

The Important Fundamentals of Deposit Growth



CROSS
FINANCIAL

**“If you believe business is built on relationships,
make building them your business.”**

— *Scott Stratten*

**“You can make more friends in two months
by becoming interested in other people than
you can in two years by trying to get people
interested in you.”**

— *Dale Carnegie*

**“You don’t build a business. You build people,
and then people build the business.”**

— *Zig Ziglar*

The Important Fundamentals of Deposit Growth

Deposit growth is not the result of a single product, campaign, or technology investment. For community banks, sustainable deposit growth is achieved when leaders consistently manage a core set of cultural, strategic, operational, and customer-focused disciplines. Deposits are one of many financial solutions embedded in customer relationships. Understanding that fact and building an organization that works collaboratively to provide appropriate solutions is an essential ingredient in growing deposits.

There are a number of essential elements every community bank must manage effectively to retain and grow deposit relationships. Senior leaders and managers are encouraged to align their teams around a clear, repeatable framework for improving deposit performance.

The framework recognizes a simple truth: deposit growth is an organizational outcome and requires the unification of multiple resources. It reflects how well a bank defines its purpose, equips its people, delivers competitive products, operates systems, engages customers, understands its market, and supports growth through disciplined marketing.

Culture Is The Foundation For Deposit Growth

Culture sets the tone for how employees think about customers, relationships, and growth. Banks that consistently grow deposits have a well-defined culture that is understood and lived at every level of the organization. A culture that focuses on the customer and the idea that customers save, manage, borrow and protect their money. No single solution will address every customer need.

Key elements of a deposit-growth culture include:

- A clear company vision, mission, and purpose that emphasize the importance of customer relationships and community impact, across all lines of business
- A strategic plan with deposit growth as a visible priority that all leaders and managers endorse



The Important Fundamentals of Deposit Growth

- A well-articulated customer care philosophy that guides daily behavior and delivers exceptional experiences
- A core focus that clarifies who the bank serves and how it will win desired relationships
- Strong teamwork across departments rather than siloed functions and operations

When culture is clear, employees understand why deposit relationships matter and how their roles contribute to growth.

Management Structure That Turns Strategy Into Action

Even the strongest culture will not drive growth without disciplined management. Community banks must intentionally design management structures that support relationship development and the accompanying accountabilities. Clear reporting relationships and performance expectations should be emphasized through the entire structure.

Critical management components include:

- Active senior management leadership that reinforces deposit priorities
- Clear organizational design aligned with relationship banking
- Defined sales leadership to coordinate growth efforts
- Well-trained relationship managers and service teams
- Cross-functional relationship teams that serve customers holistically
- Clearly stated growth goals at the company, team, and individual level
- Manager and employee accountability tied to desired outcomes and goals
- Updated job descriptions and well-defined performance expectations
- Regular highly visible performance updates and success stories
- Ongoing coaching, mentoring, and employee development

The Important Fundamentals of Deposit Growth

Managers play a central role in translating deposit growth goals into daily behaviors and measurable outcomes.

Competitive Products And Services

Customers will not deepen deposit relationships if products and services fail to meet modern expectations. Community banks must ensure their offerings are competitive and aligned with customer needs.

Essential deposit-related products and services include:

- Affordable and easy-to-use checking accounts
- Savings, money market, and certificate of deposit (CD) options
- Retirement accounts
- Essential digital services – eStatements, debit cards, online banking, bill pay, and mobile banking
- Up-to-date, user-friendly website
- Treasury management services for business customers

While community banks compete on relationships, customers still expect convenience, functionality, and well-designed financial solutions. Ensuring that the available deposit products and services meet those expectations is critical to ensure successful relationship development.

Systems For Scalable Growth

Operational efficiency and system effectiveness directly influence the customer experience and employee productivity. Poor systems create friction that undermines growth efforts. Effective systems must support account set-up and maintenance, as well as provide customers with powerful personalized journeys.

The Important Fundamentals of Deposit Growth

Banks should regularly evaluate and manage:

- Core system capabilities that deliver ‘customer oriented’ features and outcomes
- Website functionality, content, and usability
- Easy online and digital account opening processes
- Simplified digital resources, such as PIN and password resets
- Customer information management that supports personalized service and recommendations
- Data integrity and security to build customer trust and confidence
- Performance measurement at the company, team, individual, and campaign level

Strong systems allow employees to spend more time building relationships and less time overcoming operational obstacles. Quality systems also help deliver consistency and exceptional user experiences as customers utilize self-service resources.

Highly Engaged Employees

Employees are the primary drivers of deposit growth in community banks. Technology helps improve delivery, but employees are the key ingredient when connecting customers with value-added solutions. Engagement and development are supported through clarity of the bank’s relationship vision, capability of support systems, expansion of relationship skills, and recognition of staff performance.

Key areas to manage include:

- Customer service skills training
- Product knowledge training
- Referral training to help all employees support relationship growth

The Important Fundamentals of Deposit Growth

- Understanding and utilization of bank policies, procedures, and systems
- Relationship-building skills training
- Effective new-employee recruitment and onboarding
- Recognition and reward programs aligned with deposit growth performance
- Celebrations of deposit growth achievements at the individual and team level

Engaged employees are more confident, proactive, and consistent in identifying and expanding deposit relationships. Teams filled with engaged employees produce exceptional results.

Customer Relationship Depth

Deposit growth is not just about acquisition—it is about retention and expansion. Banks must intentionally manage the customer relationship lifecycle across all financial solutions. While attracting the next new customer is a powerful reward, implementing retention practices and relationship-expansion activities help establish the best foundation for deposit growth.

