

BACKGROUND

- Bank had a history of strong profitable growth over last twenty years but had become challenged at returning to High Performance standards
- The “Whys” for change had to be reinforced before the “Whats” and the “Hows” could be embraced
- Changes had historically been made for benefit of the backroom, rather than front facing employees and customers
- Processes for developing new services and products were cumbersome
- Bank had high technology deployment and heavy internal development of interfaces but workflows still had excessive manual touches
- In a slower-than-historical rate of growth, the need for enhanced expense control was accentuated
- Organizational effectiveness and alignment with strategies and goals needed review and modifications
- Bank board and executive team were committed to significant change, including cultural change
- Extremely operationally oriented organization

RPI PROJECT SUMMARY & BENEFIT OVERVIEW

[region]	Southeast
[assets]	\$3.2 Billion
[branches]	70
[FTE]	875

[RESULTS]

- * Industry best practices implemented for processes throughout line and staff areas
- * Staffing tools for present and future
- * Risk management versus risk avoidance culture
- * Addressed customer service, which improved sales efforts
- * Enhanced fees and collection efforts

CATEGORY	Midpoint Estimated BENEFITS
Non Interest Income	\$1,900,000
Non Interest Expense	\$1,800,000
Staff Capacity	\$3,800,000
TOTAL	\$7,500,000

APPROACH

- Alongside Bank Implementation Team, reviewed all process for efficiency and ease of sales
- Integrated existing bank initiatives and projects with RPI recommended enhancement
- Evaluated organizational structure and effectiveness against industry best practices
- Rationalized branch contribution
- Analyzed Bank against peer competitors to determine current standing on fee pricing, products, and services
- Evaluated fees and collection practices
- Projects relative to growth and expansion were balanced relative to current operations and profitability
- Developed staffing tools for current and future needs
- Identified opportunities for non-staff related expense areas
- Transferred our proprietary methodology for change implementation to the bank’s internal Implementation Team
- Convinced management to embrace elevated accountabilities and raised performance expectations

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 as necessary
- Develop technology strategic plan
- Ensure processes are scalable, while retaining the community bank environment from customer