



Product Redesign 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 in 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.

Why CPG?

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.

Perspective — We closely monitor and analyze developing regulations, competitive innovations, and market behaviors to enable our clients to build innovative, profitable product design strategies.

Effectiveness — We work in a collaborative manner with our clients, facilitating informed decision making and bringing a proven planning process.

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.

Now is the time for banks of all sizes to take a hard look at their **checking and deposit product** offerings:

- ◆ Changes to regulations governing both consumer and business deposit products make many existing business models obsolete;
- ◆ The economic downturn has shifted the focus of consumers to savings and of businesses to cash flow management; and
- ◆ Innovations in payment, delivery, and online capabilities are driving further changes to customer behavior and creating opportunities for banks to reduce servicing costs.

“The current profit model in retail banking, in which a small percentage of customer relationships drive most or all of a bank’s profitability, is no longer viable.”

At the same time, we are helping clients to expand and develop better **consumer and commercial credit product lines** to create new growth opportunities, enable better customer service, improve processing efficiency, and address increasing regulatory requirements.

Capital Performance Group’s Product Redesign Services combine insight, guidance, and analytical support to help banks to:

- ◆ Maximize new customer acquisition, cross-sell, up-sell, and retention;
- ◆ Increase the value perceived by customers;
- ◆ Ensure product and product line characteristics reflect the bank’s overall positioning;
- ◆ Align product features and pricing with the preferences of targeted customer segments;
- ◆ Develop distinguishable product options to motivate customers to self-select and bring more business to the bank;
- ◆ Facilitate frontline sales and promote cross-sales of relationship enhancing services; and
- ◆ Streamline product suites and engineer functionality to reduce operational complexity.

These are complex times and competition is swift.

CPG can help you to build and deploy better products faster to take advantage of critical market opportunities.

CPG's Approach to Product Redesign

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

PHASE 1

- ◆ Organize the project and collect data
- ◆ Interview key management stakeholders to identify potential improvement opportunities
- ◆ Assess competitor positioning, product strategies, and capabilities
- ◆ Identify target segments and document key product and service needs and preferences
- ◆ Analyze banks with demonstrated success serving targeted segments
- ◆ Analyze current client product and service capabilities and pricing
- ◆ Assess product penetration, service utilization, sales performance, and growth trends
- ◆ Meet to review all findings and determine implications for change recommendations

- ◆ Propose product line enhancements and recommended actions for addressing existing customers and introducing product changes
- ◆ Assess initial financial impacts and identify steps to finalize recommendations
- ◆ Investigate technology, operations, and other implementation issues related to the redesign
- ◆ Conduct research and analyze customer trade-offs to test design concepts and inform pricing
- ◆ Meet to review and finalize draft recommendations
- ◆ Determine implications for implementation planning and create a business case

PHASE 2

PHASE 3

- ◆ Identify developmental, communication, and capability improvement requirements crucial to overall success
- ◆ Work with relevant areas of the bank to specify key implementation tasks, timing, and responsibilities
- ◆ Finalize inputs to the business case and develop an implementation performance scorecard
- ◆ Summarize all major findings, decisions, financial projections, and implementation requirements for executive review
- ◆ Present or support the presentation of the final plan to Senior Management

CPG Leadership

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We augment our staff of CPG partners, consultants, and analysts with innovative leaders in the industry to present the right team for each client assignment.

Change is Imminent

In the December 2010 issue of *ABA Bank Marketing*, CPG's Mary Beth Sullivan's "Caution! Bank Transformation Ahead" cover article speaks to the fact that business models that drove growth and earnings in the past will not do so anymore. Companies hoping to succeed in the "new normal" will have to change their businesses in pretty dramatic ways. Read the article on our website at www.capitalperform.com. For more information, contact Mary Beth Sullivan at 202-337-7872 or msullivan@capitalperform.com

