

A Web-based performance management application



Introduction

This application brief demonstrates a Web-based planning and reporting process for retail bank branch profitability that uses IBM Cognos® 8 Planning and IBM Cognos 8 Business Intelligence (v8.4).

Best practices at leading banks enable those responsible for branches to validate their forecast plans against corporate set targets and empower management to communicate their expectations clearly. By capturing account and balances information for loan and deposit products, the costs driven by associated volumes can be calculated using transactions and activity information fed from any activity-based costing (ABC) solution.

Delivering integrated activity-based planning and analysis capabilities, the *IBM Cognos Branch Performance Blueprint* offers branch managers an on-the-ground view, with real-time profitability feedback, of decisions related to branch volume, accounts, rates, spreads, fee income, compensation, staffing, direct expenses and assigned expenses. In the *Blueprint*, IT costs are captured at the transaction level and do not appear as a separate expense.

Had the ABC source used in the model not allocated IT expense to each transaction within an activity, then IT expenses would have been independently trackable. The components of profitability are interrelated and act as drivers. For example, an increase in the number of loan accounts will create more revenue and also drive an increase in the transaction volumes and activities associated with loan accounts. This will also generate an increase in the associated expenses. Likewise, an increase in the headcount for certain positions in the bank would drive an increase in the number of new accounts realized by the additional recourse.

By implementing this *Blueprint*, a bank will benefit from forward-looking visibility into workforce decisions at both the branch level and the company level. The *Blueprint* and processes described in this application brief are generic for any retail bank, yet can be configured to support the complex and diverse requirements of any financial institution.

Overview

Branch performance—the ability of a bank branch to acquire deposits, generate revenue, retain customers, and operate efficiently—is at the core of retail banking success. Branch deposits are the preferred resource for funding the majority of a bank's money-making lending activities. A failure to generate deposits means the bank must support lending activities with more expensive capital, which can significantly depress profitability.

Ineffective branch performance management creates a disconnect between strategic branch and bank objectives for growth and customer loyalty. Having branches that are not aligned with a bank's overall objectives leads to reduced revenues and deposits, lower profits and poor customer satisfaction stemming from an inconsistent experience. Branch management at all levels must have a performance management information system that allows them to monitor all aspects of branch Performance. The system must provide a multi-dimensional view of business with easily accessible reports and dashboards that managers can use to monitor and analyze key revenue, cost and profitability measures by branch, product type, product profile by customer, customer segmentation and even by household and combine it with local market information.

It's no longer acceptable to evaluate and project branch performance and branch profit potential just based on the internal data the bank has about its existing retail banking customers. External data such as local market information is required for true understanding of the profit and growth potential of any branch. Examples of this critical external data includes the local market competitive landscape, population density, median age, median income level, unemployment statistics and number of households—to name just a few. This external local market information must be monitored continually because the local market doesn't remain static and absolutely affects the profit potential of any branch.

Combining this additional external information with the bank's existing information will provide a bank's retail management team with the comprehensive performance view of all branches to enhance decision-making and the strategic management of the entire branch network. Many retail bank executives have used this external data to support their branch expansion projects in the past as needed, but unfortunately many have not used this same information to monitor the performance and profit potential of their existing branches.

With the *IBM Cognos Branch Performance Blueprint*, branch managers can view and evaluate performance management by looking within the walls of the bank and combining that information with the external factors that will impact the profit and growth potential for any Branch location.

The *Blueprint* addresses the following key performance metrics:

- Profitability by branch, customer and product (ranking best and worst performers)
- Sales monitoring by product, customer and sales representative
- Operational efficiency by branch, staff position, transaction and activity cost information
- Customer satisfaction and loyalty
- Profitability comparison of actual versus plan and forecast
- Comparative reporting by branch type
- Local market share analysis for deposits and loans
- Competitive landscape
- Population density
- Median age
- Median income level
- Unemployment statistics
- Number of households
- Market share by product

The *Blueprint* also offers:

- Performance views of multiple dimensions and at various levels (entire network, region, district levels)
- Detailed analysis that includes drilling down to detailed information for any dimension
- Reporting integrated with planning/forecasting to support more timely changes to strategic direction
- Real-time monitoring of branch activity (operational and sales)

Drive better branch performance management with customer segment and product level planning, analysis and reporting

The *IBM Cognos Branch Performance Blueprint* uses a sophisticated, bi-directional calculation engine to manipulate and analyze data. It uses the Web to accelerate and ease the pain of data collection and performance measurement and makes it easier to do what's most important—plan for a better branch customer experience and enhance profitability. It also provides access to reporting and administration tools developed for finance personnel and for all levels of management in a retail bank and those in operations that support the branch network.

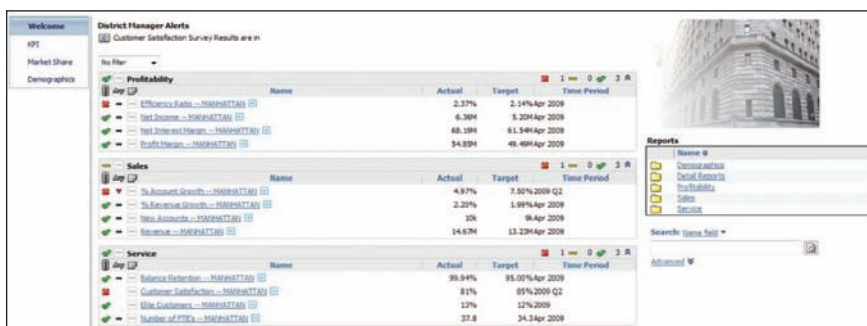
Analysis and Reporting

Using IBM Cognos 8 Business Intelligence, the *IBM Cognos Branch Performance Blueprint* provides reporting and analysis functionality. Reports can be created that reflect data from either the IBM Cognos 8 Planning Contributor model or from costing and calculation solutions such as those offered by Acorn Systems, Teradata and IBM Cognos TM1.

District Manager Dashboard

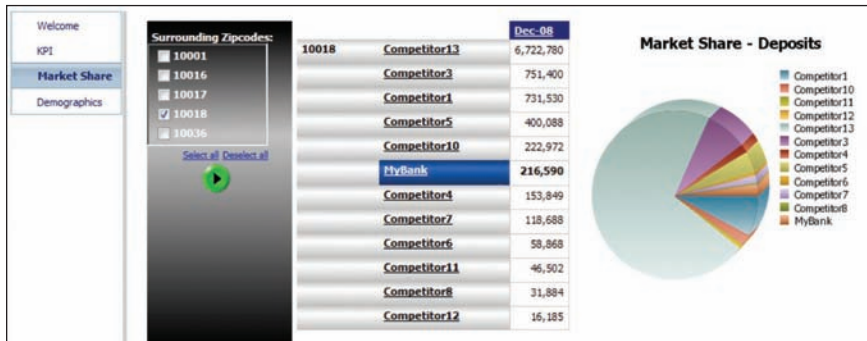
Welcome

The Welcome page provides district managers with a quick glance into the collective health of the branches that make up his or her district. It also provides important updates and basic navigation capabilities.



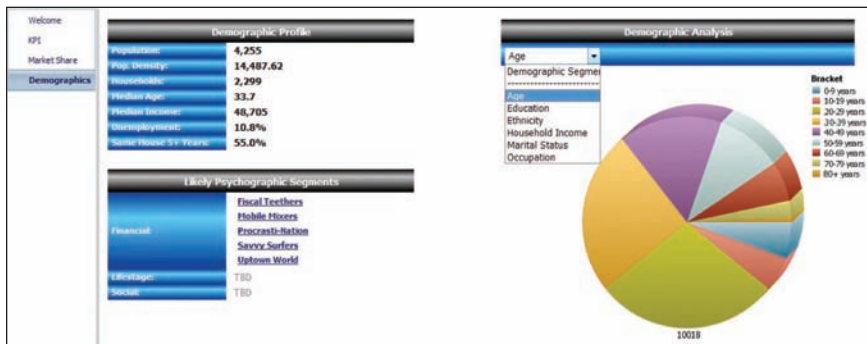
The KPI page provides a deeper dive into the key metrics. In the example shown here, the scorecard breaks for each individual branch within the district. By hovering over a status icon, the district manager can see details and trend information for that particular branch.

