



**Management Consulting, Analytics, and Research
For the Financial Services Industry**

**Firm Overview
February 2018**



Capital Performance Group

We provide value to our clients by delivering proven solutions to critical business issues, empowering decision-makers with relevant, concise, well-organized information, and engineering work practices to drive efficiencies and productivity.

CPG is unlike any other consulting firm. We partner with our clients and form lasting relationships. We know the financial services industry inside and out. We are dedicated to helping our clients succeed in this highly competitive and regulated industry.

- **Experience** — we are industry veterans. Our full-time professionals and consulting associate team members average over 20 years of experience in the financial services industry as practitioners and consultants.
- **Focus** — we specialize in financial institutions consulting and have developed unique tools and methodologies to address the business issues and challenges that are unique to the industry.
- **Practicality** — we know what it takes to implement and manage strategic initiatives and business model/process change efforts. We provide hands-on assistance and actionable advice.
- **We keep you informed** – it's our job to keep an eye on the competitive marketplace and help you navigate it. Read our latest Wire and follow us on Twitter.
- **We deliver results** – we help our clients get things done faster and with better results.



**Time Flies,
and Time is Money.
That's why Strategy Matters.**

**We build strategic plans that are grounded
in fact and can serve as roadmaps
to guide your entire organization.**

CPG CAPITAL PERFORMANCE GROUP

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Our Leadership Team

Mary Beth Sullivan, Managing Partner



- Strategic planning & managing strategic change
- Director education & meeting facilitation
- Marketing strategy and segmentation
- Product design

Claude A. Hanley, Jr., Partner



- Director education & meeting facilitation
- Financial performance measurement enhancement
- Credit risk management
- Public policy & regulatory compliance

Mary Ellen Georgas, Managing Director



- Strategic planning
- Digital banking
- Product management and design
- Treasury services
- Process design

Mark Gibson, Sr. Consulting Associate



- Strategic planning & managing strategic change
- Marketing strategy and execution
- Digital/social media strategy
- Revenue growth strategies

Rolland Johannsen, Sr. Consulting Associate



- Retail banking
- Deposit growth strategies
- Mortgage banking and assessment of strategic alternatives
- Small business banking
- Marketing strategy and execution

Michael Flores, Sr. Consulting Associate



- Strategies for access to financial services for low-to-moderate income segments
- Overdraft and low dollar credit assessment and strategy
- Prepaid card strategies
- Retail service delivery strategies

Practice Areas

Strategy	Distribution	Marketing	Finance & Credit Risk	FI Industry Research & Analysis
Strategic Planning	Distribution System Strategy & Design	Segmentation & Lead Generation Programs	Loan Portfolio Reporting & Policy Issues	Top Performing Banks; Annual American Banker Published Study
Executive/Director Meeting Facilitation	De Novo & Acquisition Market Entrance Strategy	Market & Competitor Analysis	Credit Process Assessment & Redesign	ABA Payments Survey
Revenue Enhancement Strategies	Branch Network Consolidation	Customer Analytics	Dual Risk Rating Methodologies	ABA Overdraft Study
Process Reengineering	Branch Site Analysis & Selection	Value Proposition Development	Balanced Scorecards & Benchmarking	Financial Services Industry: Current State, Emerging Trends, and Competitive Landscape
Cost Reduction Programs	Sales Force Productivity Improvement	Product/Package/Program Development & Testing	Strategic & Technology Investment Evaluation	Leadership Lessons from CPG's Study of High Performing Banks
Advanced Performance Analytics & Research	Sales & Relationship Management Program Design	Proprietary Market Research	Implementation Assistance for Profitability & Financial Planning Systems	Best Practices and Benchmark Research
M&A Services	Digital/Mobile Channel Strategy	Integrated Marketing Communications Programs		
Business Line Scorecards	Acquisition, Cross-sell, & Retention Process (Re)Design			
Organizational Design				

CPG's General Approach to Strategic Planning

1 Industry & Market Perspective

- CPG Industry Overview: trends/drivers of success
- Important target segments, their traits, and value propositions that resonate with each
- Emerging competitive threats, best practices and transformational opportunities
- Strengths and weaknesses of key competitors

