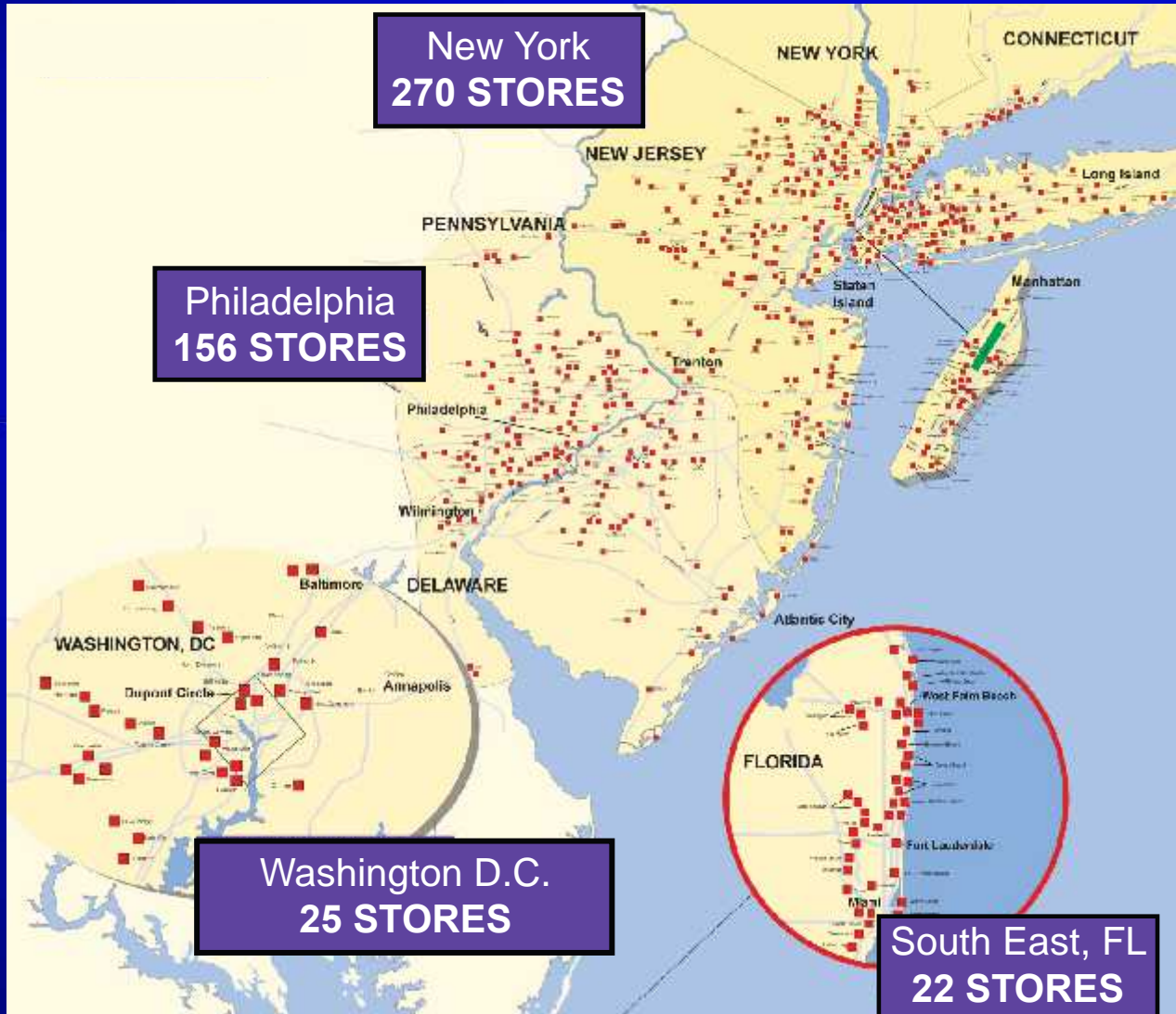
**Shareholders  
& Customers**

wow!