Important customer engagement factors include:

- Active management of customer satisfaction and loyalty
- Strong brand familiarity and brand preference
- Financial education that helps customers anticipate needs and make informed decisions
- Clear understanding of the customer's preferred delivery channels and communication methods
- Structured onboarding activities for new customers
- Ongoing relationship development strategies for existing customers



The Important Fundamentals of Deposit Growth

Banks that consistently engage with customers build trust, increase share of wallet, and reduce attrition. Anticipating customer needs and proactively recommending appropriate financial solutions provides the foundation for steady growth.

Pursuing Trade Area Opportunities

Even the best-run bank must operate in a market with sufficient opportunity. Leaders should regularly evaluate the bank's trade area to align expectations with reality. Balancing the bank's core competencies with market potential provides the best foundation for success and set the stage for adjustments in strategies to optimize available opportunities.

Key trade area development considerations include:

- Identification of available retail households and businesses
- Local competitive and economic conditions impacting growth opportunities
- Demographic trends that influence deposit behavior

Understanding the trade area helps management set realistic goals and prioritize resources effectively. It also ensures that efforts are being made to leverage all relevant deposit growth opportunities.

Leverage Marketing to Support Growth

Marketing is the connective tissue that supports deposit growth by reinforcing brand awareness, generating leads, and equipping frontline teams. Successful integration of sales support resources in the relationship building process is paramount to achieving results.

The Important Fundamentals of Deposit Growth

Effective marketing management includes:

- Strategic marketing and promotion planning
- Brand awareness initiatives
- Advertising across traditional and digital channels
- Digital and direct marketing programs supported by effective data management
- Effective sales support materials and tools
- Prospect identification and lead generation systems
- Ongoing customer and market research to clarify opportunities and potential
- Point-of-sale support and merchandising
- Highly targeted promotions and campaigns to reach desired audiences

Marketing works best when it is tightly aligned with sales efforts, service delivery, and relationship management. Full collaboration across all lines of business is critical if optimum results are desired.

Deposit Growth is a Continuous Process

Deposit growth is not a single initiative—it is a system of interdependent disciplines that must be managed consistently over time. Community banks that excel in deposit growth do not rely on luck or short-term tactics. Instead, they focus on culture, leadership, people, products, systems, customers, markets, and marketing, treating each as an important lever for performance.



The Important Fundamentals of Deposit Growth

1. **Clear and well-managed culture**
2. **Effective management structure**
3. **Competitive products and services**
4. **Effective systems and operations**
5. **Engaged employees**
6. **Engaged customers**
7. **Quality trade area opportunities**
8. **Effective marketing**

Using this framework, bank leaders can assess strengths, identify gaps, and prioritize actions that improve deposit growth in a sustainable, repeatable way.

The Important Fundamentals of Deposit Growth

The following assessment can be used to evaluate the status and performance applicable to the fundamentals being leveraged by your financial institution.

Deposit Retention, Growth, and Acquisition Essential Foundations Assessment

Critical Foundation	Important Initiatives	Performance Rating 0-Poor, 10-Exceptional
Clear Culture	<ul style="list-style-type: none">• Clear company vision, mission, and purpose• Effective teamwork across all areas• Defined customer care philosophy• Corporate strategic plan• Clear focus for target audiences, products and services	
Effective Management Structure	<ul style="list-style-type: none">• Organization design to support relationship management• Senior management commitment and leadership• Effective sales leaders• Skilled relationship managers• Engaged service teams• Unified relationship teams• Clear growth and performance goals• Solid manager and employee accountability• Well-designed job descriptions• Performance expectations for all employees• Regular performance updates and highlights• Active sales coaching and mentoring• Consistent employee development activities	
Competitive Products and Services	<ul style="list-style-type: none">• Affordable and easy to use checking accounts• Savings and investment account options• Essential digital and convenience services – Estatements, debit cards, online banking, bill pay, mobile banking, remote mobile deposit• Up-to-date website content• Treasury management services for businesses	
Effective Systems and Operations	<ul style="list-style-type: none">• Full featured and innovative core system• Website functionality with financial tools• Online account opening• Simple digital services, such as, PIN and password resets• Effective customer information management• Performance measurement (company, teams, individuals, campaigns)	

The Important Fundamentals of Deposit Growth

Critical Foundation	Important Initiatives	Performance Rating 0-Poor, 10-Exceptional
Engaged Employees	<ul style="list-style-type: none"> Customer service skills training Product knowledge training Referral training to help all employees support relationship growth Understanding and utilization of bank policies, procedures, and systems Relationship-building skills training Effective new-employee recruitment and onboarding Recognition and reward programs aligned with deposit growth performance Celebrations of deposit growth achievements at the individual and team level 	
Engaged Customers	<ul style="list-style-type: none"> Active management of customer satisfaction and loyalty Strong brand familiarity and brand preference Financial education that helps customers anticipate needs and make informed decisions Clear understanding of the customer's preferred delivery channels and communication methods Structured onboarding activities for new customers Ongoing relationship development strategies for existing customers 	
Quality Trade Area	<ul style="list-style-type: none"> Sufficient opportunities for deposit relationships Identification of available retail households and businesses Local competitive and economic conditions impacting growth opportunities Demographic trends that influence deposit behavior 	
Effective Marketing	<ul style="list-style-type: none"> Strategic marketing and promotion planning Brand awareness initiatives Advertising across traditional and digital channels Digital and direct marketing programs supported by effective data management Effective sales support materials and tools Prospect identification and lead generation systems Ongoing customer and market research to clarify opportunities and potential Point-of-sale support and merchandising Highly targeted promotions and campaigns to reach desired audiences 	



Lincoln, Nebraska

crossfinancial.com

402.441.3131