4 Preliminary Goals, Vision, Options

- Develop targeted business and financial goals
- Define the vision for the company 5 years out
- Identify strategic options available to achieve goals and vision
- Evaluate strategic options: pros and cons; what it take to implement; financial opportunity
- Agree on preliminary option(s) to pursue

2 Stakeholder Insights

- Interviews with key stakeholders: Includes Directors, management, employees, key vendors
- Capture information relative to perceptions of overall value proposition, strategic strengths, weaknesses, and transformational threats to the business to identify areas of focus for the plan

5 Planning Session with Board

- Distribute key findings from prior work steps
- Reach consensus on vision and financial and strategic goals
- Discuss options to reaching goals; reach consensus on the right path for the company
- Discuss implications/major changes for the business

3 Opportunity Assessment

- Current strategy and financial results to-date
- Customer/member results: acquisition, cross-sell, retention, profitability, rates of growth by segment
- Current sales, channel and product capabilities
- Degree of differentiation from competitors
- SWOT analysis

6 Final Plan & Governance Approach

- Document the strategy and estimate financial impacts
- Set performance objectives and outline a tactical plan for implementing the strategy
- Create scorecards and governance/monitoring processes to ensure accountability for results

Recent Project Work

Strategic Planning and Executive/Director Meeting Facilitation

- A well-tested method for setting corporate-level objectives and identifying the actions required to achieve targeted results
- Insights into the industry and competitive trends that your business plan must address
- Customer, market, channel, and performance analytics to drive decision-making
- Surveys, one-on-one interviews and roundtable meetings to engage stakeholders in the strategy process
- Facilitation of strategy retreats/meetings resulting in agreed upon vision, mission, core values, financial targets and major strategic priorities for the company

Business Banking Expansion Plans

- Development of analytics and action plans to expand commercial banking into new markets, add new products, and improve go-to-market strategies
- Commercial market segmentation to identify opportunities to build competitive advantage in servicing distinct industries
- Evaluation of the existing customer experience across key touch points to prioritize opportunities for improvement in line with brand positioning
- Commercial credit process redesign to improve the customer experience, increase efficiency, and create a more scalable platform for growth

Deposit Funding

- Provide insights into best practices in deposit generation including product features, structure and pricing; delivery channel functionality and capabilities; sales and service practices; and, market and brand positioning
- Development of an overall funding strategy for the Bank including the level of deposit funding needed over the coming business cycle
- Product, sales, and marketing program design to improve deposit acquisition, cross-sell and retention results
- Deposit Summits: organization and facilitation of one-day workshops to specify deposit growth priorities and execution plans

Recent Project Work

Distribution System Planning: Execution and Rationalization

- New market entry strategies including market/site assessment, competitive positioning, and full project management
- Development of franchise-wide, multi-channel plans to support growth and/or efficiency targets
- Prioritization of growth opportunities on a market-by-market basis and analysis of channel/individual branch performance to drive de novo, acquisition, divestiture, and resource allocation/investment decisions
- Comprehensive decision making and planning support

Credit Risk Management/Loan Portfolio Monitoring and Reporting

- Recommendations for improving the credit function, including process redesign, underwriting practices, lending authorities, and organizational design
- Development of dual risk rating methodologies and integration of supporting third-party scoring tools, credit portfolio analytics, and reports and monitoring processes to support profit improvement and risk management objectives
- Strategies to better leverage portfolio MIS and improve work practices to provide greater value to customers, build deeper relationships, rationalize pricing, and better manage risks

Mortgage Banking Strategic Alternatives

- Detailed assessments of industry trends and the impact on mortgage banking profitability
- Assessment of strategic options for the mortgage business including origination, servicing, and portfolio strategies
- Evaluation of performance improvement and outsourcing strategies

Product Redesign/Product Line Expansion

- Enhancement of product suites to ensure profitability in light of regulatory, consumer behavior, and competitive changes; increase perceived value on the part of customers; ensure product line consistency with the bank's positioning; and maximize new customer acquisition, cross-sell, and up-sell opportunities
- Identification of opportunities to consolidate or package products to simplify product choices for customers and rationalize the bank's product and customer management responsibilities

