

BEYOND BANKING: A TEXAS CAPITALISM™ SERIES

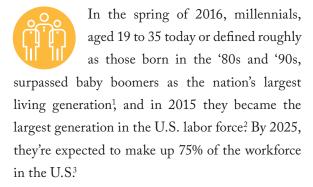
THE MILLENNIAL OPPORTUNITY

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THE MILLENNIAL OPPORTUNITY



Millennials are shaped by many world events, making them unique from earlier generations. Growing up with the internet means they expect immediate access to information; witnessing 9/11 and its aftermath makes them resilient in the face of fear and conflict; coming of age during the Great Recession leads them to delay major adult milestones, such as marriage and home purchases; and leading a social media revolution means they demand constant connectivity and innovation. Further, many baby boomer parents acknowledge that they sought to offer their millennial children

more empowerment and flexibility than they received as children. For millennials now in the workplace, this translates to a desire for mentorship, leadership training and variety in career paths. Millennials don't view work as an activity that needs to be balanced with the rest of their life. Rather, work is a key part of life, making the stakes high for businesses looking to optimize this generation as leaders and decision makers.

However, as they gain more responsibility in the workplace and more buying power every day, it's essential that businesses take the time to understand them and how to work with them and attract them as employees and clients. Whether you admire or dislike this generation, millennials are a part of your future and it is crucial that they are a part of your business plan. Because the organizations that best understand and adapt to millennials today will have the top talent, the best leaders and the most engaged customers tomorrow.

The Texas Millennial Effect

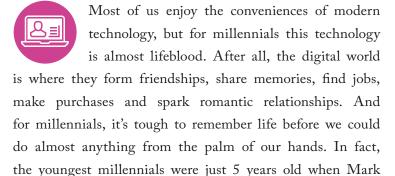
In Texas, our workers are even younger than other U.S. states, and our millennial population is only expected to grow.

For decades, college students, recent graduates and young adults from across the country and around the world have immigrated to Texas, lured by the opportunity that abounds here. In fact, millennials are one of the most diverse generations in the U.S., second only to those born after 1999,4 which means they appreciate the influence of other cultures and world views.

As a large and growing constituency, millennials have and will continue to have significant influence on the economy, politics and culture of Texas.



DIGITAL IS IN THEIR DNA



The pervasiveness of digital in millennials' lives means they expect companies to be innovative in how they do everything – from delivering performance feedback to giving hungry customers visibility into the status of their pizza delivery.

Zuckerberg founded Facebook and 7 years old when Steve Jobs

presented the first Apple iPhone to the world.

The youngest millennials were just 5 years old when Mark Zuckerberg founded Facebook.

Turn this insight into action

To optimize millennials as employees, leaders and customers, consider how you can use technology throughout your operation to enable employee work/ life flexibility, positively engage customers at every stage of the customer experience, support back-office workflows and enable personal development.

If you don't have the resources to develop the Uber of your industry, you can start small with your website, job application process and social media presence. You don't need to design and develop a 100-page website to get this right. Just ensure your website — even a one-page website — is easy to find and navigate, and mobile-friendly. Your job application process can be simple and straightforward, as long as it's easy to search and apply for jobs, even from mobile. Finally, managing your social media presence on a few key platforms, such as LinkedIn, Facebook and Glassdoor, can also go a long way in not only recruiting talent, but in cultivating both new and existing customer relationships. These are low-cost and effective ways to get started.

INDIVIDUALS, NOT "MILLENNIALS"

The millennial cohort is stereotyped as entitled, self-absorbed and unreliable, but this generational view misses the mark, and – like all stereotypes – grossly oversimplifies a diverse group of individuals. In fact, for this reason, most millennials don't identify with the millennial label⁵. Rather, they view themselves and want to be recognized as individuals.

That individuality can be cultivated to appeal to both millennial employees and buyers through customization. Some of the smartest B2C companies have already figured out how to offer customization as a product – think Coca-Cola Freestyle, Spotify and NIKEiD.

of millennials influence or make buying decisions on behalf of a business.

Turn this insight into action

Consider how you might promote individuality and customization in the workplace by offering flexible hours, customizable jobs and career paths, rotational programs, or the ability to determine your own job title, as examples. Likewise, look for opportunities to customize your products, marketing and sales messages to speak directly to the 73% of millennials who are influencing or making buying decisions on behalf of a business.

VALUING AUTHENTIC, PERSONAL RELATIONSHIPS



This demand for personal interaction with employers extends to millennials' expectations of vendors and brands, as well. Millennials also "value authenticity – they want to feel like they have a personal and direct interaction with that brand?"

Turn this insight into action

As an employer and recruiter, you should consider all of the unique characteristics of millennials as you design your people management, performance feedback and recognition programs. Develop management programs that teach people managers how to be transparent, stay connected, and become guides, coaches and trainers. Design your performance feedback program to digitally deliver frequent, in-the-moment feedback. And don't forget to reward good work in a customized, meaningful way.

As buyers, millennials "prefer to observe what it's like to interact with products or services providing multifaceted sensory content?" Consider how you can design your marketing and sales efforts to provide anecdotal evidence and educate buyers. The format of your messaging is also important, with millennials preferring video content that they can watch on demand.

of millennials say professional development is important in a job



WORKING FOR THE GREATER GOOD

Because work is a key part of life, millennials crave work that's personally fulfilling, and expands their social network and skills. And as the most socially conscious generation since the 1960s, feeling connected to a larger purpose is a key factor in their job satisfaction. As buyers, working for a greater purpose means millennials seek to do business with companies that are socially responsible. In fact, 80% say that the social, environmental or philanthropic efforts of companies are important to their purchase decisions.

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Turn this insight into action

As a company looking to optimize the millennial opportunity, this means you need to connect the mission of your business to something greater, and make that part of your conversation with candidates, prospective clients and others. This does not mean that you have to calculate your environmental footprint or donate half of your proceeds. Many organizations discover that activities which drive profits are also driving a greater good. Is your business creating jobs directly or indirectly? Do your employees offer their time and money to the community you are in? Do you offer a different way of doing business that instills trust or brings people together? Perhaps you do this in an industry where a human element is otherwise lacking?

HOW CAN WE HELP YOU PLAN FOR THE FUTURE OF YOUR BUSINESS?

Texas Capital Bank sees millennials not as a problem to be solved or managed, but as an opportunity to be optimized. Our deeply experienced bankers are well-versed in the trends and topics that affect your business, such as the millennial opportunity. Plus, our network is your network; we're always happy to connect our clients with contacts within our network with expertise on a particular topic. Contact a Texas Capital Bank relationship manager to discuss the future of your business. 214.932.6611 or email us info@texascapitalbank.com.

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