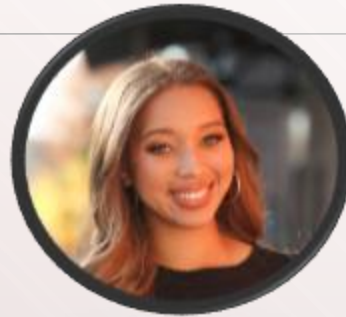# Team 2K: Wells Fargo's Homebuyer Access Grant Strategy Recommendation

Meet Team 2K

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Closure Phase Owner
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Initiation Phase

What is the problem? How will we address it?

Problem Statement/ Current State

° Millions of families affected by financial barriers with homeownership

° Wells Fargo's $10,000 Homebuyer Access grants aim to expand homeownership in underserved communities.

° How can Wells Fargo **maximize** the impact of these grants in newly selected metropolitan areas?
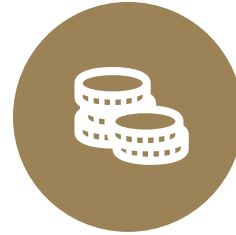
"We aim to significantly enrich homeownership prospects for underserved communities"
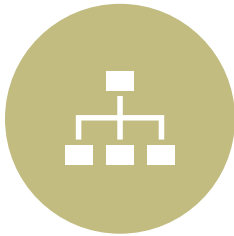
Problem-Solving Framework, Feasibility Report

Target Persona, Marketing Strategy

Budget, KPI Framework

Risk Assessment Matrix, Change Management Strategy

User Journey Map, Future Value Creation Map

Agenda

Planning Phase

Recommending a metropolitan area

McKinsey's Problem-Solving Framework

A data-driven & structured approach to decision-making

Define	• Identify the need for a new metro area where Wells Fargo's grant can have maximum impact
Break down	• Use MECE to categorize factors that are mutually exclusive and cover the entire problem (ex: affordability, homeownership gaps, economic growth, Wells Fargo's business objectives)
Prioritize	• Evaluate metro areas based on factors that would contribute to homeownership struggles (e.g., poverty rate, racial data)
Develop	• Hypothesize that one area should receive the grant
Analyze	•Analyze data: Research economic and social data to accept or reject hypothesis
Synthesize	• Use findings to determine which area should receive the grant
Communicate	• Create presentation to present findings convince Wells Fargo decision-makers

Feasibility Report

City	Home-ownership rate	Cost-burdened rate	Poverty rate	Minority population
Detroit, MI	54%	60%	30%	90%
Birmingham, AL	45.9%	18.7%	26.1%	51.4%
Oakland, CA	41%	50%	13.7%	65%

Final Recommendation: Detroit, MI

Execution Phase

Developing a market plan

Target Persona

Identify:

- Gender: Any
- Age: 25-45 years old,
- Education: Associates degree or higher
- Values: Economic growth, Financial security, Generational wealth

Differentiate:

30-45 y/o: Offer the most value currently as they are currently looking to own their first home. They are typically more financially stable.

25-29 y/o: Offer value in the future as they are looking to buy a home in the next 3-5 years

Interact:

Detroit Home Buyer Matchmaking Events, Home Buyer Webinars, Text Message/SMS Campaigns, Behind the Scenes Property Tours.

Customize:

Personalized follow up strategy - the customer will receive a personalized text/email within 28-48 hours of the interaction

Marketing Strategy: The 7 P's Marketing Mix

Products: The $10,000 grant itself

Prices/Fees: Affordability – The grant itself is free, but the overall costs consist of the down payment, mortgage, and maintenance

Place/Access: Online through social media, emails, and texts but also In-person through local workshops, pop-up events, house showings with real estate agents, mortgage lenders, and community organizations

Promotion: Digital marketing campaigns, influencer partnerships with Detroit based realtors and financial coaches, and referral incentives from realtors that will connect buyers to the program

Physical Evidence: Show before and after stories, partner with local news and real estate blogs that feature grant recipients

Processes: Create a step-by-step application guide, Provide live application assistance, Automate text/emails to keep the applicants on track to completing the process

People: Customer service reps, realtors, future Detroit homebuyers, community influencer that will assist in promoting the program

Control Phase

Establishing a budgetary framework

Multi-Pronged Budget

Competition: Bank of America

Business Model:

- Provides up to $7500 for closing costs
- Work with non-profits
- Offers up to $10,000 for down payment grant
- Zero Down payment

Multi-Pronged Budget

Product and Service:

- Community Affordable Loan Solution
- Targets efforts toward African American and Latino communities in Detroit

Data Availability:

- $366 million in loans to small businesses
- $3.6 million in grants to 64 metropolitan non-profits in Detoit

KPI Budget

1. Year 1 (KPI: 15%)

- Majority in marketing cost and grants. Rest in administrative and processing costs

2. Year 2 (KPI: 25%)

- Increase in grants and processing costs while reducing budget in marketing

3. Year 3 (KPI: 60%)

- All in grants and processing costs

Budget Strategy Rationale

Customer Acquisition

- Goal: bringing awareness to the homebuyer grant
- Ad Impressions (pageviews, visits, information requests)

Customer Retention

- Goal: Consistent increase in customers on a year-to-year basis
- Purchase Frequency (rating/reviews)

Monitoring Phase

What are some possible risks of implementing our strategy? How can we mitigate them?

