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Solutions Guide



# Keys to Building A Performance- Driven Culture at Your Institution



# Introduction

**A performance-driven culture. You've likely heard the term, but what does it really mean? Let's break it down.**

## Growth Mindset

- » Optimistic
- » Excited by opportunity
- » Ever-expanding comfort zone
- » Visualizes the thrill of victory
- » Celebrates others as growing and developing

## Fixed Mindset

- » Pessimistic
- » Afraid of challenge
- » Small and static comfort zone
- » Visualizes the agony of defeat
- » Pigeonholes others as static and limited

When we talk about the culture of any given organization, we're generally talking about its personality. It starts with the workplace vibe (buttoned-up and formal or casual Friday all week long?), goes into perks and benefits, then settles into values, norms, and visions. It also means, in general, how things get done.

In some organizations, they have built a structure and environment based on driving better results on a consistent basis. Goals are met and exceeded, new goals are set. The entire company is driven by the motivation to achieve and sustain that kind of success. Performance is measured and rewarded. That's a performance-driven culture.

In the financial industry, it's more critical than ever to focus on performance. The industry is in flux, with fintech changing the way customers do their banking, a more challenging regulatory environment than we could have imagined experiencing, technology changing consumer expectations, branches realizing that their entire raison d'être—transactions—have left the building. Industry leaders to contemplate transforming and branches into places that are more like hotel lobbies, technology hubs, or even food trucks. It's not your father's financial industry.

It's all well and good to focus on

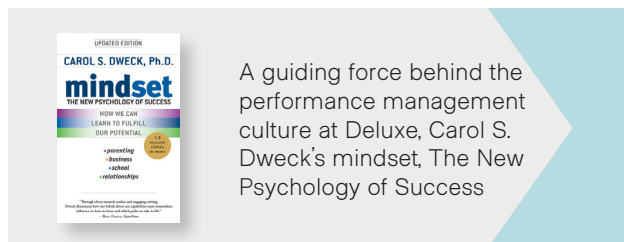
transforming the customer experience, but the transformation also needs to happen internally. That's where the focus on performance comes in.

It requires a mindset change on all levels of the organization. At Deluxe, we talk a lot about mindsets. There's a fixed mindset or a growth mindset.

A growth mindset could also be called a continuous improvement mindset. With that kind of mindset, you're thinking: I've got my strengths. I can build on those. I've got my weaknesses. I think I can overcome some of those. I think I can get better! I can grow. Develop. I'm dynamic!

A person with a fixed mindset is thinking: I've got my strengths and weaknesses and there is really no point in trying to change them. I need to continue to improve at my strengths and either hide or compensate for my weaknesses. They're going to limit me so I'll step away from those. I'll double down on my strengths because I'm static. I am who I am, so I'll be the best version of who I am today.

Everything starts with your beliefs. Tying that to creating a performance-driven culture, what are the beliefs of high-performing banks?



A guiding force behind the performance management culture at Deluxe, Carol S. Dweck's mindset, *The New Psychology of Success*

# Beliefs of High-Performing Banks

High-performing banks aren't all the same, but they do hold some common beliefs. At Deluxe, we've worked with community banks and credit unions throughout the United States. We came to realize that there are five core beliefs that the highest performers follow that allow them to develop a successful culture.



## **Performance begins with culture.**

This was covered earlier in the report, but it's so important to everything else that it warrants mentioning again. As leaders, you must build an environment that encourages a growth mindset. You must refuse to settle for mediocrity. A growth mindset won't happen without a dedicated effort to drive this mindset in your institution.

## **Performance is earned; it is not an accident.**

It's not luck that brings high performance, it's intentional actions that bring results. It's something to strive for each day, especially during times of flux, recession, rising interest rates and a whole host of things that affect a bank's performance. If you want your institution to grow faster than the industry, it's time to make intentional decisions to get there."

## **High performance requires an informed workforce.**

Everyone in the organization, from the board room to the teller line, impacts performance. In some banks, the C-suite believes the lower-level employees don't understand key performance indicators, and maybe that's true to a degree. But, every employee in the bank needs to understand how they can make a difference, and just as important, they need to understand how vital they

are as an individual in the shared goal of boosting performance. How do you do that? Create a culture of accountability. Set reasonable goals and manage your people toward attaining those goals. Keep the goals in front of your employees daily and let them see for themselves where they and the bank stand on achieving the goals.

## **The market rewards the agile institution.**

The institutions that make better, faster decisions outperform the market. If your data is old, and if there's a lack of transparency, too much time and energy is spent crunching numbers instead of analyzing trends and making course corrections.

## **Data serves people (not vice versa).**

Let technology do the heavy lifting, aggregating and visualizing data for better analysis and decision-making. In the world of Excel spreadsheets, it's easy to become a slave of the spreadsheet. Empower your staff to stop being "spreadsheet wranglers" and use technology to not only aggregate your data but put it into a usable format that will empower decision-making.

