

# Using data to drive earnings boost

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April 9, 2024



# Today's speakers



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Co-leads the financial institutions consulting practice at RSM, focusing on technology and management consulting



## Jeff Dunnahoo

Principal, Management Consulting

Leads the FI Management Consulting practice at RSM. Jeff has a proven track record of developing strategies and implementing transformative solutions for financial institutions.

The world's most valuable ~~resource~~ opportunity  
is no longer oil, but data



# The current landscape

There is no “one-stop shop” when it comes to data management within the banking industry. Often information is hard to find or doesn’t give a full picture with all the details needed for banking institutions to execute on strategy.



# Current challenges

Financial institutions today face common obstacles that limit their ability to retrieve and use data to improve the customer experience and increase wallet share. These obstacles include:



## Limited access

Insufficient access to the data you need to make better decisions.



## Siloed systems

Distribution of data across siloed systems from multiple vendors.



## A fragmented view

An incomplete view of your customer.



## Lack of quality control

Inconsistent quality in core system data and a lack of relationship-level data.

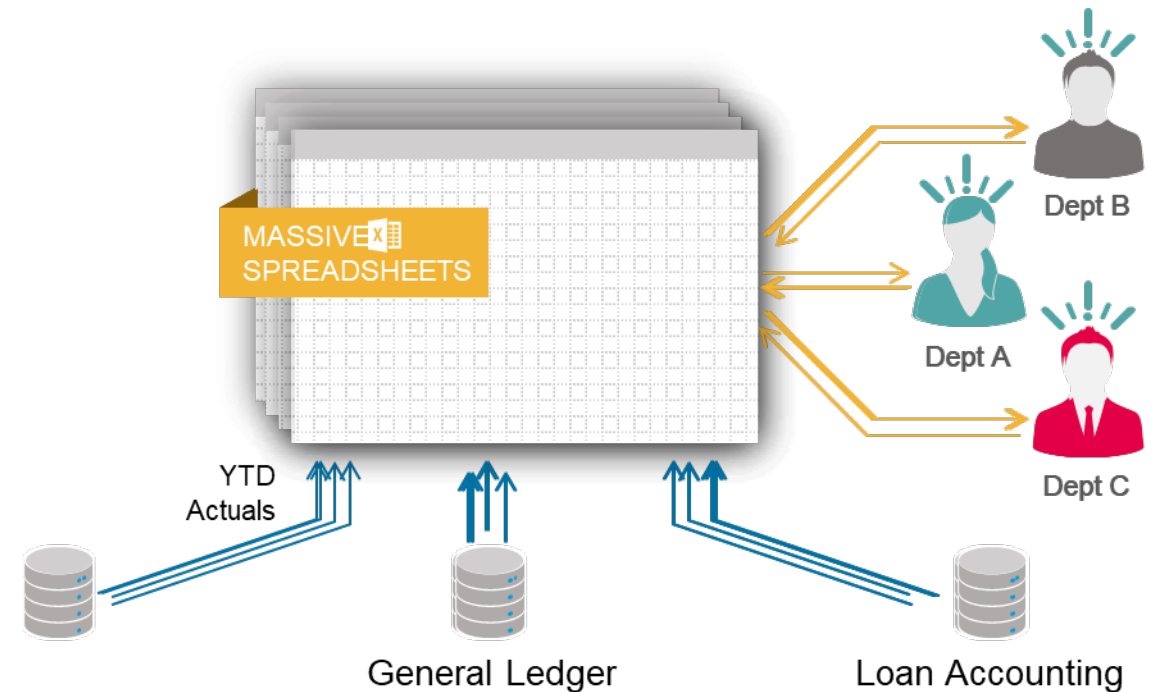


## Inadequate resource management

Lack of resources/skills to organize and access data in your systems.

