

Top 10 US Retail Bank

Customer Characteristics

Type

A top ten US retail banking franchise with over \$USD50 billion in annual volume.

Engagement Objectives

- Identify revenue generating and cost avoidance strategies in the merchant acquiring business.

OVERVIEW

The Client bank, originally a regional bank, grew through mergers and acquisitions into a national and international financial services company. PROFIT INSIGHT® was brought in to identify revenue enhancing opportunities in several areas including merchant acquiring.

ENGAGEMENT BENEFITS

Nineteen strategies representing approximately \$USD33 million in annual benefit were presented to the Client for consideration.

The Client accepted sixteen strategies for further consideration with a combined value of approximately \$USD25 million. Three of the sixteen strategies worth nearly \$USD1.5 million have been implemented, while additional implementations are awaiting final approval.

CHALLENGES

Another consulting firm had recently concluded engagements and had “picked the low hanging fruit.” The Client felt that the companies policies and practices were competitive and little benefit could be gained from further engagements. The Client was very concerned about changes resulting in reduced volume.

PROFIT INSIGHT® Engagement Results

	STRATEGIES	TOTAL VALUE (\$USD)
Presented	19	33 million
Accepted	16	25 million
Implemented	3	1.5 million
% Implemented	19%	5%

PROFIT INSIGHT® is the

CLEAR CHOICE

to help you achieve
your financial goals.

Cumulative financial benefits with solutions that are
Legal and compliant focusing on revenue
Enhancement, revenue
Assurance and cost
Reduction.

THE PROCESS

Pre-Engagement

The Division Executive engaged PROFIT INSIGHT® to obtain an outsider's view of the business. At the onset of the engagement, PROFIT INSIGHT® was informed that another consulting group had recently concluded an engagement with the Client, and had already identified the most obvious "big ticket" items. Further, the Client indicated they were confident they had explored and implemented all opportunities, while still protecting the customer base.

Surveys

PROFIT INSIGHT® began the engagement by performing an extensive market survey. Organizations surveyed were specifically selected based on geography and product offerings. The experience of PROFIT INSIGHT® analysts was the key factor in developing meaningful data.

On site Analysis

The Client had developed a pricing model, and was using it as the primary tool to price merchant discounts. Upon review, PROFIT INSIGHT® was able to suggest a number of changes to the model aimed at reducing

"leakage" and increasing revenue. PROFIT INSIGHT® also recommended several strategies designed to increase interchange fees.

The Client's concern was to provide quality service at a high level to its customers. Each PROFIT INSIGHT® strategy was carefully reviewed not only for the potential revenue to be derived but also to assess the potential impact on customers. In keeping with this approach, several strategies were developed for cross selling opportunities that would increase revenue while also providing real value to the customer base.

PROFIT INSIGHT® concluded its on-site analysis and strategy presentations on schedule and within projected time frames. A total of 19 distinct strategies were presented

to the Client for consideration, with a collective value of nearly \$USD33 million in annual benefits. The strategies included Cross Selling, Float Improvements, Cost Avoidance, Interchange Retention and Pricing Philosophy.

ENGAGEMENT HIGHLIGHTS

- PROFIT INSIGHT® presented revenue opportunities in areas the Client felt had already been fully exploited.
- Significant cost avoidance areas were identified.
- New marketing opportunities for existing customers were identified.

THE PROFIT INSIGHT® DIFFERENCE

The PROFIT INSIGHT® Merchant Acquiring Consulting practice helps clients significantly improve the profitability of their card business. We partner with our clients to deliver short and long-term value by identifying, analyzing and implementing tactical solutions to significantly improve portfolio and operation performance while limiting impact to their customers.

Our consultants are recognized industry experts and include former Federal Reserve officials, bankers, and card operations and marketing executives with expertise in Efficiency, Offer Targeting, Pricing, Interest Calculations and Operations.



249 Williamson Road • Mooresville • North Carolina • USA • 28117
866.261.6226 • www.profitinsight.com