

Branch Performance Blueprint Powered by TM1



Combining this additional external information with the bank's existing information will provide the bank's retail management team with a comprehensive view of the performance of all branches. This view enhances decision-making and the strategic management of the entire branch network.

Many retail bank executives have used such external data to support their branch expansion projects in the past but only when needed; many have not used this same information to monitor the performance and profit potential of their existing branches.



Branch managers need a tool that enables them to evaluate performance based on information they acquire within the walls of their banks *and* the external factors that might affect the profit and growth potential for any bank location. *The Branch Performance Blueprint Powered by TM1* is that tool.

Using the Branch Performance Blueprint Powered by TM1 to evaluate performance based on internal data and external factors

Using the *Branch Performance Blueprint Powered by TM1*, branch managers can view and evaluate performance management by combining their banks' internal data information and external market factors.

The *Blueprint* addresses the following key performance metrics:

- Profitability by branch, customer and product (ranking best and worst performers)
- Sales monitoring by product, customer and sales representative
- Operational efficiency by branch, staff position, transaction and activity cost information
- Customer satisfaction and loyalty
- Profitability comparison of actual versus plan and forecast
- Comparative reporting by branch type
- Local market share analysis for deposits and loans
- Competitive landscape
- Population density
- Median age
- Median income level
- Unemployment statistics
- Number of households
- Market share by product

The *Blueprint* also offers:

- Performance views of multiple dimensions and at various levels (entire network, region, district levels)
- Detailed analysis that includes drilling down to detailed information for any dimension
- Reporting integrated with planning and forecasting to support more timely changes to strategic direction
- Real-time monitoring of branch activity (operational and sales)

Rank	Branch	Profit	Plan	Target
1	Herald Square	1,267,513		
2	Oranston Branch	1,206,345		
3	Grand Central	1,140,393		
4	Dalency Street	1,088,246		
5	Empire State Building	1,015,246		
14	Fashion Branch	818,094		

Improving profitability planning processes for more effective branches with the Branch Performance Blueprint Powered by TM1

Profitability planning in many retail banks lacks sophistication. In some banks, a particular branch plan is merely the previous year's plan plus an often arbitrary, across-the-board growth percentage. At other banks, a branch might create a plan that is wholly inconsistent with the plans of other branches. Neither approach helps drive strategic planning from bank executives down to the branches.

In retail banking, two very common strategic objectives are to increase fee income and to stem attrition of high-value customers and their associated credit balances. Does imposing a flat growth rate (5 percent, for example) on a branch help achieve either objective? Or if one branch plans to these objectives, but three others do not, will the bank meet its goals? In both cases, the answer is, "No."

With the Branch Performance Blueprint Powered by TM1, banks can do both top-down and bottom-up branch planning to ensure alignment with strategic objectives. Individual branches can manage profitability planning, analysis and reporting by product and customer segment with an extremely high level of precision.



Enhancing branch performance with the Branch Performance Blueprint Powered by TM1

Blueprints are pre-configured solution building blocks that companies can use to jump-start their planning implementations. The *Blueprints* have been developed by the IBM Cognos Innovation Center for Performance Management in collaboration with leading customers and domain thought leaders.

Based on banking industry best practices, the *Branch Performance Blueprint Powered by TM1* was developed to help retail bankers complete customer segment and product-level revenue and expense planning for their branches. Going far beyond annual budgeting, the *Blueprint* provides simplified, streamlined planning, forecasting, analysis and reporting:

- Driver-based, rolling branch planning at the product and customer segment level enables banks to manage key revenue and expense lines in great detail.
- Initiative planning functionality provides the means for branches to assess and plan for the impact of initiatives such as branch remodels, new product introductions or marketing campaigns.
- Workflow capabilities facilitate enterprise-wide collaboration and accountability so that banks can plan at any level, such as region, district or branch.
- Staff planning by position enables each branch to plan headcount expenses with a high degree of precision.
- *What-if* modeling enables branch managers to assess the financial impact of multiple scenarios to improve business decision-making. Users can even use sandboxes to create their own personal scenarios.
- Customization enables you to add other key performance indicators that highlight and monitor performance, such as monitoring ATM availability.

This *Blueprint* integrates the planning process between primary areas—finance, the branch network, marketing—to ensure that all departments are working towards common strategic goals and targets. Rapid consolidation of branch-level plans also streamlines planning cycles and facilitates the move to rolling forecasts, which better suit the dynamic nature of retail banking. With timely re-forecasting, banks can rapidly adjust to external factors like business disruption, consumer demand, competition or economic change.

Drive better branch performance management with customer-segment and product-level planning, analysis and reporting

The IBM Cognos 8 Performance Management platform uses a sophisticated, bi-directional calculation engine to manipulate and analyze data. It uses the Web to ease the pain of and accelerate data collection and performance measurement. This makes it easier for branches to do what's most important—plan for a better branch customer experience and enhance profitability.

The IBM Cognos 8 Performance Management platform provides access to powerful reporting and administration tools that finance personnel, all levels of retail bank management and those in operations can use to support the branch network.

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Combined with rich industry solutions, proven practices and professional services, organizations of every size can drive the highest IT productivity and deliver better results.

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