



Define Measure Manage

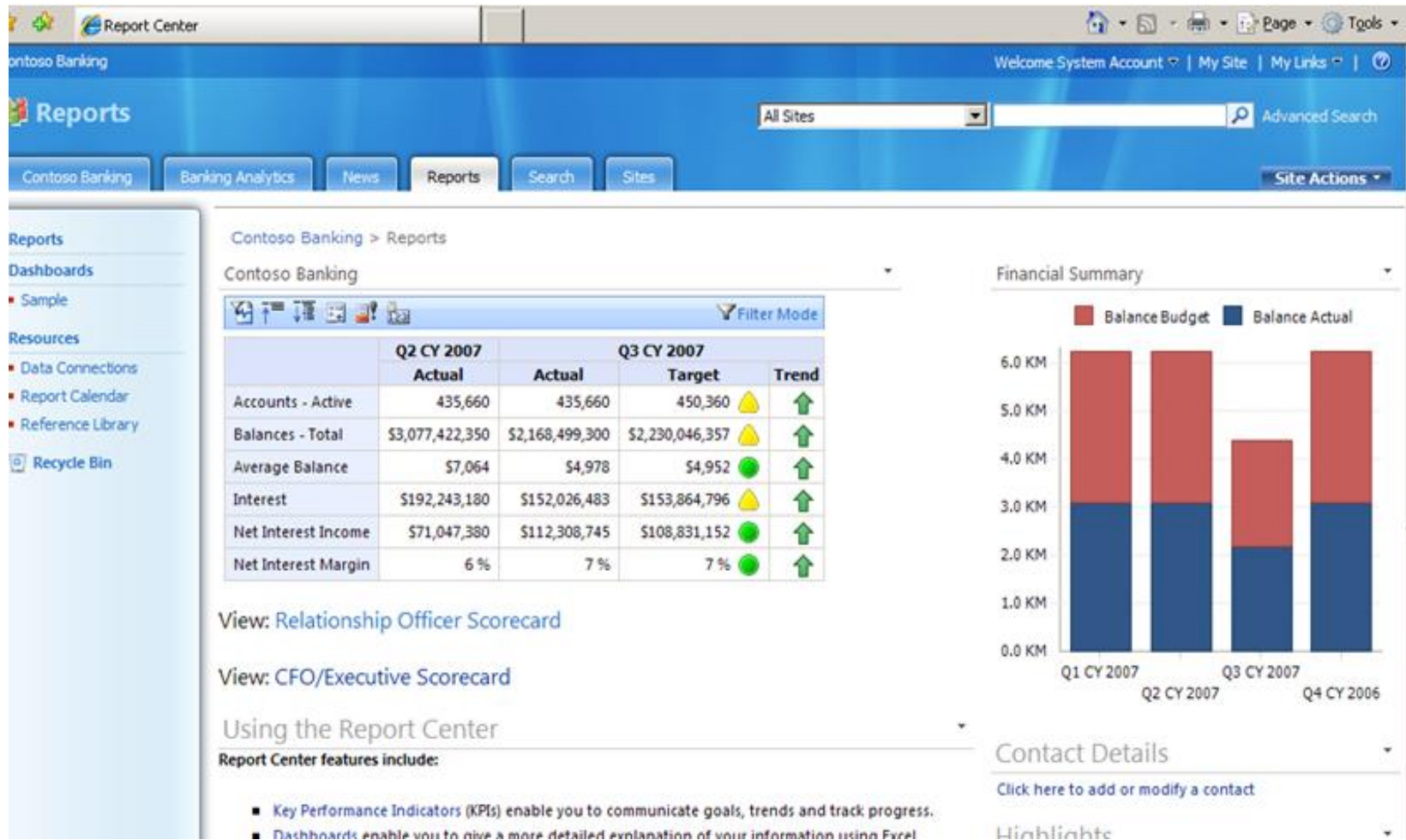
Business Performance Management

Banking Demo

Banking Demo Summary

Today, banks operate in a complex, competitive and highly regulated environment, with low margins and high customer expectations. To manage this rapidly changing economic and regulatory landscape, banks need a reliable way to quickly translate strategic business decisions into concrete actions that lead to measurable results. Much of the data banks need to make strategic decisions that can improve their performance and increase their profitability is stored in silos managed by disparate and disconnected technology systems. But even banks that have sophisticated business intelligence and performance management solutions often don't use them effectively, or the technology is so costly and complex that only a few executives and managers are allowed to use it, with the help of the IT staff. As a result, many banks fail to get the information they need to make informed decisions and to plan for success. Microsoft® Office PerformancePoint™ Server 2007 provides an integrated performance management solution that provides the right information, at the right time, in the right format, enabling all bank employees to monitor and analyze performance data and to contribute to the planning process.

