

Raymond K. Tung:



Finding New Challenges in Chinatown

must admit, when I first received an offer to join a small bank in Boston's Chinatown community, the idea was not overwhelmingly appealing to me. For 27 years, my sights had been set on global financial institutions, and I had worked only with the world's largest banks. Working for a small community bank had never entered my mind. But that was two years ago, before I took the job, and before I came to realize how challenging it could be to serve one community.

The offer was from Asian American Bank. This bank was founded by a group of Asian American non-bank professionals who wanted to provide better banking services for Boston's growing Asian community. In the 1990s, the Asian population was one of Massachusetts' fastest growing groups, increasing by more than 65 percent over the decade. Chinatown was expanding, and a growing number of Asians were moving into the suburbs of Boston. However, this thriving community was underserved by mainstream banks. Most Boston banks did not have Chinese speaking employees, and many were insensitive to the needs of newer Asian immigrants who were unfamiliar with the U.S. banking system. Moreover, the standardized approaches of many large financial institutions presented challenges for Asian immigrants who had not yet established bank references or credit scores. Boston's Asian immigrant community was struggling to find the credit and banking services it needed. To meet this demand, Asian American Bank opened its doors on August 11, 1993.

By the time I received the phone call about joining the bank in 2002, the bank had grown to over \$100 million in assets and had a strong base of customers in the Asian community. The bank was offering me the job of CEO with a mandate from the board of directors to grow the Bank at a faster pace and to inject a healthy dose of professionalism

into this home-grown institution. It was an intriguing proposition. The appeal of getting my hands on something different was strong, and I was inspired by this challenge to help revitalize a small community bank. I reflected, too, on my own experience immigrating to this country from Hong Kong, and I saw an opportunity to help others in their journey. Ultimately, the decision was not that difficult, and I soon signed up for the next phase of my career.

My first order of business was to reorganize the Bank. If we were going to meet the challenge of serving Boston's growing Asian population, we needed to become stronger, faster, and more flexible. So, we allocated more people to the business development office and upgraded our branch manager positions. We streamlined our credit approval process. We developed better tools for monitoring and tracking our business. We closed unprofitable branch locations, and we redirected resources to Quincy, Massachusetts, to serve its emerging Asian population, the largest outside of Boston.

The second order of business was to reinforce the importance of customer service for our bank. With a large percentage of new immigrant customers, our success depended on our ability to provide personalized service and to build trust. We instituted regular customer service training for our front line staff and standard performance reviews of tellers and customer service representatives. We created a

new greeter position at our Chinatown branch to enhance our welcoming appearance, and we revamped our phone system to ensure that calls would be promptly answered by a human being whenever possible. We conducted satisfaction surveys with customers and used this feedback to improve our operations.

We also had to ensure that we met the specific needs of Boston's diverse Asian community. It was a challenge. Within the Chinese community alone, there are many different groups. Boston's oldest Chinese immigrants originate from southern China and speak in the Toisanese dialect. They were followed by Chinese from Hong Kong, who predominately speak Cantonese, and the Chinese from Taiwan and mainland China, who speak Mandarin. These groups also have many cultural and lifestyle differences, and, depending on how long they have lived in the United States, they have different financial services needs. Earlier arrivals from Taiwan, for example, are well established and quite sophisticated in their use of financial services. On the other hand, new arrivals from mainland China are just familiarizing themselves with this country. They need basic banking services such as deposit accounts, wire transfers, and car and home loans.

To respond to these differences, we hired staff and created systems that could address the diverse needs of this population. Today, our employees speak over twenty-five languages and dialects, including nine different Chinese dialects. We have ATMs that offer service in both English and Chinese, and we plan our business activities with an eye toward culture sensitivity. Our menu of basic banking services is designed to be a starting point for new Asian immigrants, and we are continually developing more sophisticated products as we identify the needs of our customers.

We have also responded to a per-

ceived lack of financial knowledge among some members of the community by initiating our Banking Smart Series. We created an easy-to-understand Chinese language version of the FDIC's Money Smart curriculum for community members. The materials are used in a series of monthly seminars that address important financial and banking concepts, such as understanding savings options, planning for a first home mortgage, financial fraud, and identity theft.

From my first days at Asian American Bank, I have been impressed by the affinity that customers feel for the bank. They appreciate that we

aided the efforts of the Asian American Civic Association to help new immigrants gain language and job skills. We collected donations to help the victims of last year's Chinatown flood, and we regularly sponsor cultural events and activities, including Chinatown's annual Chinese New Year Festival. By working to improve the lives and skills of this community, the bank is investing in its present and future customers.

It has been an exciting two years at the helm of Asian American Bank. The satisfaction of seeing the bank grow into a more professional organization that strives to better serve this



Asian American Bank is headquartered in Boston's vibrant Chinatown community.

ceive their language and understand their culture. I believe that our success is directly linked to our ability to understand and integrate into the community.

With this in mind, I have attended countless meetings, meals, and banquets with community groups, and I have made a conscientious effort to get to know the directors of various community and business organizations. Through these relationships, Asian American Bank has begun to better appreciate the needs of the Asian community and how we can help. For example, the bank provides funding to the Boston Chinatown Neighborhood Center, which offers child care, English language tutoring, youth recreation, and after school activities to Chinatown residents. We have also

vibrant community has erased my original hesitation. I know that there is still more work to be done. We need to keep improving customer service. We must be smarter about understanding the banking habits of our customers to better serve them and increase profits. We want to expand our product capability to provide more options for the community. My appetite for this challenge is whetted, and I look forward to elevating Asian American Bank to a level that makes our community proud.

Raymond K. Tung is President and Chief Executive Officer of Asian American Bank.