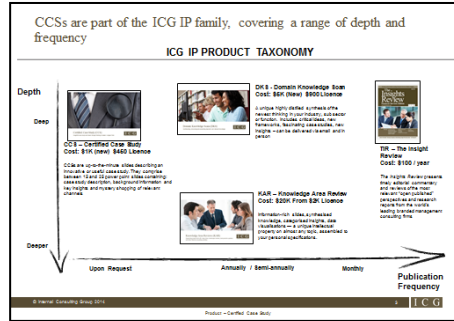
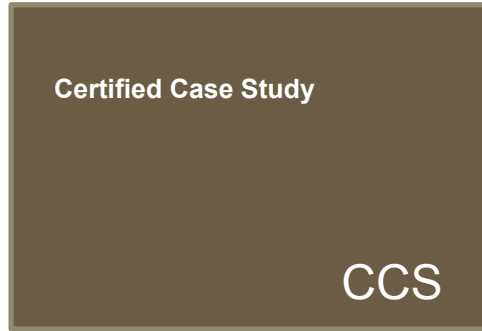


# Certified Case Study (CCS) 004 – CBA Connect



Sample 2:  
Mystery Shopping: Branch

PROGRESS

BRANCH

COLLATERAL

- Welcomed by branch colleague (was not aware of the Daily IQ product)
- Asked to wait in an informal area (free via-PI music, newspapers) for a business specialist
- Initiated by the business banking specialist into their office
- Looked for an email to view the official Daily IQ video (available in this document)
- After suggesting that company payments are processed only through PayPal (online PPS not on POS as in the video), the business specialist suggested to avoid E-split: CBA's online payment platform with same day settlement
- Mentioned that Daily IQ is free and part of Combitz (CBA-business clients product, that clients are charged for)
- Mentioned that Daily IQ has different level of information disclosure (different people in the company can see different levels of analysis)
- In front of the potential customer the Business Specialist forwarded an email with a full expansion of Daily IQ
- Provided a brochure about Combitz (No Daily IQ brochures currently available)
- Offered a free inquiry report through the Special business insight report, part of Combitz (An impressive summary of relevant sub sector data)

ICG

## Certified Case Study

The CCS 004 (Certified Case Study) on CBA Connect is a document containing information rich slides which comprehensively describe the CBA Connect case study and is certified by ICG to be based on publically and externally sourced information only – CCS's are a unique intellectual property for clients wanting to be across the latest developments in their industry. It comprises 34 pages of PowerPoint slides that contain:

- CBA Connect overview: one of Australia's leading mortgage broker programs
- Case study description, including background information and key insights
- Several frameworks describing the intermediated distribution model and the coverage models for lenders
- Relevant media extracts, including some quotes from the press
- Certification by ICG that all information is verified as accurate at time of publication and no information was obtained as part of any engagement ICG may or may not have with CBA
- CCS 004 is a companion resource to our monthly global periodical The Insights Review (TIR), deeper full dives on a specific topic – our Knowledge Area Reviews (KAR) and DKS – unique highly distilled synthesis of the newest thinking in an industry, sub sector or function.

# Agenda

Section	Component	Description
1	Overview	<ul style="list-style-type: none"><li>• CBA Connect - What is it?</li><li>• Why CBA Connect is an ICG Certified Case Study</li></ul>
2	Context	<ul style="list-style-type: none"><li>• CBA Connect business model</li><li>• Global market (peers and substitutes)</li></ul>
3	Detailed Description	<ul style="list-style-type: none"><li>• CBA Connect value proposition</li></ul>
3	Relevant Media	<ul style="list-style-type: none"><li>• Media coverage and relevant quotes</li><li>• Case studies and detailed interviews</li></ul>
4	Marketing Collateral and Brochure ware	<ul style="list-style-type: none"><li>• Marketing Campaign</li><li>• Collaterals</li><li>• Videos</li><li>• Social Media</li></ul>
5	Appendix	<ul style="list-style-type: none"><li>• Other ICG sources of insight</li></ul>

# Sample 1: CBA Connect is one of Australia's leading mortgage broker programs

## HOW DOES IT WORK

Product Strength	Rank
Residential and commercial loan range	3
Policy flexibility	3
SMSF loans	2 <sup>1</sup>
Co-brand / White-labelling	2 <sup>2</sup>

1. No loan offset capability within SMSF loans

2. No external relationships (beyond AHL)

Broker Support	Rank
Tiered support services	4
Recognises loan value (i.e. margin) in tiering	0
Subsidised training (e.g. Kaizen)	4
Online switching	4 <sup>3</sup>
Line to credit assessor	4 <sup>4</sup>

3. E.g. fixed to variable

4. For all broker tiering levels

Distribution	Rank
National BDM coverage	4
Comprehensive aggregator coverage	4

Economics	Rank
Attractive commission rates	3 <sup>4</sup>
Payments for referrals	4 <sup>5</sup>

4. 0.715% upfront / 0.22% ongoing (nil trail in year 1)