This demo describes how PerformancePoint Server 2007 can help banks make effective, companywide performance management a central component of their business strategy.



Banking Demo – Banking Dashboard

This can be a Bank Branch Manager landing page, where she tracks some critical KPI's like no of active accounts, balances, interest income, and interest margins.

She notices that even though interest and total balance is below target, net interest income is meeting targets.

Contoso Banking > Documents > PPS Banking > KPI Performance Highlights

KPI Performance Highlights

Banking Analytics

- Banking Dashboard
- Relationship Officer Scorecard
- CFO/Executive Scorecard
- Report Manager

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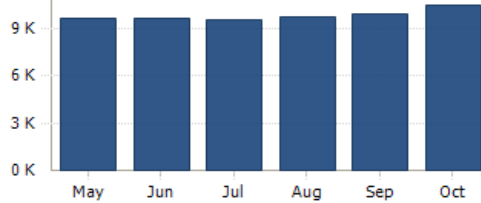
Sites

- Recycle Bin

KPI Performance Highlights

	Dec		
	Actual	Goal	Trend
Net Increaser/Decreaser	1.0	1.0	↑
Percentage Migrate from unprofitable to profitable	37.2 %	38.5 %	↑
Percentage Migrate from profitable to unprofitable	58.9 %	60.0 %	↑
Percentage Relationships Profitable	99.4 %	99.9 %	↑
Average Profitability per Relationship	\$10,252	\$15,000	↑
Average Number of Accounts per Relationship	3.4	4.0	↑
Maturity of less than 6 months	\$2,252,698	\$2,500,000	↑
Return on Equity	6.1 %	7.0 %	↑
Return on Assets	0.6 %	10.0 %	↑
Return on Deposits	2.2 %	2.2 %	↑
Return on Liabilities	2.2 %	3.5 %	↑