# What level of data analytics do we have today?

- We rely on standard system reports and GL extracts for financial reporting
- We have a data warehouse and can perform and conduct ad-hoc data mining on our core system data
- We have a fully functioning data team that provides real time data across bank application silos through management dashboards and reporting
- We are able to analyze customer, product and channel trends and model scenarios to test strategies
- We have access to peer results to identify opportunities that could work in our markets



# Enable focus on making data-driven decisions to improve institutional performance

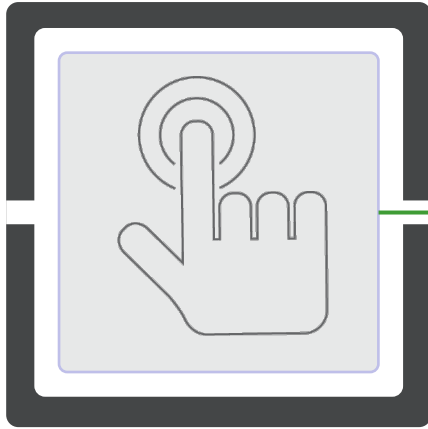


- Institutions are utilizing tools to harness both internal and external data to drive real-time decision-making and improve performance.
- Data analytics platforms have been developed for institutions and some are being designed to allow banks to deploy solutions with minimal internal IT.



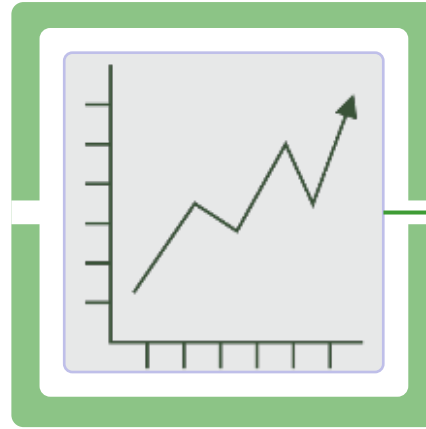
# Maturing your analytics capabilities

## Service personalization



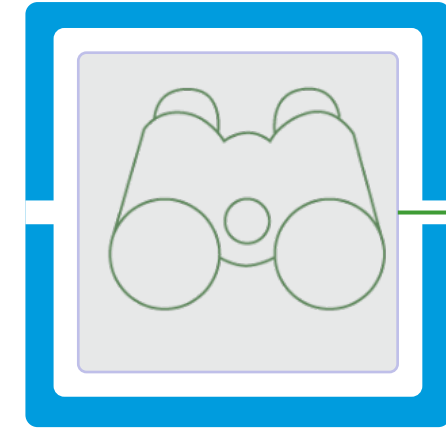
Banks are using advanced data analytics to help create new products and services, as well as improve existing products. For example, in retail, banks are using analytics focused on customer transaction data to personalize product offerings and tailor specific insights.

## Customer tendencies



Advanced data analytics applications can consolidate and analyze customer data from multiple sources to be used to segment customers and related channel distribution, which in turn can boost product performance, improve sales and manage production costs

## Intelligent forecasting



Banks are using advanced analytics to analyze their past opportunities, successes, misses, win rates and other criteria to create a recommended forecast and provide insights that help their retail teams take actions that improve sales strategies and increase wins.