Market Share



The Market Share page enables the district manager to analyze FDIC deposits against competing bank branches located within a radius of zip codes.

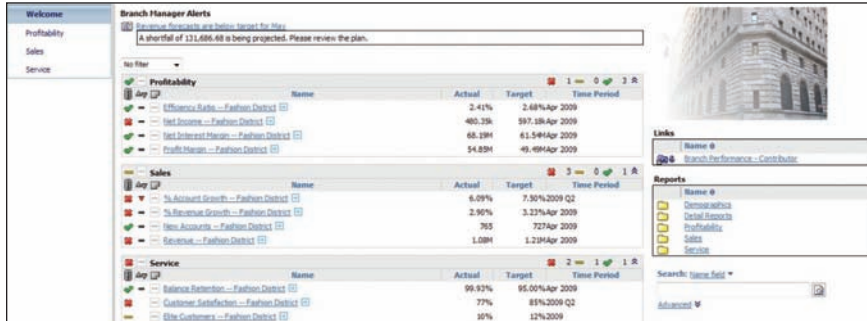
Demographics



The Demographics page exists so that managers can target and retain profitable customers living within their locale more easily. This page provides the district manager with a snapshot of census information for the district and related psychographic profiles based on the demographic information. In addition, the district manager can analyze segmentation within the demography by filtering between age, education, ethnicity, household income, marital status and occupation

Branch Manager Dashboard

Welcome

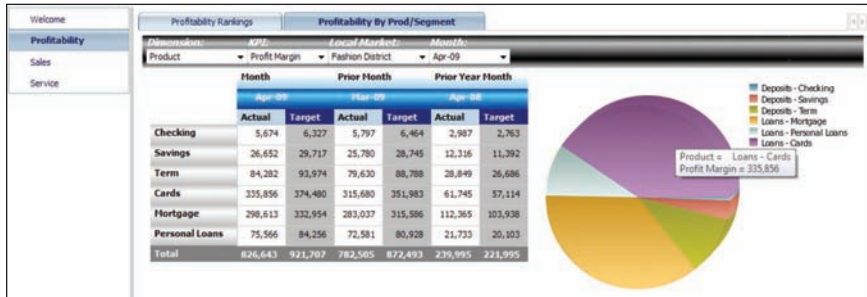


The Welcome page gives a branch manager a basic view of his or her branch, highlighted by 12 key metrics. It also provides event-based alerts and basic navigation capabilities.

Profitability

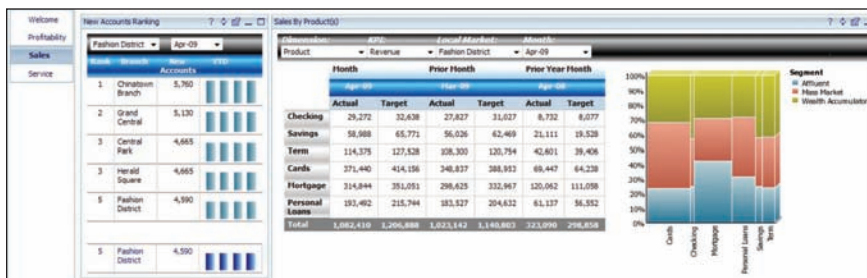


The Profitability page breaks down rankings for the branch manager's location versus the bank's other branches in the district and profitability rankings for the branch's customers. In addition, the manager can drill through the customer rankings to a detailed customer profile report.



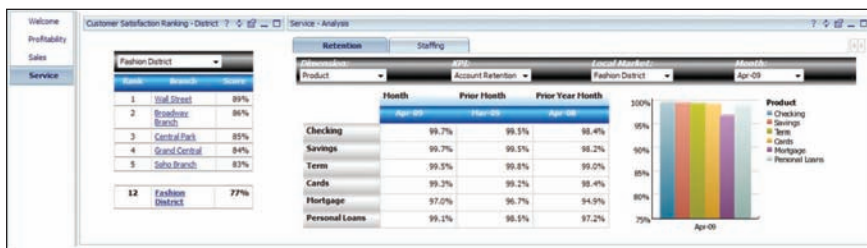
Branch managers can also use the Profitability to analyze profitability by product and customer segment for the current month, prior month, and same month of the prior year.

Sales

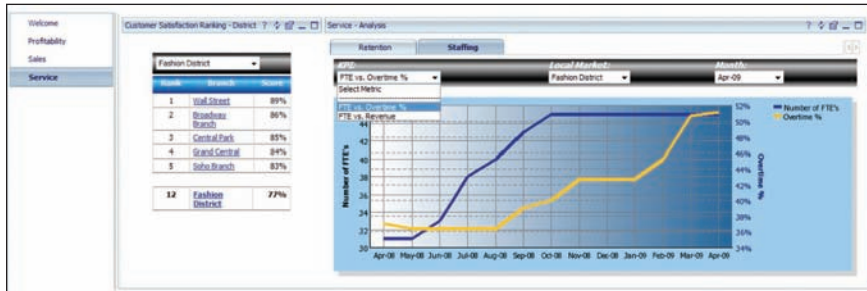


Like the Profitability page, the Sales page affords the branch manager the ability to analyze rankings in the bank inside the district and by product and segment.

Service



The Service page follows the design of Profitability and Sales; however, managers can drill through the rankings report, which launches a detailed breakdown of the customer satisfaction survey results.



Also, the Service page has a Staffing graph that attempts to detect any correlations between FTE and Overtime or FTE and Revenue over the past 12 months.

Tabs and components

The sections that follow walk you through the tabs and other components of the *Blueprint*.

Revenue and Balances

	2008	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09
Balances									
Opening Balances	45,105,439	117,612,282	126,279,733	134,938,409	143,588,312	152,229,441	162,061,796	172,557,377	184,764,184
Planned Runoff	492,704	140,604	145,972	151,340	156,708	162,076	167,444	172,812	178,180
New Business	73,448,000	8,940,000	8,940,000	8,940,000	8,940,000	10,140,000	10,812,000	12,532,000	12,532,000
(Attrition) Balances	448,453	131,945	135,351	138,757	142,163	145,569	148,975	152,381	194,760
Ending	117,612,282	126,279,733	134,938,409	143,588,312	152,229,441	162,061,796	172,557,377	184,764,184	196,923,244
Average	72,087,079	121,946,007	130,609,071	139,263,361	147,908,876	157,145,618	167,309,586	178,660,780	190,843,714
% Balance Growth	8.75%	7.37%	6.86%	6.41%	6.02%	6.46%	6.48%	7.07%	6.58%
Accounts									
Opening Accounts	151	925	1,008	1,091	1,174	1,258	1,343	1,444	1,552
New Accounts per FTE	810	87	87	87	87	89	103	111	111
New Accounts Marketing Program	0	0	0	0	0	0	0	0	0
Managers Discretion	0	0	0	0	0	0	0	0	0
New Accounts	810	87	87	87	87	89	103	111	111
Closing Accounts	925	1,008	1,091	1,174	1,258	1,343	1,444	1,552	1,659
% Account Growth	14.76%	8.99%	8.26%	7.62%	7.17%	6.75%	7.51%	7.45%	6.94%
Interest									
Planned Net Interest Margin %	2.468%	2.634%	2.629%	2.624%	2.620%	2.613%	2.607%	2.602%	2.597%
Net Interest Margin	1,778,830	267,662	286,125	304,537	322,900	342,219	363,454	387,386	413,063
\$ Fees per New Account	21.31	50.99	52.39	53.87	55.29	56.73	58.16	59.64	61.26
Average \$ Fees per Account	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fees as % of Balance	0.10%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Fee Waivers as % of Fees	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fees	83,966	5,526	5,675	5,832	5,988	6,759	7,385	8,503	8,711
Loan Loss Rate as % of Balance	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Loan Losses	3,132	1,152	1,234	1,316	1,397	1,483	1,576	1,683	1,798
Customers (Branch / Segment only)									
Opening	84,492	7,484	7,553	7,599	7,691	7,760	7,829	7,921	7,967
Net New Customers	814	69	46	92	69	69	92	46	46
Closing Customers	85,306	7,553	7,599	7,691	7,760	7,829	7,921	7,967	8,013
Revenue									
Total Revenue	1,862,796	273,188	291,800	310,369	328,888	348,978	370,840	395,890	421,774
% Revenue Growth	10.41%	8.69%	6.81%	6.36%	5.97%	6.11%	6.26%	6.75%	6.54%