5. The only bank to pay brokers for cross-sold product sales to clients referred into branches

LEGEND		
	Strong attribute of value proposition	4
	Weak attribute of value proposition	0

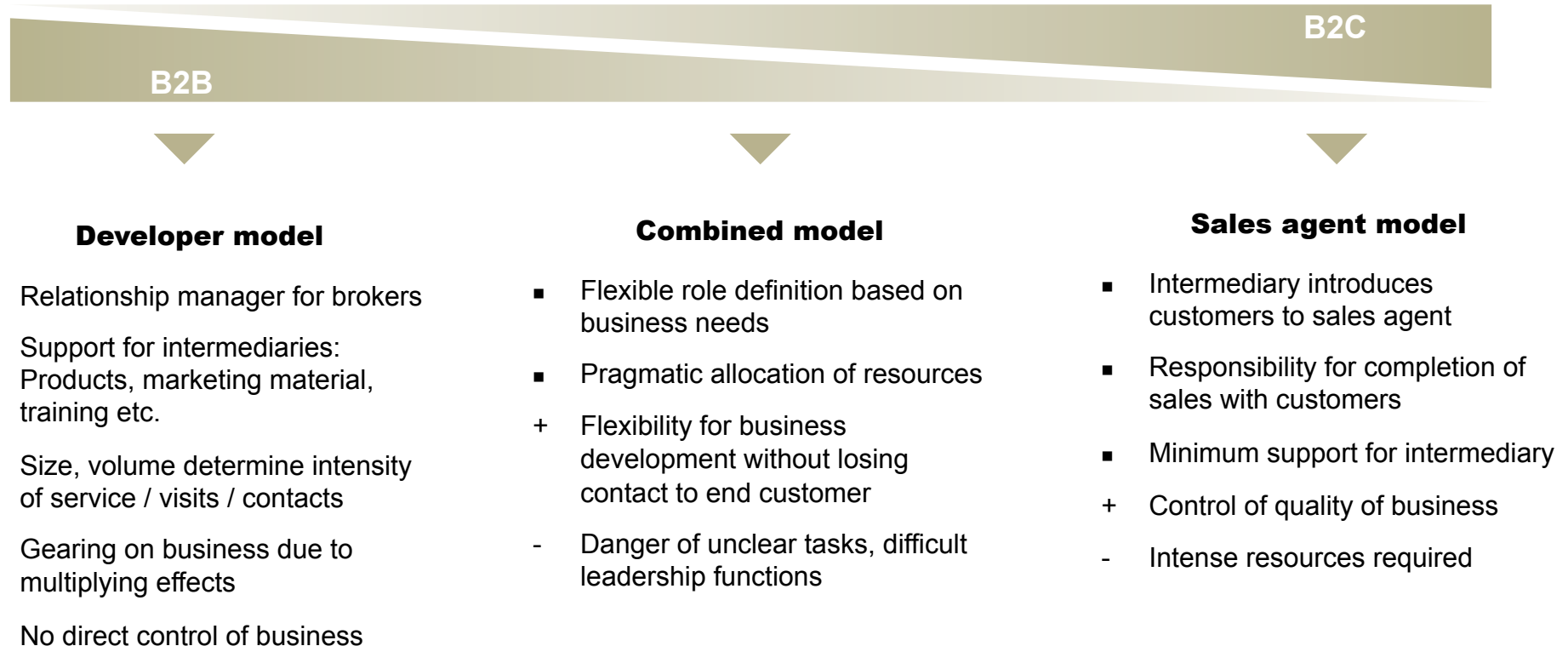
## KEY INSIGHTS

- Largest broker-originated loan book in Australia
- The only bank to offer referral payments to brokers for clients they send to branches who take on other products
- Beginning to take advantage of its strength in IT (online switching of repayment amounts / fixed to variable etc.)
- Increasing policy flexibility (e.g. "day 1" loans to employees still within probation period with new employer)
- Regular PD days with dedicated broker training

Source: primary ICG research interviews

# Sample 2: Lenders have adopted vastly differing levels of broker coverage and support to develop business

## COVERAGE MODELS FOR LENDERS IN THE INTERMEDIARY MARKET



Source: secondary research, ICG, brokers interviews

# Sample 3: Quotes from the Press

## QUOTES

“Our CONNECT Referral Program is an easy process for brokers to build on their income stream - brokers embrace CONNECT because of the referral fee and because it helps them meet their customers’ total banking needs.”

Kathy Cummings, CBA

“We offer additional revenue on the referral of products through the CONNECT Referral Program. We also support those brokers who want to diversify into commercial lending products and encourage commercial referrals through our Commercial Connect referral program.”

Kathy Cummings, CBA

“We can help brokers free up their time so that they can concentrate on things such as networking and building up their referral base through programs like Kaizen - a program supported by CBA designed to allow brokers to improve their office structure and processes.”

Sam Boer, CBA

“Brokers that want to ensure all their customers are ‘clients for life’ need to diversify their core offering away from residential mortgages. They can do this in-house, or outsource through something such as CBA’s CONNECT referral program.”

Kathy Cummings, CBA



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