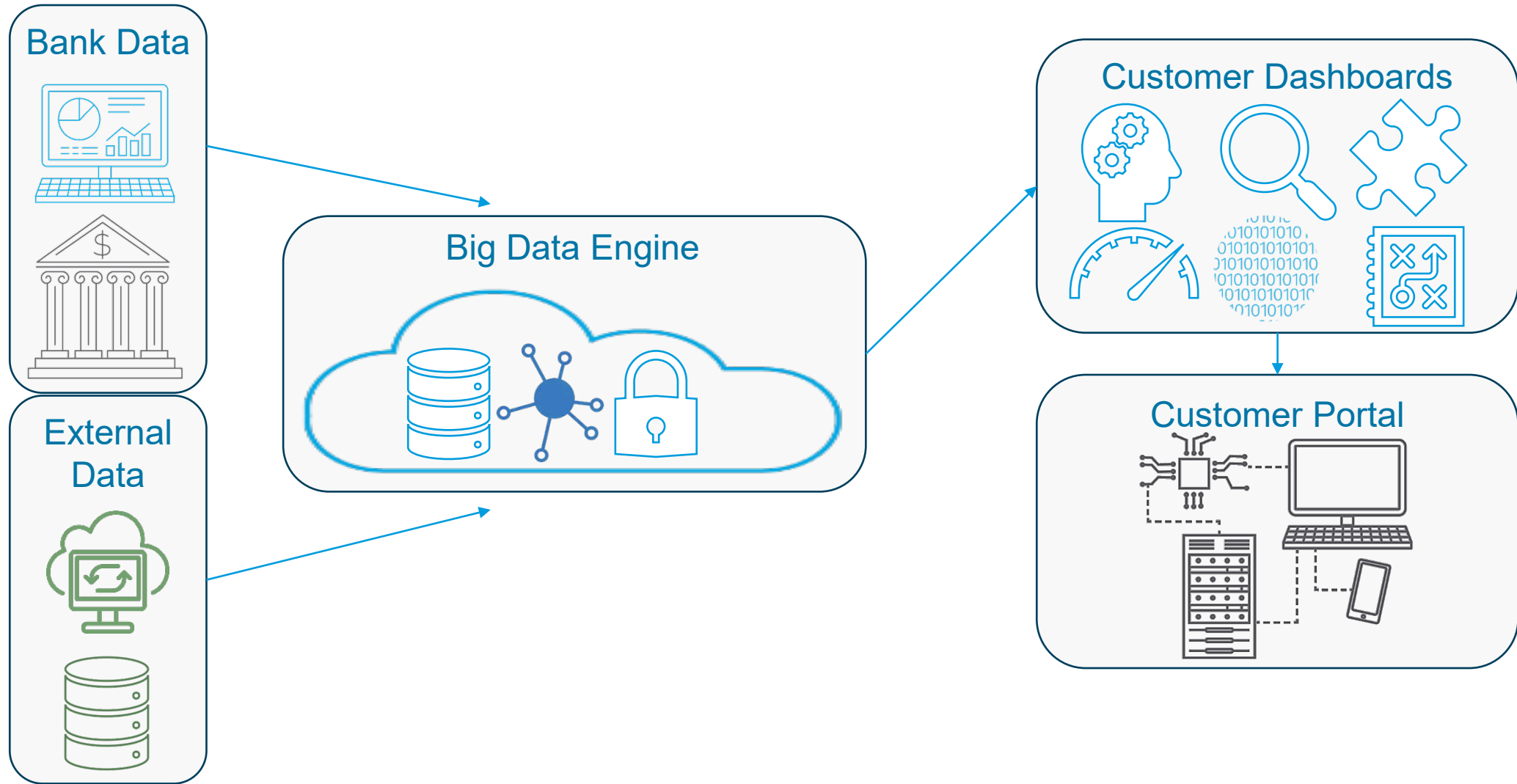


# FI Insights

## How it came to be

The concept for the RSM FI Insights solution came from a commitment by our consulting leaders to support our community financial institutions. We recognized that the evolution of data science and capabilities could be merged with banking competencies to provide advanced data analytics capabilities that formerly only larger organizations have developed.

# High-level platform conceptual design



# Bank performance use case

## Concern

It is difficult to get up to date holistic performance data. A rising interest rate environment has applied margin pressure impacting profitability. Core deposits are critical to funding and liquidity.

Today, there is not a one-stop source for information on our bank performance that also provides the details behind the numbers. We are piecing together GL level data with detailed sub-ledger reports in excel spreadsheets that have to be manually constructed for Board presentation.

## FI Insights solution

- Customizable peer analysis capability that shows bank performance vs peers.
- Opportunity score provides insight to loan and deposit pricing adjusted immediately as rates fluctuate.
- Drill down to the account and customer level for all deposit and loan products offered by the bank.
- Monitors changes in LTD, NIM, and other key metrics impacting liquidity with immediate alerts at threshold levels.