The Revenue and Balances is the first tab in the *Blueprint*. This tab manages branch balances, accounts and net new customers. Those responsible for forecasting runoff, new business and attrition for account balances and new accounts and attrition for the number of accounts can use Revenue and Balances to run their appropriate forecasts. A forecast is run for each product group and for each customer segment in that group. Net new headcount is driven by decisions made on the Staffing tab. The contributor can additionally affect new accounts and average balances with entries to the new accounts marketing program, manager discretion or both.

To facilitate data entry, you can reorient the tab as needed. For example, you can reorient the tab to work on the planned runoff for all product groups in the affluent customer sector.

The screenshot shows the 'Revenue and Balances' tab with the following settings: Rows: [Product Groups], Columns: [Months], Context: [Affluent (Customer Segment)], [Fashion District (Responsibility Centers)], [Planned Runoff (Revenue/Balances)].

	2008	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
Deposits	254,000	57,790	61,580	65,370	69,160	72,950	76,740	80,530	84,320	88,110	91,900	95,690
Deposits - Checking	60,000	16,200	17,400	18,600	19,800	21,000	22,200	23,400	24,600	25,800	27,000	28,200
Deposits - Savings	28,000	7,350	7,700	8,050	8,400	8,750	9,100	9,450	9,800	10,150	10,500	10,850
Deposits - Term	166,000	34,240	36,480	38,720	40,960	43,200	45,440	47,680	49,920	52,160	54,400	56,640
Loans	238,704	82,814	84,392	85,970	87,548	89,126	90,704	92,282	93,860	95,438	97,016	98,594
Loans - Cards	180,000	60,660	61,320	61,980	62,640	63,300	63,960	64,620	65,280	65,940	66,600	67,260
Loans - Mortgage	33,000	13,250	14,000	14,750	15,500	16,250	17,000	17,750	18,500	19,250	20,000	20,750
Loans - Personal Loans	25,704	8,904	9,072	9,240	9,408	9,576	9,744	9,912	10,080	10,248	10,416	10,584
Total Product Groups/Line of Business	492,704	140,604	145,972	151,340	156,708	162,076	167,444	172,812	178,180	183,548	188,916	194,284

Or for all customer segments for a given product.

The screenshot shows the 'Revenue and Balances' tab with the following settings: Rows: [Customer Segment], Columns: [Months], Context: [Deposits - Checking (Product Groups)], [Fashion District (Responsibility Centers)], [Planned Runoff (Revenue/Balances)].

	2008	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009	Jan-10
Affluent	60,000	16,200	17,400	18,600	19,800	21,000	22,200	23,400	24,600	25,800	27,000	28,200	29,400	273,600	27,846
Wealth Accumulator	34,000	9,095	9,690	10,285	10,880	11,475	12,070	12,665	13,260	13,855	14,450	15,045	15,640	148,410	14,774
Mass Market	30,000	10,800	11,600	12,400	13,200	14,000	14,800	15,600	16,400	17,200	18,000	18,800	19,600	182,400	18,564
Total Customers	124,000	36,095	38,690	41,285	43,880	46,475	49,070	51,665	54,260	56,855	59,450	62,045	64,640	604,410	61,184

Fields in gray are non-editable and are either locked historical data, data linked over from other tabs, or items calculated based on information entered in the white or editable areas.

As changes are made, they are highlighted in blue, along with any cells affected by the change. Balance changes will affect revenue numbers and flow through the model to subsequent tabs. Likewise, changes in the accounts area will affect income (revenue from new accounts) and drive account related activity volumes. Account related activity volumes will affect assigned expenses, that is, expenses specifically related to the number and types of accounts in the model.

Staffing

Revenue and Balances		Staffing	Branch Plan	Targets by Branch	Prod/Seg Target by Branch	Volume Activity Generator	Assigned Expenses	Direct Expenses						
Rows:	[Bank Positions]	[Prod & Comp]	Columns:	[Months]	Context:	Fashion District Responsibility Center								
			2008	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	
CSR II	Average Annual Salary		26,443	26,443	26,443	26,443	26,443	26,443	26,443	26,443	26,443	26,443	26,443	
	Overtime %		10.58%	10.58%	10.58%	10.58%	10.58%	10.58%	10.58%	10.58%	10.58%	10.58%	10.58%	
	Benefits / Loading Factor (pre-loaded, not ad)		30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
	Total Salary/Related Costs		287,525	30,978	30,978	30,978	30,978	30,978	30,978	30,978	34,076	34,076	34,076	
	Branch Staffing Productivity Guidelines:													
	Annualized Revenue per FTE:		718,312	1,084,042	1,156,143	1,227,770	1,298,893	1,374,122	1,454,717	1,553,497	1,497,728	1,583,947	1,689,682	
	Revenue Growth vs Prior Month		192.90%	169.73%	113.14%	105.54%	98.79%	96.44%	101.33%	111.39%	99.18%	95.17%	137.99%	
	FTE Growth vs Prior Month		1.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.00%	0.00%	0.00%	
	Existing Headcount		5	5	5	5	5	5	5	6	6	6	6	
	Net New Headcount		3	0	0	0	0	0	1	0	0	0	2	
CSR III	Number of FTE's		5	5	5	5	5	5	6	6	6	6		
	Average Annual Salary		21,034	21,034	21,034	21,034	21,034	21,034	21,034	21,034	21,034	21,034	21,034	
	Overtime %		11.91%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%	
	Benefits / Loading Factor (pre-loaded, not ad)		30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
	Total Salary/Related Costs		119,419	12,494	12,494	12,494	12,494	12,494	14,993	14,993	14,993	14,993	19,991	
	Branch Staffing Productivity Guidelines:													
	Annualized Revenue per FTE:		1,423,153	2,168,084	2,312,286	2,455,540	2,597,785	2,748,244	2,424,529	2,589,162	2,745,834	2,903,902	2,323,312	
	Revenue Growth vs Prior Month		192.90%	169.73%	113.14%	105.54%	98.79%	96.44%	101.33%	111.39%	99.18%	95.17%	137.99%	
	FTE Growth vs Prior Month		3.06%	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%	0.00%	0.00%	0.00%	33.33%	
	Monthly New Account Avg													
Deposits - Checking Avg		360	30	30	30	30	30	30	30	30	30	30		
Deposits - Savings Avg		360	30	30	30	30	30	30	30	30	30	30		
Deposits - Term Avg		360	30	30	30	30	30	30	30	30	30	30		
Loans - Mortgage Avg		0	0	0	0	0	0	0	0	0	0	0		
Loans - Personal Loans Avg		60	5	5	5	5	5	5	5	5	5	5		
Loans - Cards Avg		120	10	10	10	10	10	10	10	10	10	10		
Total New Accounts based upon FTE's														
Deposits - Checking		1,470	150	150	150	150	150	180	180	180	180	240		
Deposits - Savings		1,470	150	150	150	150	150	180	180	180	180	240		
Deposits - Term		1,470	150	150	150	150	150	180	180	180	180	240		
Loans - Mortgage		0	0	0	0	0	0	0	0	0	0	0		
Loans - Personal Loans		245	25	25	25	25	25	30	30	30	30	40		
Loans - Cards		490	50	50	50	50	50	60	60	60	60	80		
Existing Headcount		8	8	8	8	8	8	8	9	11	11	11		
Net New Headcount		5	0	0	0	0	0	1	2	0	0	0		

Staffing (the second tab) is where a branch manager plans for one of the branch's largest expenses. A branch manager will be able to control net new headcount by month and by type of position, such as Customer Service Representative (CSR I). Managers will also have some latitude in defining the overtime percentage for the position. Based on these few entries, staffing costs for the entire branch will be calculated and viewable on this tab or as part of the Branch Plan tab. Since staffing is not planned at the product group or customer segment level, they are not included in the Product Segment Plan by Branch tab. The Staffing tab also includes a few branch staffing upon productivity guidelines. Besides the guidelines included in the tab, others can be added or existing ones modified to suit an individual bank's need. By adding or deleting staff on this tab, a contributor will affect the number of new accounts and related balances.