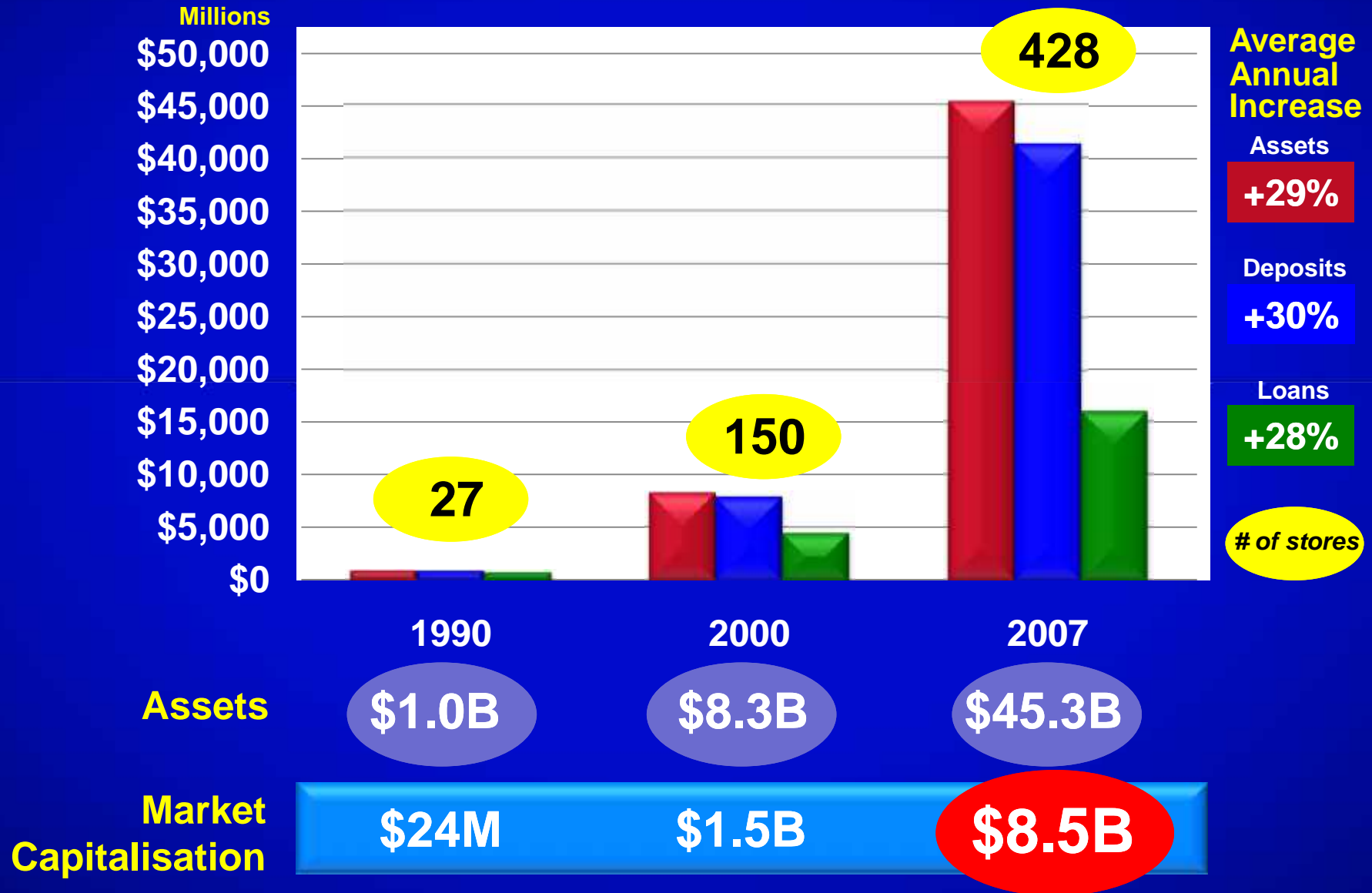
awards – radio city music hall nyc



# commerce bank store growth



# a growth model



# the commerce philosophy

- Core deposits create value
- Customers will trade lower rates for a *Better RETAIL EXPERIENCE*
- Great business creates

**FANS!**  
Not Customers



# chiefs in the 20-20-20 club



Members of the Forbes 20-20-20 Club are chief executives who've held the top job for 20 years at a company with publicly traded shares for at least 20 years, who have presided over at least a 20% annual return since the company went public.