Potential Project Risks & Mitigations:
Risk Assessment Matrix

Risk	Impact Level	Likelihood	Mitigations
Low Participation or Awareness in Chosen Metropolitan Area	Major	26-50%	1) Collaborate with **community housing nonprofits, first-time homebuyer programs,** and **real estate professionals** already working with the target population 2) Use **targeted outreach strategies** to reach eligible homebuyers 3) Analyze **local housing data** to assess interest and potential engagement levels before finalizing the metropolitan area
Delays in Grant Disbursement	Major	51-75%	1) **Simplify documentation requirements and clearly communicate about processing times**. Use an online portal for application tracking to reduce uncertainty! 2) Establish **clear timelines** with financial institutions 3) Use **regular monitoring and reporting**. Implement a progress tracking system that reports disbursement times and identifies delays early on!
Mismatch Between Grant Criteria and Community Needs	Major	51-75%	1) Analyze **income levels, home prices, and financial barriers in potential cities** before finalizing grant criteria 2) Adjust **program requirements** based on cost-of-living differences across metropolitan areas 3) Encourage **pilot programs** before full rollout (e.g., a test phase in small section of chosen city)

Change Management Strategy

ADKAR Model

o Practical, structured, and outcome-oriented

o Focuses on guiding individuals through change, which is crucial for ensuring that homebuyers, community partners, and lenders successfully adopt and utilize the $10,000 grant

o Better suited for larger organizations

1. Awareness: Identifying the Need for Change
- **Metropolitan Area Selection:** Use data to identify where grant will have the greatest impact
- **Stakeholder Mapping**: Identify those who must know about the grant
- **Outreach Planning**: Marketing and awareness strategies

2. Desire: Generating Interest & Buy-in
- **Addressing Skepticism & Barriers:** Transparency in messaging
- **Making the Grant Attractive:** Incentives for lenders to work with grant recipients

3. Knowledge: Educating Stakeholders
- **Educational Materials:** Step-by-step guide, FAQs, Workshops
- **Clear Application Process:** Online application system, Video tutorials

4. Ability: Implementing the Change Effectively
- **Simplify Application & Approval Process:** Less complex documentation requirements, One-on-one assistance
- **Support for First-Time Homebuyers:** Partner with local financial literacy programs
- **Lender Participation & Readiness:** Work with local credit unions & community banks

5. Reinforcement: Sustaining the Impact
- **Data Tracking &Performance Metrics:** Tracking system, Feedback
- **Feedback & Continuous Improvement:** Quarterly surveys, Focus groups
- **Sustained Community Engagement:** Annual "Homeownership Success Summit", Work with community organizations and realtors

Closure Phase

Analyzing grant users and value stream

	AWARENESS	CONSIDERATION	CONVERSION	LOYALTY	ADVOCACY
ACTIONS	• **Social Media** • **Outreach Events** • **Other Online Content**	• **Why** can we trust Wells Fargo? • **How** are we selected to receive this grant? • **What** happens after we buy the house?	• **Contracts and information** presented to the customers. • **Home buying** assistance. • **Success stories** from previous awardees of the grant.	• **Consistent** check-ups on grant recipients. • **Roadmap** for home buying process and beyond. • **Financial security** assistance. • **Wells Fargo banking** integration and perks.	• **Participating** in social media content for the grant. • **Referring** potential recipients to Wells Fargo. • **Staying committed** to the home-buying and financial freedom roadmap.

User Journey Map

	FINANCIALS	ELIGIBILITY & APPLICATION PROCESS	PARTNERSHIP, PROMOTION, & OUTREACH	HOME BUYER EDUCATION & SUPPORT
PROCESS STEPS	• Is there enough funding for the grants? • Are we giving these grants to the right people?	• Does the applicant fit the right criteria for the grant? • How many grants are we giving out?	• How do we promote and market this grant? • Are we reaching our target audience?	• What are the most effective teaching strategies? • Are grant recipients making wise financial decisions?
IMPORTANT DATA METRICS	• Funds allocated for the grant • Number of people receiving the grant	• Number of application received and accepted • Average application processing time • Number of application delays	• Social media interactions • Numbers at outreach events • Money spent on promotion • Applications based on promotion type	• Number of participants currently in financial literacy courses • Percentage of successful participants • Funds allocated into home buyer education and support
WASTE & IMPROVEMENT OPPORTUNITIES	• Delays in distributing grants • Long approval process for applicants	• Long approval process for applicants • Incomplete applications	• Investing into ineffective marketing strategies	• Lack of education options • Lack of education and support staff
FUTURE STATE DESIGN	• Automated grant allocation through Wells Fargo banking • "Am I Eligible?" pre-screening process	• AI based eligibility pre-screening with a clear criteria • Application checklist with key reminders	• Data and AI driven marketing strategies and techniques	• Online and in-person financial literacy courses • Use Wells Fargo's network to find an adequate number of home buyer support staff

Future Value Stream Map

Summary

Problem

Families in underserved communities face **financial barriers to homeownership**

Wells Fargo expanded its **$10,000 Homebuyer Access Grant** to 12 new metropolitan areas and seeks to identify the next eligible market for expansion

Our team conducted comprehensive research to **identify** this area and maximize impact

Solution

Conducted a **data-driven analysis** of housing affordability, economic indicators, and community needs to determine the most impactful city for Wells Fargo's next grant allocation

Detroit, MI

Created a detailed **market** plan, **budget**, assessment of **risks**, and **value** stream in alignment with the Special Purpose Credit Program's initiatives

Impact

Expand homeownership access

Strengthen underserved communities

Drive local economic growth

Empower marginalized communities

Enhance neighborhood well-being

Q&A/Contact Page

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