

## BACKGROUND

- Family owned community bank
- Most branches on periphery of large metropolitan city with some branches in rural areas
- Very strong core deposit base
- Bank worked through asset quality challenges of the Great Recession but was still challenged in quality loan growth
- Bank identified the need for a full review of operations due to underperformance compared to peers
- Processes were overly risk adverse
- Staff numbers and other expenses were out of line with competitors
- Recent major initiatives seemed to be sub-optimized in their execution
- Technology usage was not optimized, but correct tools were in place
- Productivity levels in lending were less than acceptable

## RPI PROJECT SUMMARY & BENEFIT OVERVIEW

[ region ]	Midwest
[ assets ]	\$1.5 Billion
[ branches ]	25
[ FTE ]	375

## [ RESULTS ]

- \* Streamlined processes (deposit and loan)
- \* Improved fees and collection efforts
- \* Developed Staffing tools for present and future
- \* Instilled Risk management versus risk avoidance culture
- \* Improved customer service

CATEGORY	Midpoint Estimated BENEFITS
Non Interest Income	\$3,600,000
Non Interest Expense	\$500,000
Staff Capacity	\$2,600,000
<b>TOTAL</b>	<b>\$6,700,000</b>

## APPROACH

- Evaluated organizational structure
- Compared the Bank to peer group of competitors in different and similar markets to determine current standing on fee pricing, products, and services
- Evaluated fees and collection efforts
- Reviewed, alongside Bank Implementation Team, efficiency of processes, to determine new process opportunity
- Developed staffing tools for current and future needs
- Identified opportunities for non-staff related expense areas
- Ensured alignment of all changes with Bank strategy

## RECOMMENDATIONS

- Improve productivity through business process redesign and improved technology usage
- Enhance deposit and loan income through pricing and collection methodologies
- Reduce various non-staff expense categories
- Right size all areas of the Bank
- Modify organizational structure and define roles and responsibilities as necessary
- Ensure processes are scalable, while retaining the community bank environment