Branch Plan

	2008	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009
Net Interest Margin	5,544,880	857,912	916,415	974,489	1,032,145	1,091,525	1,152,866	1,225,780	1,301,921	1,378,761	1,463,918	1,557,287	1,650,131	14,603,152
Net	342,358	35,457	47,037	48,653	50,265	53,577	59,398	68,800	70,996	73,190	84,957	87,073	89,076	778,478
Revenues	5,887,238	903,368	963,452	1,023,142	1,082,410	1,145,102	1,212,264	1,294,581	1,372,917	1,451,951	1,548,875	1,644,360	1,739,208	15,381,630
Loan Losses	555,356	74,715	88,976	89,947	91,157	109,953	111,167	112,408	122,049	131,876	134,827	143,984	153,140	1,364,199
Staff Costs	1,553,876	174,025	174,907	176,798	176,939	177,639	185,166	195,222	201,934	201,934	206,932	214,571	214,571	2,300,640
Facilities and Related	177,345	19,386	19,534	19,253	19,359	18,703	18,383	19,047	18,820	18,475	18,804	19,132	19,461	228,357
Travel & Entertainment	42,661	3,757	3,740	3,719	3,802	3,650	3,613	3,770	3,717	3,635	3,713	3,791	3,869	44,775
Postage and Supplies	49,093	4,230	4,193	4,219	4,247	4,152	4,137	4,320	4,257	4,162	4,253	4,344	4,434	50,947
Marketing Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3rd Party Costs	55,295	3,833	4,248	4,352	4,456	4,560	4,664	4,768	4,871	4,975	5,079	5,183	5,287	56,276
Total Direct Expenses	1,878,270	205,230	206,622	208,341	208,802	208,704	215,963	227,127	233,600	233,182	238,781	247,821	247,622	2,680,995
Assigned Expenses														
Call Center	550,150	81,991	87,790	93,571	99,569	105,522	111,996	119,223	126,814	134,582	143,396	153,241	163,236	1,421,030
Operations	164,848	24,318	26,044	27,773	29,514	31,244	33,166	35,324	37,562	39,838	42,433	45,299	48,273	420,847
Mortgage Sales	210,134	29,517	31,483	33,418	35,492	37,562	39,711	42,231	45,026	47,910	50,953	54,186	57,385	504,894
Lending Back Office	109,204	19,784	20,943	22,101	23,256	24,540	25,897	27,478	29,225	31,010	32,963	35,109	37,229	329,583
Credit	365,097	55,474	59,698	63,774	67,886	72,092	76,401	80,927	85,671	90,620	95,885	101,472	107,372	1,147,499
Total Assigned Expenses	1,399,422	211,084	225,958	240,637	255,767	270,959	287,990	306,522	326,846	347,560	370,431	395,746	420,871	3,659,970
Revenue Less Assigned Expenses	4,487,815	692,285	737,494	782,505	826,643	874,142	924,674	988,059	1,046,071	1,104,391	1,178,444	1,248,614	1,318,337	11,721,660
Total Controllable Expenses	3,277,693	416,314	432,580	448,978	464,570	479,663	503,553	533,649	560,446	580,741	609,212	642,767	668,493	6,340,965
Contribution Margin	2,054,189	412,340	441,897	484,217	526,684	555,485	597,544	648,524	690,422	739,333	804,837	857,608	917,575	7,676,466
Overhead														
Finance	180,434	36,194	37,856	36,528	36,510	36,376	32,429	35,746	34,614	32,887	30,806	44,728	50,645	453,318
Executive	143,534	20,581	21,032	20,072	19,944	20,100	18,055	19,902	19,271	23,318	27,365	31,412	35,459	276,512
Human Resources	120,304	28,164	29,544	28,005	29,091	27,879	26,012	28,673	27,765	31,096	34,428	37,760	41,092	369,510
Net Income	1,609,916	327,401	353,464	399,612	441,138	471,130	521,049	564,203	608,772	652,632	704,237	743,710	790,379	6,577,126
Number of FTEs	45	45	45	45	45	46	48	50	52	52	54	54	54	54
Key Performance Indicators:														
% Balance Growth	8.51%	7.12%	6.64%	6.22%	5.85%	6.12%	6.27%	6.77%	6.33%	5.96%	7.02%	6.55%	6.15%	6.41%
% Revenue Growth	11.28%	9.86%	6.65%	6.20%	5.79%	5.79%	5.87%	6.79%	6.05%	5.76%	6.68%	6.16%	5.77%	6.34%
% of Income from Fees	5.8%	5.0%	4.9%	4.8%	4.6%	4.7%	4.9%	5.3%	5.2%	5.0%	5.5%	5.3%	5.1%	5.1%
Profitability Movement Indicator	11.47%	10.32%	6.53%	6.10%	5.64%	5.75%	5.78%	6.85%	5.87%	5.58%	6.71%	5.95%	5.58%	6.26%
Efficiency Ratio (costs / revenue)	61.18%	52.37%	51.01%	49.41%	48.14%	46.82%	45.70%	45.52%	44.75%	43.87%	43.60%	43.72%	43.39%	45.97%
% Controllable Expense Growth	7.86%	4.85%	3.91%	3.79%	3.47%	3.25%	4.98%	5.98%	5.02%	3.62%	4.90%	5.51%	4.00%	4.47%
Revenue per Employee	160,900	20,075	21,410	22,736	24,054	24,894	25,256	25,892	26,402	27,922	28,683	30,451	32,208	309,582
Net Income per Employee	40,900	7,276	7,855	8,880	9,803	10,242	10,855	11,284	11,707	12,539	13,041	13,772	14,637	131,892

The Branch Plan tab is a complete look at a branch at the highest level. It consolidates all the information developed in the previous two tabs, along with Direct Expenses and overhead expense information for finance, executive and human resources. A number of key performance indicators have been calculated for convenience and information. These indicators have been linked back to the next tab, Targets by Branch, so that they can be compared to management targets and to analyze trends.

