

FINANCE OPERATIONS RESEARCH EVENT

Billerica DECA

Billerica Memorial High School

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## I. EXECUTIVE SUMMARY

### Stoneham Bank, “Unexpectedly More”

**Purpose:** The purpose of this business plan is to improve the current employee training program of Stoneham Bank. Derived from our in depth marketing research, we are proposing a plan that will help Stoneham Bank employees reach their highest potential. By doing so, Stoneham Bank will be able increase their customer satisfaction. We have generated new ideas including the improvement of technology using innovative technology, along with the employee training department renovation at Stoneham Bank.

**Summary of the Business:** Stoneham Bank was established in January 10, 1887, today it still operates with the same standards. As a mutual institution, Stoneham Bank continues to strive to work together to achieve common financial goals by providing the fundamental principles of service excellence and trust. As an integral part of the communities they serve, Stoneham Bank positions itself as a financial partner that will give you unexpectedly more.

**Research Methods:** In order to evaluate the effectiveness of Stoneham Banks employee training, we needed to determine most effective research methods to use. The first method was the employee surveys; they helped us learn from the perspective of employees how effective the current training is. The next is the customer surveys; this gave us unbiased insights from the customers about the employees. We also conducted an interview with Valerie Bulhoes, who runs The Training and Development Department of Stoneham Bank. We interviewed her in order to get more information on the training program and discuss ways to improve it. Finally, we conducted a focus group led by Billerica branch manager Rebecca Scott to obtain information and receive more detailed feedback from current employees regarding employee training.

**Findings and Conclusions:** We evaluated all of the data received from the focus groups and executive interviews and organized the information to develop the bank’s strengths, weaknesses, opportunities, and threats. We received 50 customer surveys from Stoneham Bank’s stored database and personally handed out 35 employee surveys. On each survey returned, we transferred the data onto a spreadsheet that we then turned into percentages. After evaluating the results we found several prominent conclusions, as follows:

1. 91% answered that training could be improved through new technology
2. 64% of customers said that the teller did not offer additional products or services
3. Stoneham currently has a one person training department
4. Training was not interactive

**Proposed Plan:** In order to improve Stoneham Bank’s employee training program we will be implementing a number of different strategies. We will be purchasing a WebEx system, ordering a new Electronic Cash Management (ECM) system, hiring the Secret Shopper Company, enhancing the training department, and creating emails for all Stoneham employees through the WebEx system. This plan will establish rapport, help employees understand the customer’s needs, and help employees improve their problem solving skills. We have also created a training campaign slogan along with employee core values.

**Stoneham Bank C.A.R.E.S.**

Confidence Always Results in Employee Success

**Budget:** The cost for the first year of this plan will be roughly \$75,000. This cost is primarily a result of the new employee added to the employee training department who will help organize our plans implementation.

## II. INTRODUCTION

### A. Description of the Business or Organization

Stoneham Bank is a progressive financial institution with three locations in the heart of the Middlesex County of Massachusetts, which provides comprehensive financial services to fulfill customer needs while maintaining financial stability and soundness. In 1886, Stoneham faced a sagging economy primarily due to the weakening of the once prosperous shoe industry. Facing uncertain economic times, Stoneham residents had few places to turn for financial support. It was at this point that a group of Stoneham citizens got together at the Town Office to consider the feasibility of establishing a co-operative bank in Stoneham; an institution they felt critical to assist the town and its citizens in the transition from an industrial center to a residential community populated by individuals working outside of its borders. On January 10, 1887, Stoneham Bank was established to meet the financial needs of its residents. State chartered as a co-operative bank meant that its directors would be elected by its shareholders, giving the bank's customers a real voice.

*“Stoneham Bank,  
Redefining what a  
Community Bank  
Should Be”*

Stoneham Bank believes in making a difference in the community. In addition to providing progressive products and convenient services, the pulse of the organization is the Community Involvement Program and Charitable Foundation. Good corporate citizenship is important in helping to sustain and strengthen the vitality of the communities they serve. Stoneham Bank is proud to share this corporate value



within its organization and it shows; over the last few years Stoneham employees have volunteered over 3500 hours of community service to those in need. Stoneham bank is not only interested in serving the customers within the community, but the community itself.

Stoneham Bank currently operates in three convenient locations across the Middlesex County. There are two branches in Stoneham, Massachusetts (Montvale and Redstone Branch) and one branch in Billerica, Massachusetts (Billerica Branch). Stoneham Bank also has a 24 hour call center that is available 361 days a year with the exception of Easter, Thanksgiving, Christmas, and New Years. These local branches specialize

in 1<sup>st</sup> time home buying, checking and savings services, commercial and construction financing, convenient locations, home financing solutions, and personalized service. The branches are certified Equal Housing Lenders, members of the FDIC, members of the SIF, and in the SUM program.

### **Target Market**

Stoneham Bank prides itself on being a community bank and it aims to attract the residents of the Middlesex County. Stoneham hopes to attract first time home buyers and young adults that will be long term customers that will bank with Stoneham Bank throughout their financial life cycle. Stoneham Bank can offer these younger customers with a friendly non-intimidating banking experience that will not overwhelm the customer. Stoneham Bank has a large advantage over the larger banks because they have developed a respectable relationship with other local organizations through sponsorships and community involvement. By getting their name out in the community and creating a friendly environment in the branches, Stoneham Bank can succeed in attracting their target market.

### **Competition**

Stoneham Bank is consistently being overshadowed by national banks and other local competitors. Bank of America has approximately four branches and nearly 20 different ATM's within a four mile radius of Stoneham Bank branches. Although Bank of America is not a community bank, it still brings in a large portion of Stoneham's target market because of its convenience. Enterprise Bank and Trust is also a major competitor but unlike Bank of America, they are a local bank. They offer similar services and also rely heavily on customer service. Other local competitors include TD Bank, Citizens Bank, Sovereign Bank, and Lowell Five Savings Bank. These banks all offer their customers very similar products and services which makes Stoneham Bank's customer service increasingly important. Stoneham has an opportunity to enhance their employee training program which will allow them to surpass competition in the customer service category.