



# Branch Network Optimization Services

## About the Firm

Capital Performance Group is a management consulting firm based in Washington, DC. Our firm provides advisory, planning, analytic, and project management services to the financial services industry. Our professionals possess deep experience across a broad range of functional specialties including strategic planning, sales management, quality engineering, marketing and product development, market research, risk management, operations and technology, compliance and regulatory matters, mergers and acquisitions, and strategic cost management.

## What makes CPG Unique

**Experience** — We are knowledgeable industry “insiders.” Our professionals have an average of over 20 years experience in the financial services industry.

**Focus** — We are financial services industry specialists. We have developed unique tools and methodologies to address the specific business issues and challenges of this industry.

**Practicality** — We know what it takes to implement and manage strategic initiatives. We provide hands-on assistance and actionable advice.

For more information, please contact us at 202/337-7870 or [info@capitalperform.com](mailto:info@capitalperform.com).

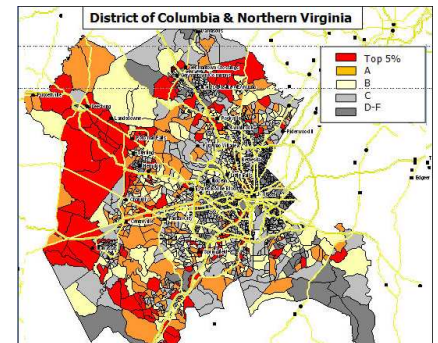
Capital Performance Group provides the insight and guidance to help banks:

- ◆ Fund new channel development through branch network consolidation, closures, and divestitures;
- ◆ Allocate staff, marketing budgets, and capital investments to align with sales potential and customer needs;
- ◆ Determine the appropriate number of branches and mix of facility types in each market;
- ◆ Identify opportunities to automate transaction processing and downsize facilities to reduce labor costs;
- ◆ Analyze and prioritize expansion opportunities across both new and existing markets;
- ◆ Identify attractive acquisition targets and integrate delivery systems; and
- ◆ Achieve management consensus for all of the above.

## A Complete Decision Making Process

While we utilize and provide our clients with reusable models and analytics—including our proprietary BankRank™ program—we appreciate that most organizations need more than analytical tools. CPG assists banks to:

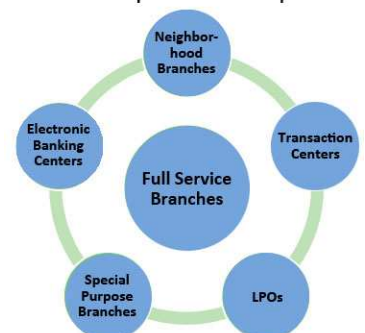
- ◆ Utilize relevant market data and performance metrics to yield definitive and fact-based distribution planning strategies;
- ◆ Develop customized models and analyses that reflect the bank’s positioning and unique business objectives;
- ◆ Evaluate recent market trends, competitor movements, anticipated developments, and other critical factors often not reflected in quantitative modeling exercises;
- ◆ Employ rigorous, field-tested financial analyses to qualify preliminary recommendations and help dictate performance requirements;
- ◆ Devise a decision making process that cultivates consensus and ownership of the ultimate plan amongst all stakeholders; and
- ◆ Create actionable strategies and implementation plans that provide momentum for moving forward and facilitate tracking and evaluation of execution results.



**BR BANKRANK**  
Office Decision Matrix

Market Potential	A	Invest & Protect	Drive Better Results
	B		
C	Maintain & Retain	Target Efficiencies	
D			
F	Office Performance		

Hub & Spoke Model Example



# CPG's Approach to Branch Network Optimization

We guide clients through a four-step process designed to provide objective, fact-based analysis and ensure internal ownership of results.



- ◆ Project objectives and required deliverables
- ◆ Bank's decision making process, including how to involve Regional Presidents and other key stakeholders
- ◆ Analysis parameters and information requirements
- ◆ Project work plan
- ◆ Project working team and roles & responsibilities
- ◆ Macro market analysis
- ◆ BankRank™ analyses
- ◆ Qualitative outlook analyses
- ◆ Physical office characteristics assessment
- ◆ Micro market analysis
- ◆ M&A candidate analysis
- ◆ Analyses to determine necessary market coverage & channel mix
- ◆ Financial impact analysis
- ◆ Development of strawman recommendations
- ◆ Presentation of analysis findings and strawman recommendations
- ◆ Facilitated working sessions and stakeholder meetings
- ◆ Documentation and confirmation of all decisions
- ◆ Implementation planning
- ◆ Implementation assistance
- ◆ Regular status checks to assess progress and reconfirm plans
- ◆ Development of scorecards to enable performance measurement and continuous improvement
- ◆ Periodic refresh of analysis to confirm or refine optimization requirements

## CPG's Perspective Regarding Branch Network Optimization

We view branch network optimization as one of five critical elements of creating an effective branch distribution strategy. We would be pleased to talk with you to determine how we can best assist your team in any of the areas below.