Targets by Branch

Rows	Sep-08			Oct-08			Nov-08			Dec-08			2008			Jan-09		
	Act/Fcst	Target	Gap	Act/Fcst	Target	Gap	Act/Fcst	Target	Gap	Act/Fcst	Target	Gap	Act/Fcst	Target	Gap	Act/Fcst	Target	Gap
Contribution Margin	217,753	201,421	16,331	294,907	272,789	22,118	324,858	300,492	24,364	363,122	335,888	27,234	2,054,189	1,900,125	154,064	412,340	459,759	(47,419)
Revenues	601,591	556,472	45,119	700,465	647,930	52,535	761,387	704,282	57,104	822,281	760,610	61,671	5,887,238	5,445,695	441,543	903,368	1,007,256	(103,887)
Key Performance Indicators:																		
% Balance Growth	20.1%	9.4%	0.8%	9.1%	8.4%	0.7%	8.2%	7.7%	0.6%	7.7%	7.1%	0.6%	8.2%	7.6%	0.6%	7.1%	7.9%	(0.8%)
% Revenue Growth	9.0%	8.3%	0.7%	16.4%	15.2%	1.2%	8.7%	8.0%	0.7%	8.0%	7.4%	0.6%	10.5%	9.7%	0.8%	9.9%	11.0%	(1.1%)
% of Income from Fees	5.8%	5.3%	0.4%	6.4%	5.9%	0.5%	6.0%	5.6%	0.5%	5.7%	5.3%	0.4%	5.8%	5.4%	0.4%	5.0%	5.6%	(0.6%)
Profitability Movement Indicator	8.06%	7.46%	0.60%	17.67%	16.25%	1.33%	8.03%	7.45%	0.60%	7.35%	6.79%	0.55%	11.47%	10.61%	0.86%	10.32%	11.51%	(1.19%)
Efficiency Ratio (costs / revenue)	55.5%	54.1%	1.4%	54.5%	50.4%	4.1%	54.2%	50.1%	4.1%	53.0%	49.0%	4.0%	64.6%	59.7%	4.8%	52.4%	55.4%	(6.0%)
Revenue per Employee	13,990	12,941	1,049	15,566	14,398	1,167	16,920	15,651	1,269	18,273	16,902	1,370	13,408	12,403	1,006	20,075	22,383	(2,309)
Net Income per Employee	4,243	3,924	318	5,645	5,222	423	6,188	5,724	464	6,915	6,396	519	40,090	37,084	3,007	7,276	8,112	(837)
Number of FTEs	47	43	4	49	45	4	49	45	4	49	45	4	49	45	4	49	55	(6)

The Targets by Branch tab contains information from the Branch Plan tab and an upload of targets. The column labeled Act/Fcst contains either the actual data for prior months or the current forecast based on decisions made in the *Blueprint*. The Target column is uploaded and represents management targets or goals for this particular branch. You can use Gap to evaluate performance against goals and a trend analysis to report on whether you are closing the gap or diverting away from targets.

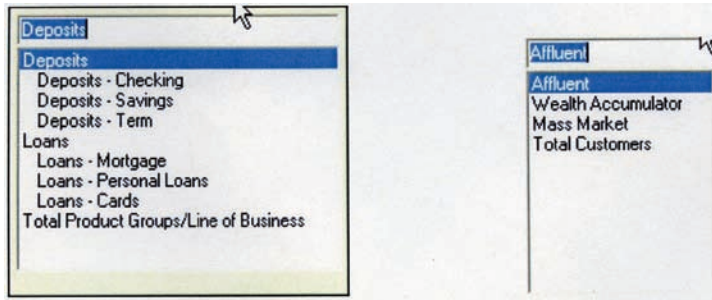
There are no selections to be made on this tab as it is for informational purposes only.

Product/Segment Target by Branch

Rows	Sep-08			Oct-08			Nov-08			Dec-08			2008			Jan-09		
	Act/Fcst	Target	Gap	Act/Fcst	Target	Gap	Act/Fcst	Target	Gap	Act/Fcst	Target	Gap	Act/Fcst	Target	Gap	Act/Fcst	Target	Gap
Revenue less Assigned Expenses	30,870	28,555	2,315	28,540	26,400	2,141	30,283	28,012	2,271	32,018	29,617	2,401	293,524	271,510	22,014	33,871	37,766	(3,895)
Key Performance Indicators:																		
% Balance Growth	8.18%	7.57%	0.61%	7.56%	6.99%	0.57%	6.98%	6.46%	0.52%	6.53%	6.04%	0.49%	8.45%	7.81%	0.63%	6.14%	6.85%	(0.71%)
% Revenue Growth	8.26%	7.64%	0.62%	(4.57%)	(4.23%)	(0.34%)	7.02%	6.49%	0.53%	6.54%	6.05%	0.49%	7.68%	7.10%	0.58%	6.42%	7.16%	(0.74%)
% of Income from Fees	14.5%	13.5%	1.1%	3.3%	3.1%	0.2%	3.1%	2.9%	0.2%	2.9%	2.7%	0.2%	11.2%	10.4%	0.8%	2.7%	3.0%	(0.3%)
Profitability Movement Indicator	7.24%	6.70%	0.54%	(7.55%)	(6.98%)	(0.57%)	6.11%	5.65%	0.46%	5.73%	5.30%	0.43%	6.52%	6.03%	0.49%	5.79%	6.45%	(0.67%)
Assigned Expenses / Revenue Ratio	0.1%	0.1%	0.0%	0.2%	0.2%	0.0%	0.2%	0.0%	0.2%	0.2%	0.0%	0.2%	0.0%	0.1%	0.0%	0.2%	0.2%	0.0%
Revenue per Employee	769	711	58	704	651	53	753	697	57	803	742	60	8,977	8,303	673	854	952	(98)
Net Interest Margin	30,891	28,574	2,317	33,356	30,855	2,502	35,778	33,095	2,683	38,192	35,327	2,864	302,227	279,560	22,667	40,716	45,399	(4,682)
Fees	5,257	4,863	394	1,140	1,055	86	1,140	1,055	86	1,140	1,055	86	38,159	35,297	2,862	1,140	1,271	(131)
Revenues	36,148	33,437	2,711	34,496	31,909	2,587	36,918	34,149	2,769	39,332	36,382	2,950	340,386	314,857	25,529	41,856	46,670	(4,813)
Loan Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Expenses																		
Call Center	4,367	4,039	327	4,929	4,559	370	5,492	5,080	412	6,054	5,600	454	38,752	35,845	2,906	6,610	7,371	(760)
Operators	911	843	68	1,027	950	77	1,143	1,058	86	1,260	1,165	94	8,110	7,502	608	1,375	1,533	(158)
Mortgage Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lending Back Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assigned Expenses	5,278	4,882	396	5,956	5,509	447	6,635	6,137	498	7,314	6,765	549	46,862	43,348	3,515	7,985	8,904	(918)
Number of FTEs	47	43	4	49	45	4	49	45	4	49	45	4	40	37	3	49	55	(6)

The Prod/Seg Target by Branch tab has information from the Product Segment Plan by Branch tab and from an upload of targets that can be populated. The column labeled Act/Fcst contains either the actual data for historical months, or the current forecast based on decisions made in the *Blueprint*. The Target column is uploaded

and represents managements targets or goals for this particular branch. You can use Gap to evaluate performance against goals and a trend analysis to report on whether you are closing the gap or diverting away from targets, This tab is different from the Targets by Branch tab because it sets targets and tracks results at the product group and customer segment levels. It has drop-down menus so that you can select both the product group and customer segment that you wish to plan for.



Product Group Customer Segment

The Product Group and Customer Segment dimensions are easily modified to reflect the product groups and customer segments defined by the blueprints users. There are no selections to be made here, because the tab is for informational purposes only.

Volume Activity Generator

	Oct-08	Nov-08	Dec-08	2008	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009	Jan-10	Feb-10	Mar-10	Apr-10
Accounts	28	31	35	35	38	45	45	48	52	55	59	63	68	72	78	83	83	89	94	100	105
Activity Intensity Rate	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
Activity Intensity Rate Override	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Activity Volume	28	32	35	212	39	42	45	49	52	56	60	64	69	73	79	85	714	90	96	101	107

The Volume Activity Generator tab is where you can execute the activity-based costing portion of the *Blueprint*. In all the other tabs in the model that use products as a dimension, you plan at the Product Group level. This tab provides a deeper view of branch performance. While still planning at the Branch and Customer Segment level, you can plan at both a Product and Activity level in this tab.

In this section, we'll take a closer look at each dimension separately. In the view shown here, notice a drop down box that currently shows customer inquiry calls.

