



Branch Optimization

An In-Depth Analytical Process That Identifies Strategic and Tactical Opportunities to Optimize Branch Performance

Dramatic changes in branch banking are stressing the profitability of financial institutions. The branch optimization evaluation from Fiserv analyzes key metrics and delivers a comprehensive report of your branch evaluation findings and specific recommendations to resolve challenges confronting your franchise's branch network.

Accurately gauge growth potential and profitability improvements of each branch market. Know which customer and business segments are your best targets. Base crucial decisions on quantified metrics. These are the capabilities the branch optimization evaluation delivers.

Benefits

Maximize Branch Opportunities

Typically, 67 percent of non-interest expense in a financial institution is tied to facility and staffing costs associated with the branch network – yet customers are increasingly turning to non-branch channels for their day-to-day financial transactions. This raises a pivotal question: How do you make branches more profitable and less of a drain on the franchise? A branch optimization evaluation will uncover the answers.

Comprehensive Discovery and Analysis

The analysis performed within the branch optimization evaluation will align your strategies with market strengths for each individual branch. This calls for a comprehensive evaluation of current branch performance metrics and future growth metrics. Where is your best potential for growth? Where is the market moving? What offerings and services will attract new customers? How does the competitive landscape affect your opportunities? Fiserv will provide accurate, substantiated answers.

A Strategist-Enabled Process

Working collaboratively with your team, an experienced and dedicated senior strategist

will perform a thorough analysis of your branch network using the BankAnalyst® analytical tools from Fiserv to present quantifiable conclusions, such as which branches are successful, which are challenged, which have future potential – and why.

Clear, Concise Recommendations

The branch optimization evaluation results in recommendations based on careful assessments and analysis of key branch performance measures and growth metrics. That reality will guide decisions about staffing, relocations, closures, expansion and more. You'll also receive strategic and tactical recommendations, by branch, for driving deposit and lending growth.

Quick Turnaround, Low Cost and High ROI

Taking just 30 days or less, your branch optimization evaluation will be a highly efficient initiative requiring minimal involvement from your team and no travel. The benefit-to-cost ratio is exceptional. The return on investment ranges from 10:1 to more than 100:1.

With the changing demand for branch-based services resulting in tighter margins, there's a critical need to optimize branch performance and efficiency in smart, responsive and forward-looking ways.

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization, and leading the transformation of financial services technology to help our clients change the way financial services are delivered. Visit www.fiserv.com for a look at what's next now.



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Solution Features and Approach

No financial institution can afford to base its decisions on anecdotal or limited information. The branch optimization evaluation takes a three-phase assess-analyze-conclude approach to arrive at actionable intelligence. A dedicated senior strategist conducts your analysis utilizing BankAnalyst Market and BankAnalyst Financial from Fiserv and your internal measures through each step.

Assess the Market

A senior strategist partners with your financial institution's team to collect critical internal data and analyze external data for accurately assessing:

- Market composition
- Market and competitive saturation
- Commercial and consumer characteristics
- One specific point of business focus for your institution (such as wealth management or new business niche)

The top-down assessment progresses from an overall franchise view to individual branch views.

Analyze Institutional and Market Characteristics

The Fiserv senior strategist and your team members work together to determine weighting criteria that will be used to score and rank each branch.

Process Steps:

- Weight, rank and score each branch using:
 - Nine internal branch metrics (such as ROA, expenses, FTEs, transactions)
 - 22 market/growth metrics

- Plot branches by strategy on a branch investment matrix
- View maps and geographic characteristics

Recommend Strategy and Tactics

The final deliverable of the branch optimization evaluation is a report of findings and recommendations which allows your institution to draw on knowledge gained during the assessment and analysis phases. An overarching strategy and recommended tactics are provided for every branch.

Process Steps:

- Provide "keep, close, consolidate or assimilate" recommendations
- Outline strategies/tactics for each branch to improve profitability and growth through optimized product focus and resource allocation by:
 - Commercial and consumer deposits
 - Commercial and consumer lending
- Identify potential next steps (such as gaps where you don't have branches, new markets that warrant potential site analysis)

The market orientation of the branch optimization initiative, along with its consumer and commercial emphasis, creates a focus for efficiency, as well as new growth and niche opportunities throughout your entire branch network.

Connect With Us

For more information about the branch optimization evaluation, call 800-872-7882, email getsolutions@fiserv.com or visit www.bankintelligence.fiserv.com.