

BACKGROUND

- Publicly owned community bank that operates in rural areas and small communities
- Undertook a strategic expansion with the purchase of multiple branches, which was challenging but ultimately worthwhile
- A highly controlled (overly risk adverse) operations function was negatively impacting productivity, sales, and service
- Technology and processes were not optimizing customer experience or employee efficiency
- Executive Management was strongly committed to necessary changes needed to dramatically improve their current performance and position the bank for strategic initiatives

RPI PROJECT SUMMARY & BENEFIT OVERVIEW

[region]	Mid-Atlantic
[assets]	\$725 Million
[branches]	20
[FTE]	225

[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 through minimized process steps

CATEGORY	<i>Midpoint Estimated</i> BENEFITS
Non Interest Income	\$900,000
Non Interest Expense	\$600,000
Staff Capacity	\$1,400,000
TOTAL	\$2,900,000

APPROACH

- Alongside Bank Implementation Team, reviewed efficiency of processes to determine new process potential
- Developed staffing tools for current and future needs
- Interviewed bank staff for better understanding of culture and role/department-specific efficiency
- Compared the Bank to competitor peer group to determine current standing on fee pricing, products, and services
- Evaluated collection efforts and identified non-interest income opportunities
- Identified opportunities for non-staff related expense areas
- Evaluated organizational structure

RECOMMENDATIONS

- Improve productivity through business process redesign and improved technology usage
- Enhance deposit and loan income through pricing and collection methodologies
- Reduce Non-FTE Non-Interest Expense
- Reduce various non-staff expense categories
- Design optimal staff levels throughout all areas of the Bank
- Modify organizational structure and define roles/responsibilities as necessary
- Ensure processes are scalable while retaining the community bank environment
- Align organizational strengths with change needs
- Evaluate core system provider contract pricing