Call Center
Customer Inquiry Calls
Renewals-Call Ctr
Telephone Banking Support
Loan Origination-Call Ctr
Deposit Origination
Operations
Accept Deposit ATM
Mailing/Postage Cost
Process Bill Payments
Process Checks
Process Deposits
Produce Statements
Mortgage Sales
Loan Sales
Loan Renewals
Lending Back Office
Loan Origination-lending BO
NSF Loan Processing
Loan Payment Processing
Loan Termination
Statement Prep & Mail
Renewals-loans
Credit
Credit Reviews - Internal
Credit Reviews - Third Party

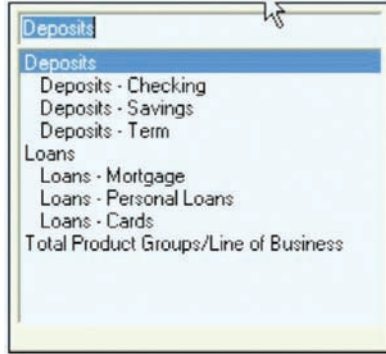
This is one of the many activities that might be associated with a specific product. In fact, when loading data from an activity-based costing engine, many transactions can make up an activity for a specific product and customer segment. For example, Activity-Customer Inquiry Calls would be made up of many different types of transactions, such as purchase inquires, call center balance inquiries, call center inquiries, and inbound purchase calls would all be examples of items that are part of Activity-Customer Inquiry Calls. The number of times these activities take place for a given product, at a given branch, for a given customer segment during a specific period (in this example, it's monthly), is defined as the activity intensity rate. In other words, it is not only the transactions that make up the activity, but the number of times an activity might occur within the month (for example, a customer might make a call center balance inquiry twice a month). In the Activity Intensity Rate Calc tab (a subsequent tab), you will see how the Activity Intensity Rate is determined using historical basis and linear extrapolation. activity intensity rate is used in the accounts forecast in the Revenue and Balances tab to

forecast activity volumes that will be used to drive assigned expenses.

Transactions that flow into activities are based on specific products and customer segments. Therefore, you plan at the product level in the Volume Activity Generator.

Checking - 50+ Checking
Checking - Checking Reserve
Checking - Free Checking
Checking - Interest Checking
Checking - Relationship Checking
Deposits - Checking
Savings - Basic Savings
Savings - COD
Savings - High-Yield Money Market
Savings - Regular Savings
Savings - SmartSaver Accounts
Deposits - Savings
CD
Deposits - Term
Mortgage - Alt A Subprime
Mortgage - Branch Originations
Mortgage - CRA Government Lending
Mortgage - Direct Banking
Mortgage - LPD Originations
Mortgage - No Doc
Mortgage - Wholesale
Loans - Mortgage
Line of Credit
Unsecured Loan
Auto Loan
Loans - Personal Loans
Credit Card - Mastercard
Credit Card - Visa
Loans - Cards

In the Revenue and Balances tab, you plan at the Product Group level.



You must therefore link the information between these to differing dimensions. Because you know history, the actuals are loaded directly from the activity-based costing engine. You populate forecast months by linking the product group from the source, Revenue and Balances, to the target dimension products. Note that the target dimension, products, has the items planned in the source list (that is, deposits – checking, deposits – savings and so forth are on both lists). When linking data from the source, you “breakback” or “allocate” the accounts for products based on the running

three -month average. For example, if checking - 50+ checking averaged 12 percent of Deposit - Checking for the previous three months, then that basis would be used to allocate all forecast months.

In the following two screens, notice how the average of the opening accounts and closing accounts $[(636 + 674)/2 \text{ or } 655]$ from the Revenue and Balances tab linked over and was allocated to the loans - mortgages area of the Volume Activity Generator. All else being equal—Mass Market to Mass Market, Fashion District to Fashion District, Mar '10 to Mar '10—the total for the Product Group allocated itself based on the last three months of actual history.

Having now linked in account information, and using the activity intensity rate that was calculated elsewhere, you can now calculate the Activity Volume by product, customer segment and month at the branch level to use as a driver in the Assigned Expenses tab.

Revenue and Balances							
Rows:	Columns:						
[Revenue/Balances]	[Months]						
	Context:		Mass Market (Customer Segment)		Fashion District (Responsibility Centers)		Loans - Mortgage (Product Groups)
	2009	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Balances							
Opening Balances	51,772,546	112,344,856	119,485,431	126,624,911	133,763,296	140,900,586	148,036,781
Planned Runoff	338,250	30,625	31,000	31,375	31,750	32,125	32,500
New Business	61,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000
(Attrition) Balances	289,440	28,800	29,520	30,240	30,960	31,680	32,400
Ending	112,344,856	119,485,431	126,624,911	133,763,296	140,900,586	148,036,781	155,171,881
Average	77,496,750	115,915,143	123,055,171	130,194,103	137,331,941	144,468,683	151,604,331
% Balance Growth	6.73%	6.36%	5.98%	5.64%	5.34%	5.06%	4.82%
Accounts							
Opening Accounts	249	553	595	636	674	711	751
New Accounts per FTE	408	48	48	48	48	48	48
New Accounts Marketing Program	0	0	0	0	0	0	0
Managers Discretion	0	0	0	0	0	0	0
New Accounts	408	48	48	48	48	48	48
Closing Accounts	553	595	636	674	711	751	799
% Account Growth	7.11%	7.52%	7.00%	5.87%	5.55%	5.55%	6.39%
Planned Net Interest Margin %	1.635%	1.291%	1.310%	1.304%	1.298%	1.292%	1.286%
Net Interest Margin	1,266,772	124,736	134,358	141,482	148,541	155,538	162,472
\$ Fees per New Account	105.00	105.00	105.00	105.00	105.00	105.00	105.00
Average \$ Fees per Account	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fees as % of Balance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Waivers as % of Fees	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fees	42,840	5,040	5,040	5,040	5,040	5,040	5,040
Loan Loss Rate as % of Balance	0.56%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%
Loan Losses	435,919	108,566	115,253	121,939	128,624	135,309	141,992

Volume Activity Generator												
Rows:	Columns:											
[Products]	[Months]											
	Context: Fashion District (Responsibility Centers)											
	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009	Jan-10	Feb-10	Mar-10	Apr-10
Checking - 50+ Checking	298	319	341	363	389	418	448	448	477	505	533	561
Checking - Checking Reserve	298	319	341	363	389	418	448	448	477	505	533	561
Checking - Free Checking	0	0	0	0	0	0	0	0	0	0	0	0
Checking - Interest Checking	298	319	341	363	389	418	448	448	477	505	533	561
Checking - Relationship Checking	298	319	341	363	389	418	448	448	477	505	533	561
Deposits - Checking	1,194	1,277	1,363	1,452	1,555	1,674	1,792	1,792	1,909	2,022	2,131	2,243
Savings - Basic Savings	244	261	278	296	317	340	364	364	386	408	431	454
Savings - COD	244	261	278	296	317	340	364	364	386	408	431	454
Savings - High-Yield Money Market	244	261	278	296	317	340	364	364	386	408	431	454
Savings - Regular Savings	244	261	278	296	317	340	364	364	386	408	431	454
Savings - SmartSaver Accounts	244	261	278	296	317	340	364	364	386	408	431	454
Deposits - Savings	1,220	1,307	1,392	1,480	1,583	1,702	1,821	1,821	1,932	2,041	2,156	2,270
CD	1,581	1,660	1,742	1,827	1,928	2,045	2,162	2,162	2,275	2,387	2,501	2,614
Deposits - Term	1,581	1,660	1,742	1,827	1,928	2,045	2,162	2,162	2,275	2,387	2,501	2,614
Mortgage - Alt A Subprime	112	122	132	141	152	165	178	178	191	205	218	231
Mortgage - Branch Originations	0	0	0	0	0	0	0	0	0	0	0	0
Mortgage - CRA Government Lending	112	122	132	141	152	165	178	178	191	205	218	231
Mortgage - Direct Banking	112	122	132	141	152	165	178	178	191	205	218	231
Mortgage - LPO Originations	0	0	0	0	0	0	0	0	0	0	0	0
Mortgage - No Doc	0	0	0	0	0	0	0	0	0	0	0	0
Mortgage - Wholesale	0	0	0	0	0	0	0	0	0	0	0	0
Loans - Mortgage	337	366	396	424	456	496	534	534	574	616	655	693
Line of Credit	411	438	470	503	537	576	613	613	650	685	719	756
Unsecured Loan	411	438	470	503	537	576	613	613	650	685	719	756
Auto Loan	411	438	470	503	537	576	613	613	650	685	719	756
Loans - Personal Loans	1,233	1,315	1,410	1,508	1,612	1,727	1,839	1,839	1,950	2,055	2,158	2,267
Credit Card - Mastercard	321	346	373	400	429	459	490	490	520	551	580	609
Credit Card - Visa	963	1,039	1,120	1,201	1,286	1,377	1,469	1,469	1,561	1,653	1,741	1,827
Loans - Cards	1,285	1,385	1,493	1,601	1,714	1,837	1,958	1,958	2,082	2,204	2,321	2,436