Average Profitability per Relationship



Relationship Details

Relationship Detail Report

Account Status: Open

Employee	Organizational Entity
Adelstein, Paul	Financial Administration

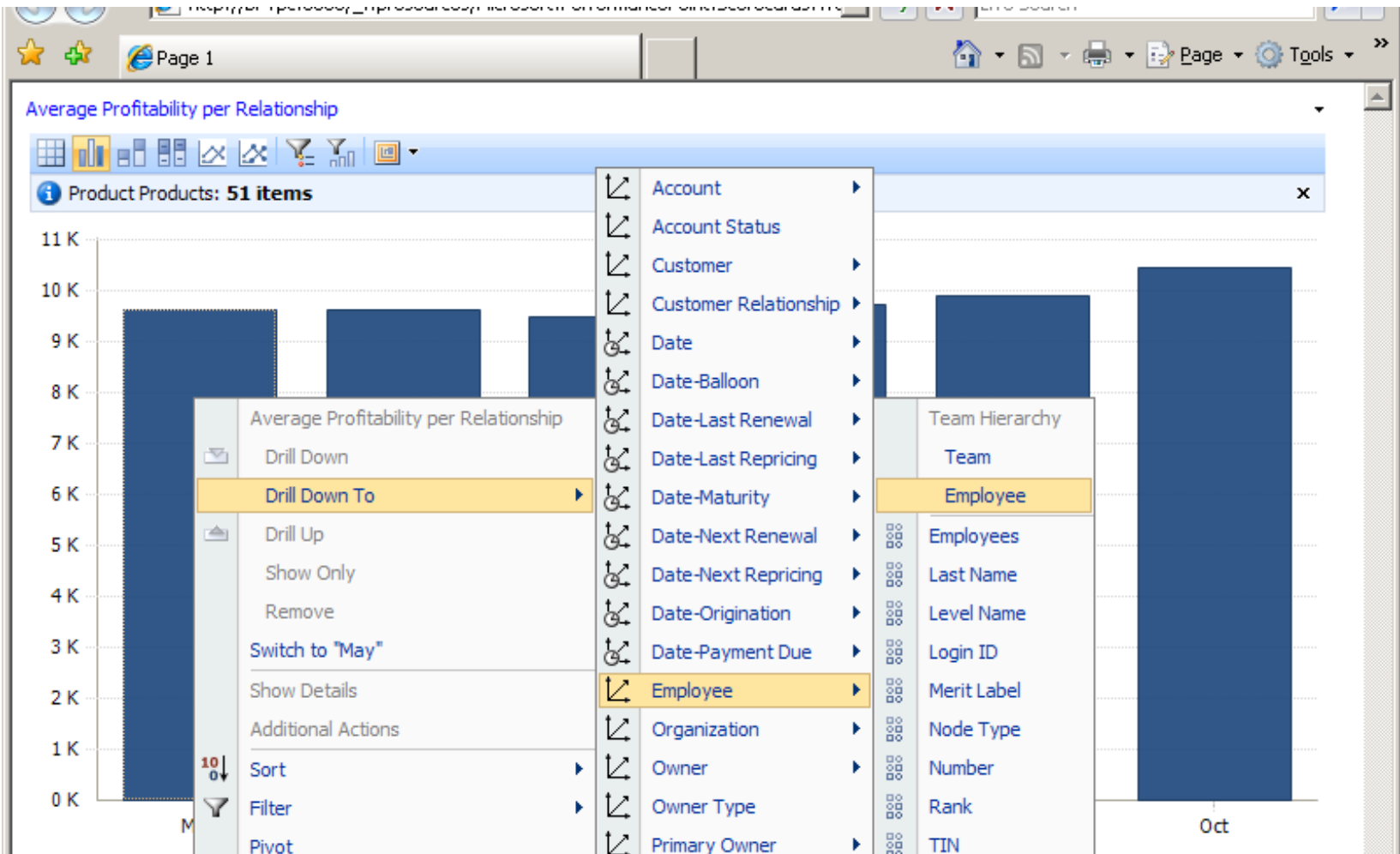
Top Relationships

	Sep			Oct			View Report
	Rank	Actual	Trend	Rank	Actual	Trend	
Profit			□			□	
Bloesser, Rex	1	\$3,187	↓	1	\$2,332	↓	
Madsen, Anders	1	\$3,353	↓	1	\$1,373	↓	

