

Bank On It

Having made the move from a building society to a bank, Auswide Bank is looking to expand its reach while remaining committed to outstanding customer service.

Images courtesy of Auswide Bank

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- Martin Barrett

Auswide Bank has always had a history of challenging the status quo in order to secure a better deal for the typical Australian. It was 1966, and Ron Hancock, a local of the Wide Bay-Burnett area, decided to form the Burnett Permanent Building Society to provide an alternative to the big banks. In 1979, the organisation merged with the Wide Bay Capricorn Building Society and continued to grow until 2013, when the decision was made to convert the company from a building society to a bank.

It was at this time that Martin Barrett was appointed CEO of the new Auswide Bank. It was a big challenge, as the company had only one CEO previously in its 50-year history. But Martin was up to the task. "I started in February 2013," he says. "I replaced Ron Hancock, who was actually the founder of the Burnett Permanent Building Society. Ron had been in the role for some 45 or so years. So I'm only the second CEO or MD of the organisation in its 50-year history."

Martin had worked across the banking sector, both in Australia and overseas, and was perfectly positioned to take Auswide Bank forward. He had experience in working with banks that were small and bringing them to prominence, which is his plan for Auswide. "I've had a wide variety of roles across many different facets of banking and across many different geographies, across Australia and also overseas in the UK. Some of the key learnings for me through the various roles have been ones where I've been able to manage not-so-well-known brands in markets. In other words, you know Clydesdale Bank and Yorkshire Bank in the UK markets and St George Bank in the Western Australia and Queensland markets.

"All those brands are capable brands, but are certainly not as strongly positioned as bigger brands in those particular markets. Finding ways and means of getting those brands better recognised, understood, and getting them to grow was essential. There are a lot of learnings from that, and a lot of

capabilities I pulled out of those particular roles for this current role, where those challenges are quite similar—quite a lot of experience in a variety of different business banking roles, quite a level of experience in terms of credit and risk, and experience in terms of getting visibility and raising brand awareness for the various businesses in those geographies."

The change for Wide Bay Australia from being a building society to a bank was necessary, Martin says, for the continuing growth of the company. "We've just made that conversion to a bank following approval from our banking regulators, the Australian Prudential Regulation Authority. As part of that particular journey, we decided it would be positive for us to change the name at the same time. So after quite some work internally, we've come forward with that new brand, Auswide Bank, and we made that conversion at the beginning of April.

"There were a few reasons for making the change. One was we >



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felt that while our brand was well recognised and well respected in its local environment, we were growing and had an aspiration to grow outside of that particular region. In fact, we’ve got more customers outside the Wide Bay region than we have inside that region. Having a very regional geographic name we also considered likely to be constraining for us, and required a lot of continuing explanation.”

Martin’s focus has been on making people aware of the company’s new name, rebranding itself, and expanding outside its geographical region. “Changing the name was appropriate, and getting a name we thought we could grow into and one that started with ‘A’, which was alphabetically superior to our old name, were important considerations. It’s funny: previously in listings, Wide Bay generally sat at the bottom, because of the ‘W’ and the ‘i’, so by choosing a name that had an ‘A’ in front of, it lifted us in terms of alphabetical listings of banks online or in the media or other

comparative tables of banks. We took the view that it would be good for us to be further up the alphabetical scale!

“The colour schemes and corporate identity all changed after we embarked on a whole series of stakeholder conversations, including with university students. Central Queensland University students helped us with the look and the colours and modernisation of the brand, which were also important in that they represent an important demographic for our future.

“The feedback has been very strong. Existing shareholders, our customers, and our business partners have all been very positive about it. We’re pretty pleased with where it’s ended up. There’s a big journey for us in the period ahead in terms of our brand and customer strategy, in terms of how we actually market that brand now, and the story that we tell to the market in the year ahead.”

The change is allowing Auswide Bank to expand outside the Wide Bay–Burnett area and look for new opportunities. It’s been fairly successful so far, and the bank is planning to open another branch

in Brisbane and expand its business banking services in the second half of this year. “It’s important for us to be able to deliver our products and services nationally. We have a branch network that extends across Queensland. We’ve developed a mortgage broker channel that originates home loans nationally. We are about to release a whole online capability in relation to being able to apply online for home loans, personal loans, as well as open up accounts online. So we’re giving our customers and potential customers the ease of access to be able to deal with us digitally across the nation, which we’re looking forward to. We should have that project rolled out, I think, within the next eight weeks.

“We have also been embarking upon a fairly significant expansion of a new call centre with expanded skill and capacity. We established our call centre only 12 months ago, and we’re building that out now to double its size. It’s currently only about six people; we expect to have about 12 people later this year. The call centre is based in Bundaberg. It’s important to be able to support our digital platform and important in terms of our outward-bound calling to our >

“Sandstone Technology and Auswide Bank have enjoyed a successful working partnership for a number of years. With a shared vision for delivering a superior customer experience, both companies have worked closely together to provide innovative lending and digital banking solutions to customers and communities across Australia.” - Sam Plowman, CEO, Sandstone Technology

existing customers and our ability to be able to service customers outside of that brand network.