Assigned Expenses

		2008	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009
Call Center	Volumes														
	Planned Unit Price														
	Cost														
Customer Inquiry Calls	Volumes	1,916	239	254	266	276	291	314	341	368	394	424	461	497	4,125
	Planned Unit Price	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79
	Cost	1,504	188	199	209	217	228	246	267	289	309	333	362	390	3,238
Renewals-Call Ctr	Volumes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Planned Unit Price	0.00	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	0.00
	Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Telephone Banking Support	Volumes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Planned Unit Price	0.00	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	0.00
	Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Origination-Call Ctr	Volumes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Planned Unit Price	0.00	8.63	8.63	8.63	8.63	8.63	8.63	8.63	8.63	8.63	8.63	8.63	8.63	0.00
	Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposit Origination	Volumes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Planned Unit Price	0.00	5.73	5.73	5.73	5.73	5.73	5.73	5.73	5.73	5.73	5.73	5.73	5.73	0.00
	Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operations	Volumes														
	Planned Unit Price														
	Cost														
ATM Transaction	Volumes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Planned Unit Price	0.00	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.00
	Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0

You use the Assigned Expenses tab to calculate expenses driven by account activity. All calculations reflect the choices made in the preceding tabs. We have included this tab as a courtesy for informational purposes only. An administrator of the IBM Cognos 8 Contributor application could decide to hide this tab so that a user only sees the consolidated results in the Product Segment Plan by Branch or the Branch Plan tabs. Volumes are fed from the Volume Activity Generator and the Planned Unit Price is set at a corporate level based upon historical values and recent initiatives.

Direct Expenses

	Dec-08	2008	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009	Jan-10	Feb-10	Mar-10	Apr-10
Facilities and Related	15,114	177,345	19,386	19,534	19,233	19,399	18,703	18,383	19,647	18,820	18,475	18,804	19,132	19,461	228,357	19,558	19,707	19,423	19,530
Travel & Entertainment	3,696	42,661	3,757	3,740	3,719	3,802	3,650	3,613	3,770	3,717	3,635	3,713	3,791	3,869	44,775	3,788	3,771	3,750	3,833
Postage and Supplies	-4,273	49,093	4,230	4,193	4,219	4,247	4,152	4,137	4,300	4,257	4,162	4,253	4,344	4,434	50,947	4,475	4,456	4,463	4,493
Marketing Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3rd Party Costs	5,195	55,295	3,833	4,248	4,352	4,456	4,560	4,664	4,768	4,871	4,975	5,079	5,183	5,287	56,276	3,980	4,111	4,519	4,627
Total Direct Expenses	28,268	324,394	31,266	31,715	31,543	31,863	31,065	30,797	31,905	31,666	31,247	31,848	32,450	33,051	386,355	31,800	32,324	32,155	32,482

A branch manager can enter expenses directly associated with the particular branch but not driven by bank-related volume activity in the Direct Expenses tab. Historical data is loaded in past months. You can then enter or adjust Direct Expense for all forecast periods. The expense categories shown are for illustrative

purposes only, and may be expanded and modified to reflect the needs of the particular bank. It should be noted that direct expenses are also planned at the branch level and not broken down by product group or customer segment. For this reason, they are included in the Branch Plan tab, as are Staffing Costs. Because there is no direct method for allocating them to Product Group and Customer Segment, they are not included on the Product Segment Plan by Branch tab.

Product Segment Plan by Branch

	2008	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009	Jan-10	Feb-10
Net Interest Margin	644,467	74,301	78,669	82,878	87,230	92,032	100,141	106,208	113,828	120,421	128,189	137,621	146,783	1,266,772	124,736	134,358
Fees	25,955	2,120	2,120	2,120	2,120	3,150	3,150	3,780	3,780	3,780	5,040	5,040	5,040	42,840	5,040	5,040
Revenues	670,363	76,821	81,189	85,498	89,750	95,182	103,291	109,988	117,608	124,201	133,199	142,661	150,823	1,309,612	129,776	139,398
Loan Losses	0	25,101	26,767	28,432	30,096	31,971	34,057	36,352	38,859	41,364	44,291	47,640	50,988	435,919	108,566	115,253
Assigned Expenses																
Call Center	1,504	188	199	209	217	228	246	267	289	309	333	362	390	3,238	419	450
Operators	4,233	528	561	589	611	642	693	752	813	871	938	1,019	1,098	9,115	1,180	1,265
Mortgage Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lending Back Office	12,505	1,560	1,658	1,729	1,805	1,897	2,047	2,223	2,402	2,572	2,771	3,011	3,244	26,928	3,466	3,728
Credit	45,028	5,617	5,968	6,262	6,498	6,829	7,369	8,004	8,647	9,261	9,978	10,842	11,682	96,958	12,551	13,461
Total Assigned Expenses	63,270	7,892	8,386	8,799	9,131	9,596	10,355	11,247	12,151	13,013	14,020	15,234	16,414	136,238	17,635	18,914
Revenue less Assigned Expenses	607,093	68,929	72,803	76,699	80,619	85,587	92,936	98,740	105,457	111,188	119,179	126,827	134,408	1,173,373	112,141	120,484
Key Performance Indicators:																
% Balance Growth	6.59%	6.86%	6.42%	6.03%	5.69%	6.74%	6.32%	7.14%	6.66%	6.25%	7.86%	7.28%	6.79%	6.73%	6.36%	5.98%
% Revenue Growth	8.54%	(10.58%)	5.69%	5.31%	4.97%	6.05%	8.52%	6.48%	6.93%	5.61%	7.24%	6.65%	6.17%	5.22%	#####	7.41%
% of Income from Fees	3.87%	3.28%	3.10%	2.95%	2.81%	3.31%	3.05%	3.44%	3.21%	3.04%	3.78%	3.55%	3.34%	3.27%	3.88%	3.62%
Profitability Movement Indicator	8.96%	(12.20%)	5.62%	5.35%	5.11%	6.16%	8.59%	6.25%	6.80%	5.43%	7.19%	6.42%	5.98%	5.00%	#####	7.44%
Assigned Expenses / Revenue Ratio	0.09%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.11%	0.11%	0.11%	0.10%	0.14%	0.14%
Revenue per Employee	17,643	1,568	1,657	1,745	1,832	1,866	1,949	1,964	2,028	2,141	2,148	2,291	2,433	23,622	2,093	2,581
Number of FTE's	41	49	49	49	49	51	53	56	58	58	62	62	62	56	62	54

The Product Segment Plan by Branch tab consolidates information developed in previous tabs that were planned at the product group and customer segment levels. This tab also calculates certain Key Performance Indicators as defined by management. This list of indicators is easily amended to facilitate the needs of a specific bank. This tab does not include staffing costs or direct expenses, because these two items are not planned at the product group and customer segment level. Data from this tab is linked back to the Product Segment Target by Branch tab and used to make comparisons to corporate targets.