Banking Demo – Relationship Officer Scorecard

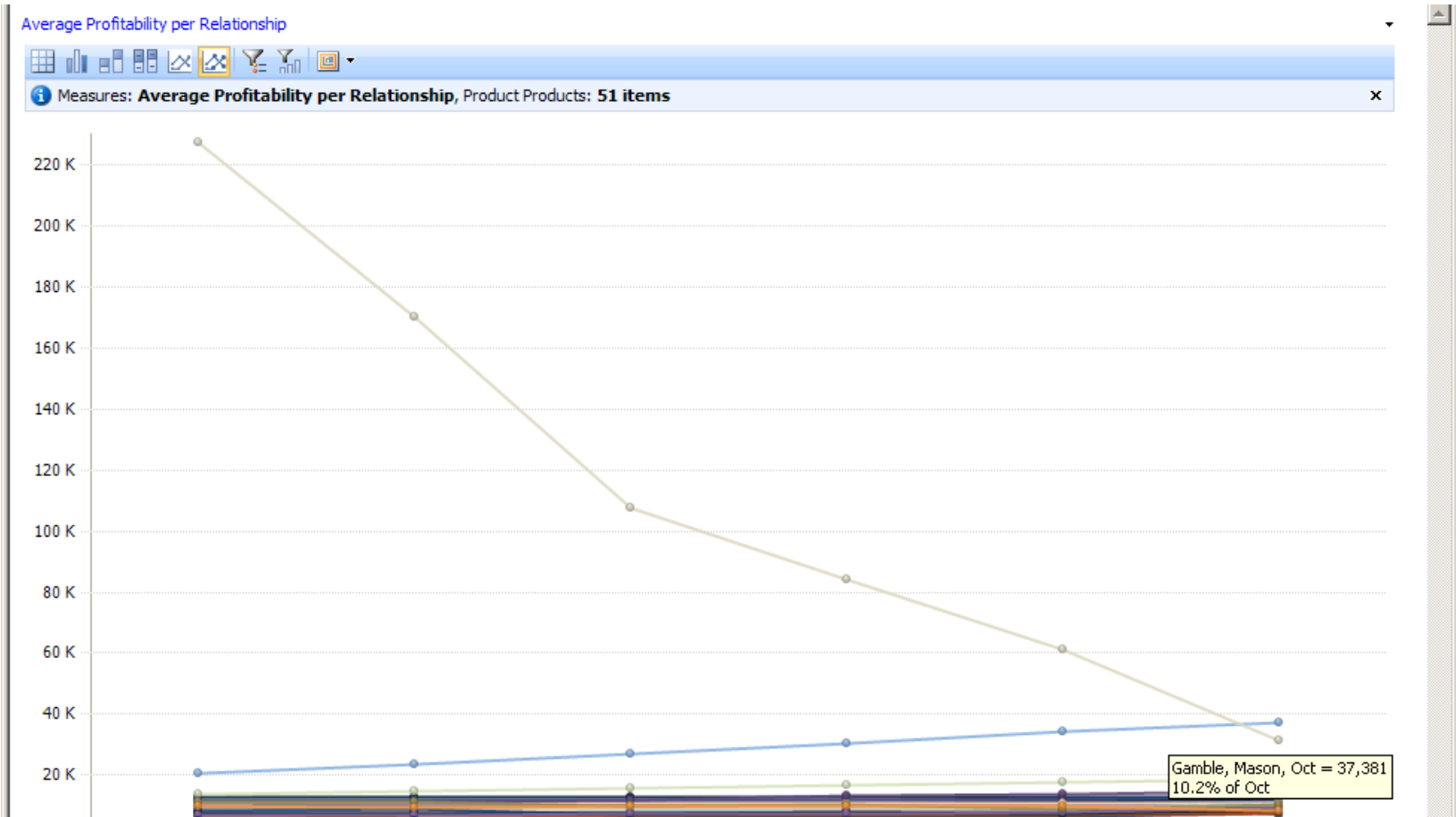
Relationship officer is the person who is responsible for maintain customer relationships and figuring out all the metrics related to Bank's customers- average number of accounts per customers, how profitable those accounts are, what products customers are buying, who are the top customers etc.

The KPI- Average Profitability per relationship is in red, though it is showing signs of improvement. The Relationship Officer needs to find out the root cause of this problem.