Chief Executive Officer	Company	Tenure As Chief (years)	Annualized Total Return During Tenure
Lawrence J. Ellison	Oracle	30	31%
Howard Solomon	Forest Labs	30	29
Warren E. Buffett	Berkshire Hathaway	37	27
<b>Vernon W. Hill II</b>	<b>Commerce Bancorp</b>	<b>34</b>	<b>23</b>
Harold M Messmer Jr.	Robert Half Int'l.	21	23
Alan I Kirshner	Markel	21	22
Leslie H. Wexner	Limited Brands	44	21

Source: Forbes.com, May 2007 - Andrea D. Murphy



**theguardian**

## **Metro Bank opens on Sunday as battle for high street hots up**



# metro bank



- Britain's first new High Street bank in over 100 years
- Founded by Vernon W. Hill II, founder of Commerce Bancorp (CBH)



- Capital of £640 million
- 7-Day Store banking
- Now open with 34 Stores
- 200+ Store target in Metro London

# a revolution in british banking

- **Totally new with no legacy reputation, regulatory, credit or funding issues**
- **Based on the Commerce Bank, retail model**  
*The most successful in America*
- **Completely deposit funded: No wholesale funding**
- **New state of the art information technology**
- **Complete commercial bank**  
**40% Consumer 60% Business**
- **500,000+ accounts**



# the metro bank model

- Growth retailers Not bankers
- Become a power retailer
- Unique deposit driven/retail focus
- Customers will trade lower rates for a ***Better RETAIL EXPERIENCE***
- Great business creates ***Fans Not Customers***
- Growth is essential to success and value

# the metro bank culture

- Create a culture to match your model
- Culture must be very clear and very pervasive *“Buy In or opt out”*
- Hire for attitude and train for skills
- Over-train
- Over-reinforce
- Make everyone an owner



# fanatical execution

- Believe in your model
- Over-invest in facilities & people
- Demand 100% execution
- One person to say **YES**,  
two to say NO
- No stupid bank rules