## Benefits

- Time – Data is consolidated into a dashboard solution that is available immediately each day
- Trends – The visualizations and daily updates allow us to identify trends earlier
- Resources – Our internal team can spend more time on working with customers and developing strategy instead of mining disparate data sources for reporting
- Consistency – Executive management and the Board are working from the same data aligned with the priorities of the bank

# FI Insights enhancements

AREA	Description	Target Availability
Pipeline / Predictive	Add predictive LTD option and visualization. Allow detail drill down into the pipeline. Include time deposit maturity runoff in the pipeline view.	Complete
Inflow / Outflow	Add POV at the bank level excluding internal activity that remains in the bank based on transaction code.	Complete
Customer Risk Rating	Add Risk Rating to Customer DNA. Can be supplied if available from the client customer data or derived from account data using the highest risk rating.	Complete
Account Signers	Build out account signer designations in a cross reference to enable analysis based on ownership and related entities.	Complete
Opportunity Scoring	Ingest Fed Funds Rate automatically and accumulate fee income on a rolling 12-month basis in the score calculation.	Complete
Performance Metrics	Add additional ratios available from the Call Report / GL Data. Build visualizations, related metrics for alerts, and comparison to peer capability for the new metrics.	April 2024
Call Report	Add customizable peer groups and filters to allow analysis relative to other like institutions	April 2024
Deposit Impact / Predictive	Add metrics for self-funded borrowing and quick identification of uninsured deposit risk.	April 2024
General Ledger	Map GL accounts into the Account DNA schema and build out filters by reporting type / product codes, etc. Include budget and budget variance visualization.	May 2024
Credit Bureau	Add portfolio style visualizations to the credit bureau data – Type (Revolving or Term), Original Amount, Original Term, Balance, Remaining Term, Revolving Utilization	May 2024
Alerts	Provide a mechanism to dynamically configure alerts and update thresholds / target triggers	June 2024
Investment Monitoring	Ingest FI Investment portfolio data into the IEP with additional metrics around valuation and liquidity impact.	TBD
Credit Cards	Map credit card subledger data into the loans schema to enable existing portfolio, risk and customer reporting	TBD
AI Integration	Integrate to MS AI Fabric	TBD
Wealth / Trust	Map Wealth Portfolio into the customer DNA (flag) and Account structure – Trust and Investment accounts	TBD

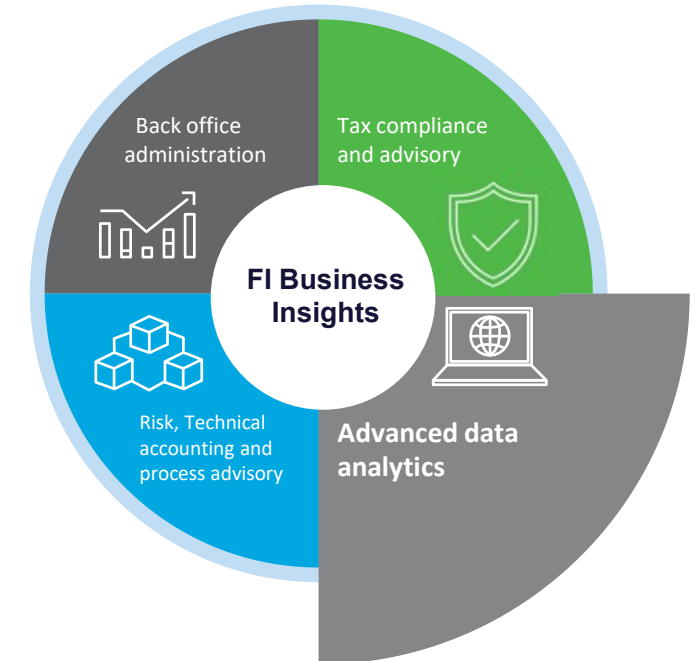
# FI Insights

There is no “one-stop shop” when it comes to data management within the banking industry. Often information is hard to find or doesn’t give a full picture with all the details needed for banking institutions to execute on strategy.

**Until now... FI Insights brings this strategic view to your desktop!**

**Access and licensing all senior levels of the organization and can be leveraged by executive and branch level management, sales and marketing, operations and more.**

- Fixed monthly cost, includes both licenses and advisory services.
- Comprehensive solution to integrating data across systems
- Comparative and outside data to help establish and assess performance gaps
- Clear and intuitive user experience providing 360-view of the customer
- Secure cloud-based solution
- Yearly review with flexibility and customization via advisory resources
- Fix costs for baseline offering helping you to plan your investment
- Efficient implementation without putting undo stress on internal resources



- Strategy Development
- Insights
- Consolidation
- Comparison Details
- Revenue Enhancement Opportunities

# Questions and answers



Thank you





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