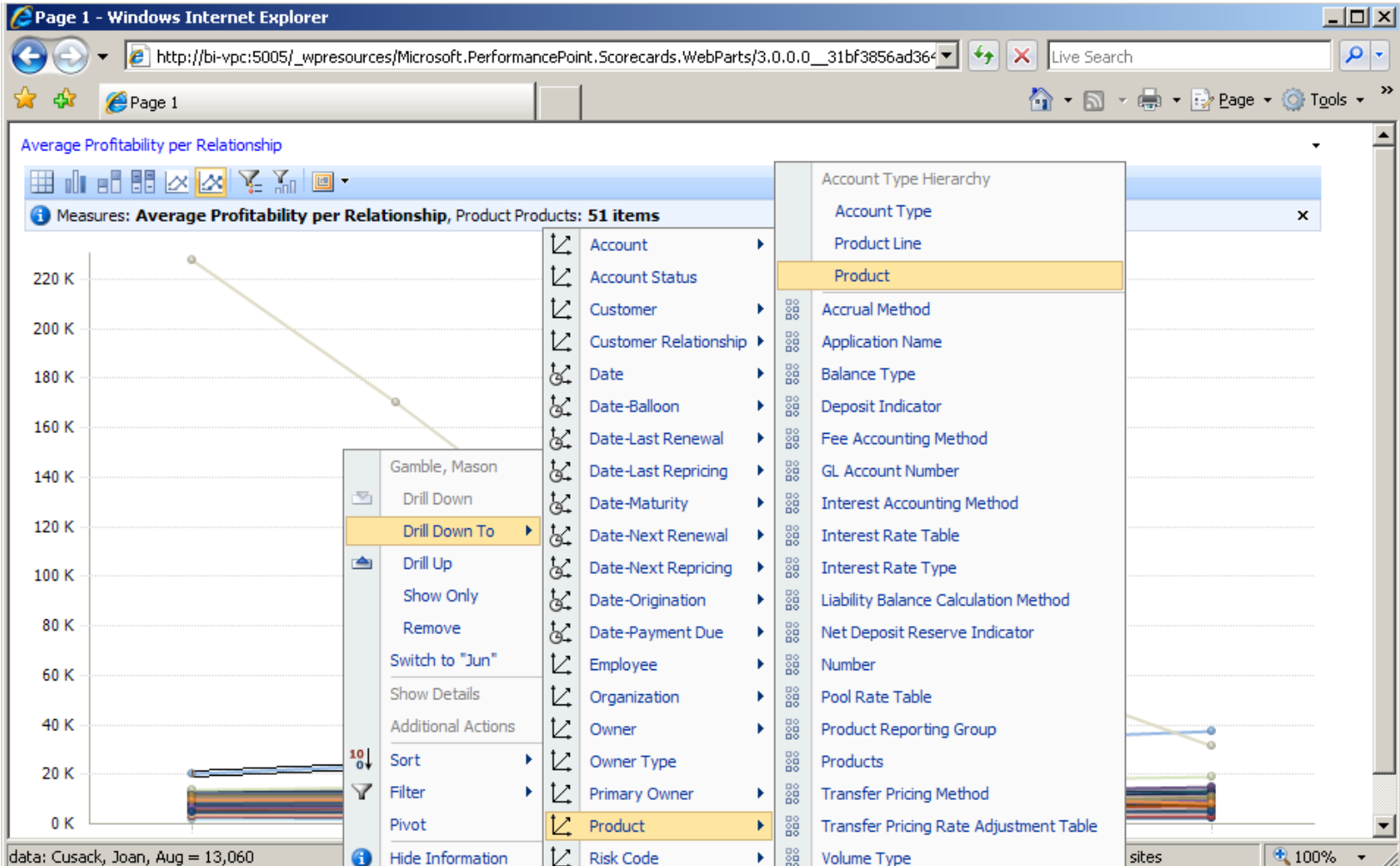
Banking Demo – KPI Performance Highlights

To help in the analysis, PerformancePoint server provides analytical reports, change various reports and talk through how scorecards can have related analytics to help identify the root cause issue.



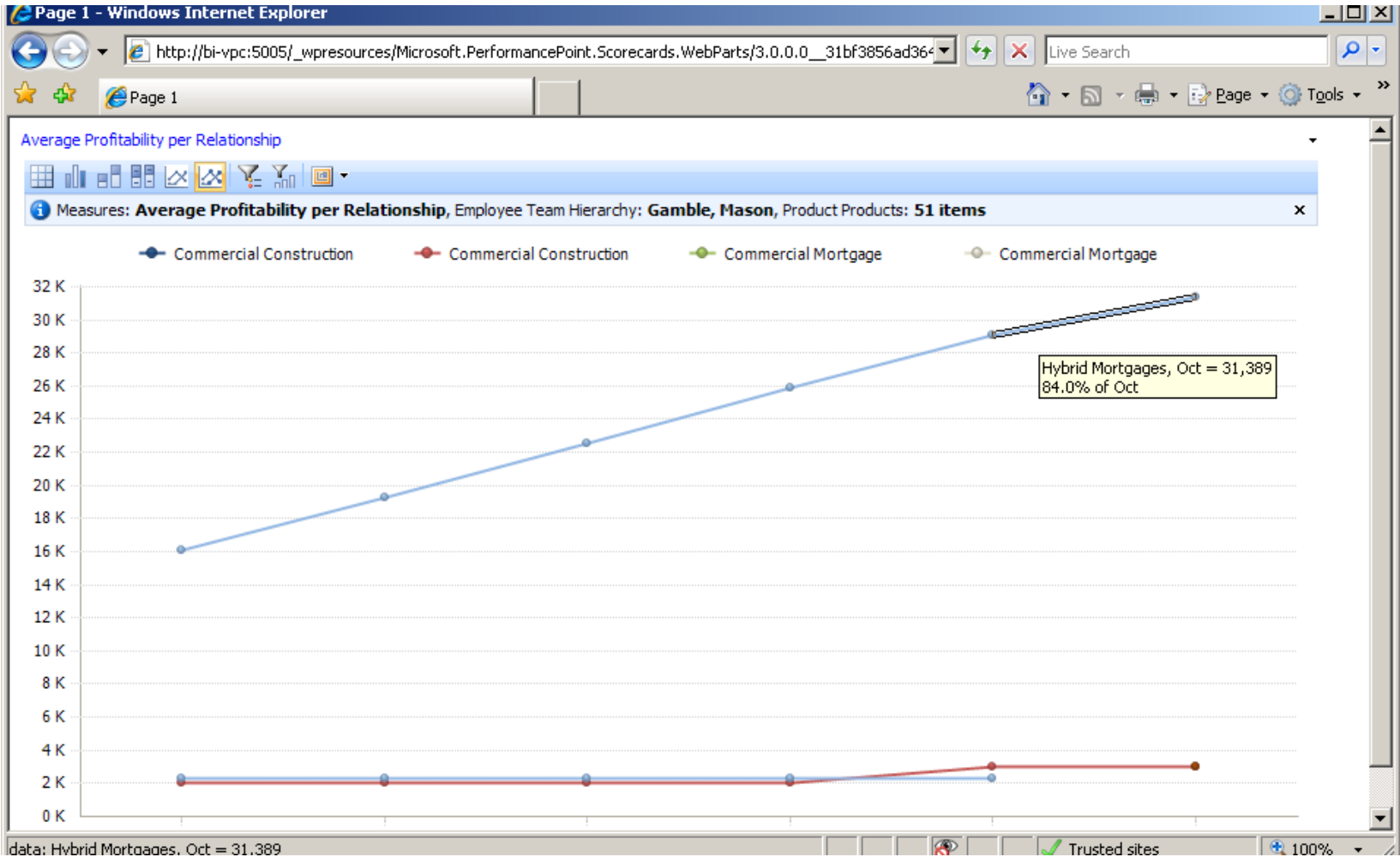
Banking Demo – Average profitability per relation broken down by sales person