Shared Services Unit Rates

Rows:	Dec-08	2008	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	
Call Center																						
Customer Inquiry Calls	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	
Rebate-Call Ctr	\$1.74	\$1.73	\$1.74	\$1.74	\$1.74	\$1.74	\$1.74	\$1.74	\$1.74	\$1.74	\$1.74	\$1.74	\$1.74	\$1.74	\$1.73	\$1.74	\$1.74	\$1.74	\$1.74	\$1.74	\$1.74	
Telephone Billing Support	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	
Loan Origination-Call Ctr	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	
Deposit Origination	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	
Operations																						
ATM Transaction	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	
Mailing/Postage Cost	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	
Process Bill Payments	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	
Process Checks	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	
Process Deposits	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	
Produce Statements	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	
Mortgage Sales																						
Loan Sales	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	
Loan Renewals	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	
Lending Back Office																						
Loan Origination-lending BO	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	\$5.09	
HQ Loan Processing	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70	
Loan Payment Processing	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	
Loan Termination	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	
Statement Prep & Mail	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	
Renewals-Home	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	\$6.92	
Credit																						
Credit Reviews - Internal	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	\$8.63	
Credit Reviews - Third Party	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	

The Shared Services Unit Rates tab is an assumptions tab with both the historic rates and the rates being forecast by management. These rates are used in the Assigned Expenses tab and are driven by the activity volume calculated in the Volume Activity Generator. When developing these rates, management takes into account historical trends, anticipated changes in processes and how future hardware and software purchases might affect unit rates. The user has no input here; the IBM Cognos 8 Contributor administrator can even elect to hide this tab from users.

Time Calc

Rows:	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Actual Months (Unkntal) (Hide)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Actual Months	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Forecast Months															
Current Month (Hide)	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Lag C1 (Hide)	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
Lag C2 (Hide)	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
Lag C3 (Hide)	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
Months (Std) (Hide)	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Months for Average															
Act/Fore	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Actual Months Cum (Hide)	7	8	9	10	11	12	13	14	15	16	16	16	16	16	16
Date Stamp	20080701	20080801	20080901	20081001	20081101	20081201	20090101	20090201	20090301	20090401	20090501	20090601	20090701	20090801	20090901

The Time Calc tab allows for a rolling forecast and facilitates the averaging of account balances over the previous three months in the Volume Activity Generator. This tab also facilitates allocation of account information from the Revenue and Balances tab to the Volume Activity Generator based on running three-month phasing. This tab requires no input from a user and can be hidden at the discretion of the IBM Cognos 8 Contributor administrator.

Activity Intensity Rate Calc

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	2008	Jan-09	Feb-09	Mar-09	Apr-09
Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Accounts	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Activity Intensity Rate	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93

From the activity-based costing source, you load historical accounts and actual activity volume (hide). By dividing volume by the number of accounts, you arrive at the Actual Activity Intensity Rate. Using this information and some data brought over from the Time Calc tab, you are able to use the Activity Intensity Rate Calc tab for a linear extrapolation and to derive an Activity Intensity Rate that is linked into the Volume Activity Generator to calculate forecast volumes based on current account balances and anticipated activity rates. This tab requires no input from the user and can be hidden at the discretion of the IBM Cognos 8 Contributor administrator.

Avg Balance per New Account

	Affluent	Wealth Accumulator	Mass Market	Total Customers
Deposits	84,000	42,000	21,000	147,000
Deposits - Checking	12,000	6,000	3,000	21,000
Deposits - Savings	24,000	12,000	6,000	42,000
Deposits - Term	48,000	24,000	12,000	84,000
Loans	760,000	380,000	190,000	1,330,000
Loans - Cards	60,000	30,000	15,000	105,000
Loans - Mortgage	600,000	300,000	150,000	1,050,000
Loans - Personal Loans	100,000	50,000	25,000	175,000
Total Product Groups/Line of Business	844,000	422,000	211,000	1,477,000

The Avg Balance per New Account tab stores the data used in the Revenue and Balances tab to calculate the additional Balances due to the recognition of New Accounts. This tab requires no input from the user and can be hidden at the discretion of the IBM Cognos Contributor 8 administrator.

Monthly New Account Avg

	CSR I	CSR II	CSR III	Lender I	Lending Assistant	Mortgage Sales Specialist	Management	Total Resources
Deposits	0	0	9	0	0	0	0	9
Deposits - Checking	0	0	3	0	0	0	0	3
Deposits - Savings	0	0	3	0	0	0	0	3
Deposits - Term	0	0	3	0	0	0	0	3
Loans	0	0	2	3	0	2	0	5
Loans - Cards	0	0	1	1	0	0	0	2
Loans - Mortgage	0	0	0	0	0	2	0	2
Loans - Personal Loans	0	0	1	2	0	0	0	3
Total Product Groups/Line of Business	0	0	11	3	0	2	0	14

The Monthly New Account tab is used to bring the Monthly New Account Averages into the Staffing tab to facilitate the planning of future headcount needs. It is also loaded into the New Accounts per FTE Calc tab to be used in calculating the number of New Accounts per FTE that is then linked into the Revenue and Balances tab. This tab requires no input from the user and can be hidden at the discretion of the IBM Cognos 8 Contributor admin.

Planned NIM %

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Deposits	6.747%	6.899%	6.834%	6.922%	7.668%	7.410%	7.613%	7.581%	7.494%	7.500%	7.500%	7.500%
Deposits - Checking	2.176%	2.311%	2.235%	1.995%	2.596%	2.489%	2.467%	2.550%	2.486%	2.500%	2.500%	2.500%
Deposits - Savings	2.206%	2.246%	2.217%	2.338%	2.542%	2.491%	2.584%	2.560%	2.520%	2.500%	2.500%	2.500%
Deposits - Term	2.365%	2.343%	2.382%	2.588%	2.529%	2.431%	2.561%	2.470%	2.487%	2.500%	2.500%	2.500%
Loans	10.639%	10.788%	10.739%	10.528%	12.063%	12.098%	12.227%	12.449%	11.993%	12.926%	12.926%	12.926%
Loans - Cards	7.214%	7.159%	7.285%	6.971%	8.332%	8.322%	8.392%	8.574%	8.186%	9.006%	9.006%	9.006%
Loans - Mortgage	1.600%	1.696%	1.614%	1.755%	1.911%	1.938%	1.980%	2.002%	2.002%	2.002%	2.002%	2.002%
Loans - Personal Loans	1.825%	1.934%	1.840%	1.801%	1.841%	1.837%	1.855%	1.873%	1.805%	1.918%	1.918%	1.918%
Total Product Groups/Line of Business	17.386%	17.687%	17.573%	17.450%	19.731%	19.508%	19.840%	20.030%	19.486%	20.426%	20.426%	20.426%

The Planned NIM% tab is used to link the Planned Net Interest Margin percentage into the Revenue and Balances tab. This data may at the administrator's discretion, be loaded directly into the Revenue and Balances tab. This tab requires no input from the user and can be hidden at the discretion of the IBM Cognos 8 Contributor administrator.

New Accounts per FTE Calc

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
Number of FTEs	8	8	8	8	8	9	11	11	11	11	11	11	11	10	11	11	11	11	11	11	11	11	11
Monthly New Acct Average	2	2	2	2	2	2	2	2	2	2	2	2	2	24	2	2	2	2	2	2	2	2	2
New Accounts per FTE	16	16	16	16	16	18	22	22	22	22	22	22	22	230	22	22	22	22	22	22	22	22	22

The final tab in our model is used to calculate the new accounts per fte in our Revenue and Balances tab. It receives Number of FTE's information from the Staffing tab, the Monthly New Acct Average from the Monthly New Account Avg tab and then calculates the New Accounts per FTE, which is then linked into the Revenue and Balances tab. This tab also requires no input from the user and can be hidden at the discretion of the IBM Cognos 8 Contributor administrator.

About the IBM Cognos Innovation Center for Performance Management

The IBM Cognos Innovation Center was established in North America and Europe to advance the understanding of proven planning and performance management techniques, technologies, and practices. The Innovation Center is dedicated to transforming routine performance management practices into “next practices” that help companies

- cut costs
- streamline processes
- boost productivity
- enable rapid response to opportunity
- increase management visibility

Staffed globally by experts in planning, technology, and performance and strategy management, the Innovation Center partners with more than 600 IBM Cognos customers, academicians, industry leaders, and others seeking to accelerate adoption, reduce risk, and maximize the impact of technology-enabled performance management practices.

About IBM Cognos BI and Performance Management

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

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June 2009
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