# kill a stupid rule



*7 Day Store Banking*



*Free Coin Counting*



*Safe Deposit Boxes*



*Free Pens*



**dogs rule!**  
at **METRO BANK**

milton keynes - oakgrove



reading



# join the revolution



 **in-store**



 **online**



 **mobile**



 **phone**

**The best of every channel you choose.**



# metro bank voted no.1 in customer service



**METRO**  
BANK

**93%**

First Direct 83%

Halifax 63%

TSB 54%

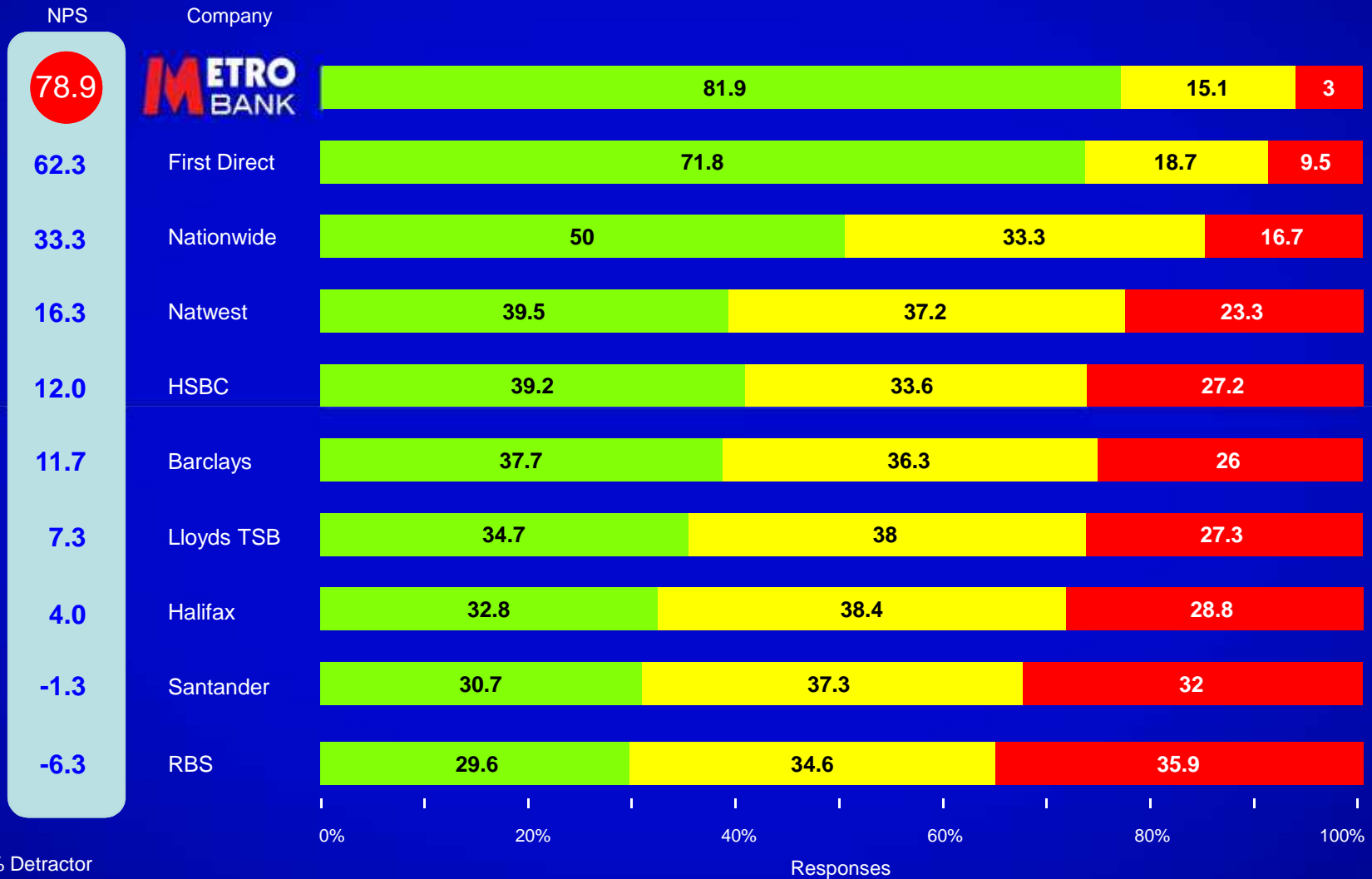
Lloyds Bank 35%

Barclays 30%

Santander 25%

Royal Bank of Scotland 6%

# net promoter score



- % Detractor
- % Passive
- % Promoter

Metro Bank September 2014 SatMetrix Account Opening Survey  
 All competitors May 2013 - Dec 2013 Satmetrix 2012 European Consumer Benchmark Reports - Banking - UK

# metro bank brand awareness

Before today had you heard of Metro Bank?

	YES September 2014	YES April 2013
Total	66%	63%
Working	72%	69%



# metro bank growth

	2014	%
<b>Assets</b>	<b>£3.8B</b>	<b>+111%</b>
<b>Deposits</b>	<b>£2.8B</b>	<b>+118%</b>
<b>Loans</b>	<b>£1.6B</b>	<b>+112%</b>
<b>Capital</b>	<b>£.600B</b>	<b>+48%</b>
<b>Accounts</b>	<b>450,000</b>	<b>+62%</b>
<b>Stores</b>	<b>33</b>	<b>+32%</b>
<b>comparative store deposits</b>	<b>100%</b>	

# metro bank growth plan



# summary

- Emotional brands create massive value
- Building **FANS!** not Customers creates great brands
- Your brand is: Who you are  
What your are  
What your Customers expect
- Every decision will strengthen or weaken your brand
- Always improve your model
- Great brands create great value in any market



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