This view gives a representation of average profitability per relationship broken down by sales persons within the Bank. The relationship officer can see that there are some employees for whom the average profitability is below \$20K while for one employee- Mason Gamble, the profitability is increasing.



Banking Demo - Average profitability per relation broken down by products

The Relationship Officer sees that the top performing employee is Mason Gamble. Now, he wants to find out the products Mason is selling which are making him the top performing employee.



Banking Demo – What is the top performing employee selling?

Mason is selling Hybrid Mortgages and Home Equities line of credit among other products. The product that is giving the maximum profitability to Mason is Hybrid Mortgages.

Before the Relationship Officer makes a conclusion, he wants to make sure that Hybrid Mortgages are a profitable product for the whole bank.

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Report Manager

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Auto - Indirect (IL 201000)	1	2,972	2,972	0	6	(43)	(14)	2,972	68.866%
Home Equity Loans (IL 210000)	22	54,785	54,785	0	589	16,341	5,556	54,785	8.351%
Other Installment Loans (IL 220000)	4	10,940	10,940	0	37	1,424	484	10,940	13.858%
Cons Loans Total	33	83,077	83,077	0	688	18,298	6,221	83,077	10.645%
Mtg Loans									
Adjustable Rate Mortgages (MTG 310000)	4	15,931	15,931	975	1,263	24,139	8,207	15,931	3.772%
Fixed Rate Mortgages (MTG 300000)	18	77,601	77,601	1,742	6,026	70,608	24,007	77,601	3.320%
Hybrid Mortgages (MTG 305000)	2	13,685	13,685	224	795	20,735	7,050	13,685	5.126%
Serviced Mortgages (MTG 340000)	17	42,756	42,756	1,842	0	1,145	389	42,756	3.428%
Mtg Loans Total	41	149,974	149,974	4,782	8,084	116,627	39,653	149,974	3.509%
Trans Acct									
Merchant credit card (MRCH231000)	3	6,399	6,399	1,210	0	604	205	6,399	81.513%

Banking Demo – Which is one of the most profitable products for the Bank?

The product profitability report shows that the Hybrid Mortgages is one of the most profitable products for the Bank.

Relationship Officer can solve the dropping profitability by encouraging more employees to replicate Mason Gamble’s strategy of selling Hybrid Mortgages to customers, which would help increase the overall profitability

Contact us today to schedule a presentation and discuss your particular requirements



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