“Another part of the story is really about how we ensure that we are pushing forward with our business banking platform. We only built the business banking platform recently, about 18 months ago. We started off with a very small approach that was effectively in Mackay, Bundaberg, and Rockhampton, but we’re now looking at the expansion of that so that we can extend that operation down to Brisbane and take advantage of some new distribution that we’ll be building in there. We’ll be establishing the new branch in Brisbane in the second half of this year, and we’re looking to bring that opportunity to potential business banking customers in the Brisbane market. From a brand perspective, we’ll be driving our brand harder to achieve a level of awareness, but also a level of consideration around our Auswide Bank products.”

One of the other areas the bank is expanding into is a presence in the digital and online space. Martin says that is a key focus and strategy for Auswide Bank and is critical to its survival in the marketplace. “That includes online and mobile banking services, but also digital engagement. We’re working through our digital strategy now, including ramping up our social media and digital marketing activities. Of course, we will look to ramp up our attention into traditional media as well to get that brand across Queensland and particularly along the east coast of Australia.

“It’s critical, I think, as the environment is changing very, very rapidly. We’re seeing new players coming into the market, ‘disrupters’ as they’re calling them. From the perspective of our organisation, if you look at building societies when they were in their heyday, say 30 years ago, building societies were actually the disrupters of the day. We have to turn our mind to

how we become disrupters of today rather than disrupters of 30 years ago. To my mind, while we are relatively small, we are also nimble, and we have access to potential partners that are building new platforms in technology. Technology has to be a fundamental part of our strategy and journey going forward as we look to take advantage of perhaps a more fragmented market in the years to come as technology changes the game.

“Since I came on board, we are investing in more technology; we’ve updated our core operating system. We’re investing in online product application and processing. Applying online offers a much easier level of access and simpler process for home loan and personal loan applications. We’re also spending time and money on how we can actually improve our mobile banking platforms. When I arrived here just over two years ago, we didn’t have a smartphone app, and we built one very quickly.

We actually built one in the space of about 12 weeks and put that into the market. It was functional, but it was basic. We have now just realised the second phase of that which is much more modernised, much more capable, and much more user friendly. We’ll be ramping that up again in July with a third instalment, which will add some further capability. We believe that the third enhancement will actually put us at the very forefront of the banking app capability—certainly up there with the capability that the big banks have.”

These new technological developments have only been possible with the help of key partners for Auswide Bank, including Sandstone Technology and Ultradata. “Our partners are critical to us,” Martin emphasises. “We have a number of partners in the technology space. Sandstone Technology is one of those, helping us upgrade our whole lending system. They’ve been integral for us in terms of developing and improving the smartphone app and our online capability that we’re soon to put out to the marketplace. We have a strong relationship with them, which we’ve had for many years. In fact, we were one of their first customers, I think. As they’ve grown, we’ve been able to take advantage of their increasing capability. Other suppliers like our operating system provider, Ultradata, are critical as well because we need to have a very functional and capable core banking system that can be relied upon, one that can provide data and ease of use for our staff.”

Moving forward, Martin says, Auswide is looking at ways to bring more value to its customers and expand its market. Having a history in community banking, he says, Auswide Bank really does “treat every customer as an individual and not a number”, which sets it apart from its competitors. “We are on a journey where the service levels across consumer and business banking will remain extremely high so that we can continue to differentiate on that. We also want to be able to differentiate in terms of value, and



by that I mean when you look across the products that are offered by others, things like personal loans and credit cards, where interest rates are generally quite high, we have a great opportunity.

“We’re looking at ways and means where we can actually add better value to those types of products, such as pricing and product features, but also allow for individual tailoring of those products and those prices as opposed to a one size fits all. We started that particular journey shortly after I arrived, and we’ve got a car loan offer at the moment which is probably one of the best value loans in the marketplace. We want to make sure that we can extend that to a broader range of potential customers so anyone in Australia who is going to buy a car can think of Auswide Bank as one of their preferred places to deal with because we provide a product that is strong, flexible, and importantly, that has pricing that is really great.”

For the future, Martin has big plans for the bank. It’s planning on growing geographically, looking at the east coast of Australia as a starting point, while still keeping the feel and customer service of a small building society. “Auswide Bank has the potential for a great national capability. I would see that happening in two ways: via our ongoing omnichannel approach, particularly our digital approach, but also through partnerships and acquisitions in the marketplace. These would allow us to take advantage of businesses that may already have a customer base and

already have a level of connectivity to those particular markets. We’re particularly looking down the east coast for potential opportunities. I would like to see Auswide Bank recognised in the marketplace for truly being a preferred and better service provider, as an organisation that is not just looking after its customers and one where customers don’t just stay because of apathy rather than any real attachment. We will continue to work on a journey where we’re recognised for our service. We’ve won an award two years in a row now as best building society in Australia, with a 90-per-cent satisfaction rating from customers.

“We will build on that by bringing that level of service and connectivity, that personal touch, to our customers in the banking space wherever they live. A building society approach in the banking world! It will be especially important for us to do that across those different channels. My view of that is whenever we roll out anything that is technology based and our customers see the technology platform as being the important platform for them, the preferred platform for them, we will need to ensure that it’s as easy to use as possible and the customer experience in terms of use is integrated across our business. It’s important our customer finds it a very painless process.

“Auswide Bank will continue to grow as we in turn grow our customer service proposition and our customer advocacy across all those different channels.”

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