

## RPI PROJECT SUMMARY & BENEFIT OVERVIEW

[ region ]	Midwest
[ assets ]	\$2.0 Billion
[ branches ]	22
[ FTE ]	300

### BACKGROUND

- Bank holding company was created from the roll-up of several mid-western rural/agriculture banks, coupled with a few urban de-novo branches
- Some efforts – not comprehensively, however – were taken to consolidate and integrate branches, operational functions and other support functions, but more was needed
- While financial performance compared to regional and state peers was not acceptable, work to improve processes and organizational effectiveness would result in significant improvements in service, quality, productivity, organizational alignment, and sales
- Even in a somewhat fragmented, decentralized operational environment, there were many key employees, managers and executives that embraced change

### [ RESULTS ]

- \* Streamlined processes in all areas of bank
- \* Improved fees and collection efforts
- \* Staffing tools for present and future growth
- \* Reorganized as necessary
- \* Risk management versus risk avoidance culture
- \* Improved customer service
- \* Enhanced Management effectiveness and organizational accountability

CATEGORY	<i>Midpoint Estimated</i> BENEFITS
Non Interest Income	\$800,000
Non Interest Expense	\$2,000,000
Staff Capacity	\$4,100,000
<b>TOTAL</b>	<b>\$6,900,000</b>

### APPROACH

- Identified improvement opportunities for non-staff related expense areas
- Compared the Bank to peer group of competitors to determine current standing on fee pricing, products, and services
- Evaluated fees and collection efforts
- Conducted senior management evaluation
- Evaluated the organizational structure
- Utilized an Implementation Team of select Bank employees to analyze process efficiency
- Developed staffing tools for current and future needs
- Ensured alignment of all changes with overall bank strategy

### RECOMMENDATIONS

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