# A Key Piece of the Performance Puzzle: Data.

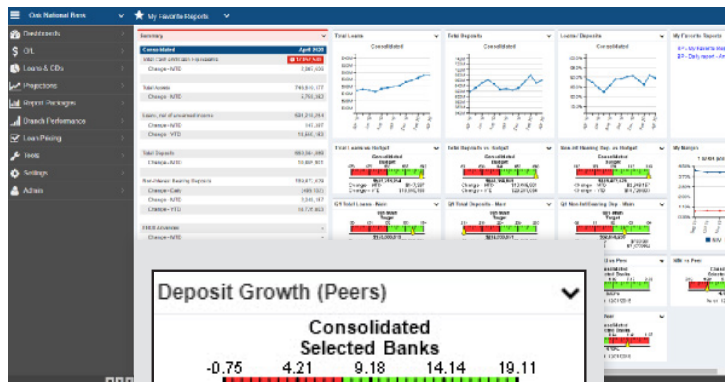
Given that the market rewards agile institutions, it's more important than ever to have access to the most current data so you can react quickly. In the past, the problem was that all of the data about a bank's performance lived in the CFO's office.

If a manager wanted a report about changes in the overall loan yield or a NIM analysis relative to last year's numbers, he or she would trot down to the CFO and ask him or her to generate a report. Sometimes it would get done that week, sometimes not. The point is, the data was old by the time it got to the manager's desk. That can't happen anymore. We need real-time data to make informed, smart, performance-boosting decisions.

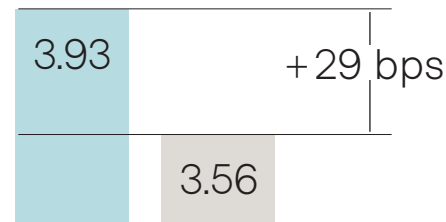
Enter technology. At Deluxe, we have [Banker's Dashboard](#) and [Credit Union Dashboard](#). They give banks access to key data daily, without relying on the Excel spreadsheet from the CFO's office. You can use it to track key trends. Check your loan-to-deposit ratio. Make sure you're staying on track with budget.

You can set and track goals. Create gauges to track progress toward goals, keeping the focus on what's most important to your institution. With one click, you have instant access to daily financial statements. The reports aren't static; they're dynamic.

Best of all, people can see and own the results of their performance.



Create and customize your own gauges to track indicators critical to your FI's performance.



Dashboard clients consistently outperform the market in NIM by 29 basis points

# Beliefs of High- Performing Banks



**VIDEO: Heath Fountain discusses Planters First Bank's focus on a performance culture**

### 1. Assign a performance management leader.

This person needs to be knowledgeable—someone who understands the key performance indicators and what drives them. He or she needs the respect of their coworkers. This leader's energies need to be focused on educating staff, tracking goals and monitoring results.

**2. Involve all levels.** The value of a performance-driven culture needs to have buy-in at every level of the organization. Education is necessary on key performance indicators, what they mean, and what little things employees can do to move the needle. Employees need to understand the value of a one basis point change in NIM, and how little things can nudge it up.

**3. Eliminate wasted energy.** Don't make decisions based on old information. If you're not using technology, your data can be a week old by the time you get it calculated and disseminated out to decision-makers. You need the right tools to help your people to make better, faster decisions.

**4. Build your goals to match your market.** Access to better, more timely information will help you and your staff understand what is going on in the various markets where you operate. You may have branches in different locations, and each one is different. Some might be heavy deposit generators. Others have higher loan demand. You can set realistic, achievable goals specific to each market instead of setting one broad-based goal for all of them.

**5. Involve the board.** During the recession, many

boards fell into the trap of thinking that their primary fiduciary responsibility was to the regulators. It's not. It's to the shareholders. These board members aren't bankers. They're often business owners in the markets where you operate and can bring in investment. They can also bring in new ideas and perspectives from their own diverse experiences.

**6. Change if necessary.** All this work does no good if you aren't willing to change. This might mean changing how you do your reporting or how your staff is structured. Also, monitor performance and change quickly when needed. The institution that makes the best use of performance management information will usually outperform the others. If change means bringing in a tool to help drive a performance mindset, Deluxe has tools and experts that can help you put together a business case for change at your institution.

The environment today is different than it was just a few years ago. Technology, fintech, regulatory burdens, the trade war—it's all changing the marketplace financial institutions are operating in. Now, with the global pandemic across the world, there is a high probability that it has caused long term changes in the banking industry. Just like customers have changed the way they do business, banks have shifted the way they operate which makes a web-based dashboard even more important.

You have to find ways of doing more with less. Creating additional power with a smaller engine. At Deluxe, we're committed to helping you get there.

# Banker's Dashboard and Credit Union Dashboard

An informed workforce is essential to creating a performance culture. Deluxe works with over 350 clients who use Banker's Dashboard or Credit Union Dashboard to power their performance culture with actionable insights into their bank's financial status enabling timely decisions that improve their bottom line.

Easy to integrate, Banker's Dashboard or Credit Union Dashboard allows your team to access and assess margin components, branch performance, forecasts and more—accurately, quickly and around the clock with user-friendly, point-and-click simplicity.

Want more information?  
Contact us today.

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800.245.6040, Select option 4

<https://www.deluxe.com/business-operations/bankers-dashboard/>