Recent Articles & Speeches

<p>Excellent Executive Execution: How to save Retail Banking. <i>BAI Banking Strategies</i>, by Rolland Johannsen, January 25, 2018.</p> 	<p>A Marketer's Guide to Branch Planning. <i>ABA Bank Marketing</i>, by Mary Ellen Georgas-Tellefsen, January 24, 2018.</p> 	<p>Why is Bank America Discontinuing Free Checking for it's Online-Only Customers. <i>American Banker</i>, by Kevin Wack featuring Mary Beth Sullivan, January 22, 2018.</p> 	<p>Strategic Planning – Are You Asking The Right Questions? <i>LinkedIn</i>, by Mary Beth Sullivan, January 17, 2018.</p> 
<p>Credit Score Changes Would Saddle Banks with Risk. <i>American Banker:BankThink</i>, by Rolland Johannsen, January 16, 2018.</p> 	<p>The Five Pitfalls of Digital Marketing Banks and Credit Unions Must Avoid. <i>ABA Bank Marketing</i>, by Mark Gibson, January 15, 2018.</p> 	<p>Take Your Seat at the Executive Table. <i>ABA Bank Marketing</i>, by Mark Gibson, January 12, 2018.</p> 	<p>Top Ten Retail Banking Trends & Predictions for 2018. <i>The Financial Brand</i>, by Mary Beth Sullivan, December 18, 2017.</p> 
<p>Better Service as a Differentiator. <i>ABA Bank Marketing</i>, by Mark Gibson, December 12, 2017.</p> 	<p>Ranking The Banks: Best for Core Deposits, <i>Bank Director</i>, featuring Mary Beth Sullivan, November 29, 2017.</p> 	<p>How Will Retail Banking Change in the Next 10 Years? <i>LinkedIn</i>, by Mary Beth Sullivan, October 25, 2017.</p> 	<p>Achieving Top Tier Performance: Strategies for Success. <i>New England Women in Banking Conference</i> by Mary Beth Sullivan, October 27, 2017.</p> 

CPG's Wire Newsletter (subscribe at www.capitalperform.com)

	<p>December 2017 2017 Year in Review, Predictions for 2018, The Win-Win of Sustainable Banking, The Risk of Irrelevance: Customer Relationship Growth in the Digital Age.</p>	<p>October 2017 Top Strategic Focal Points, Building Remarkable Products, Behavioral Marketing: Leveraging Insights at the Point of Purchase, Equifax Breach Threatens Bank Reputations Too.</p>	<p>July/August 2017 Mobile P2P: Not a Priority for Most Banks, Winning at Retail, Deposit Funding Drives Valuations.</p>
<p>May/June 2017 The Deposit Squeeze has Begun, GPG and the American Banker Rank the Top Performing Banks, Gen X: Worthy of More Focus.</p>	<p>March/April 2017 CPG and the American Banker Rank the Top Performing Public Community Banks, Top Performing Credit Unions, Wealth Management: Is it Contributing to your Bottom Line.</p>	<p>January/February 2017 Five Ways to Significantly Improve Your User Experience, The Rise of Reputational Risk, Statshot: Attrition Rates.</p>	<p>December 2016 2016 Year in Review, Predictions for 2017, Getting Content Marketing Right, Payments Disruption: You Ain't Seen Nothing Yet.</p>
<p>September/October 2016 "We're Not Wells Fargo" Won't Cut It With Regulators, Recent Regulatory Enforcement, Strategy Spotlight: Culture & Control, Bank Stocks Report Card.</p>	<p>July/August 2016 Leveraging Digital Advertising, Recent Product Offerings for Millennials, Second Quarter Earnings: Sound Performance Despite a Challenging Rate Environment, and Trends in Fines & Penalties.</p>	<p>May/June 2016 CPG and the American Banker rank the nation's Best Banks, Retail Distribution: Strengths & Challenges, Leadership Lessons from High Performing Banks, Improving Brand Preference Drives New Household Growth.</p>	<p>March/April 2016 Top Performing Public Community Banks, Leveraging Small Data to Enhance Branch Network Performance, Trends in Regulatory Fines & Penalties, Marketing ROI in Banking: A Big Black Hole?</p>

Why CPG?

Our focus is on building long-term client relationships.

We have unmatched financial services industry
knowledge & experience.

We have developed proven methodologies and analytics to help
our clients address opportunities with confidence.

Please contact Mary Beth Sullivan for more information

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