

## Applied Profitability



## Financial Techniques, Inc

**APFT** is a leading international profitability management advisory group for creating profitability opportunities. We work with clients in banking, industry, commerce and governments to manage profitability goals and to create business opportunities through profitability improvement, performance improvement, and managed change.

Our exclusive staff consists of the highest caliber of financial professionals. Each partner qualifies as an expert in his or her field of expertise. This strength endows us with the talent to remain at the forefront of profitability management techniques and total process improvements. APFT advisors are specialists, with years of experience in various disciplines. Our success is based on our commitment to provide continuous, consistent, and innovative improvements for our clients.



## Professional Hands-On Assistance

**APFT** was created to deliver expert advisory and analytical services to diverse industries and governmental divisions. APFT team advisors have served in senior and executive level positions for several prominent organizations and have successfully provided key strategic advisory and analytical services with results that consistently exceeded clients' expectations. We have over three decades of hands on experience successfully managing change for organizations worldwide. APFT eliminates the need to hire temporary employees. We provide assistance from the beginning of a project through implementation and assure that training needs are successfully fulfilled.



### OUR MISSION IS CLEAR:

To generate **added value** by expeditiously identifying opportunities to enhance our clients' performances.

For a corporate entity, we will **increase profitability**; for a governmental department, we will **increase efficiency**;

For a military unit, we will **increase readiness**. Our programs are based on solid principals and proven techniques.

We have the knowledge, insight, and vision to adapt our processes across a wide spectrum of business lines, industry tasks, and unit missions. Our asymmetrical approaches lead to innovative solutions. Some of the prominent organizations our exclusive group of advisors has effectively served include:

- 8 of the top 10 banks in the United States
- 5 of the top 9 Credit Card Issuers
- 2 Major Government Agencies
- Fortune 500 Companies

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## Teamwork is the Key



**APFT** partners know that success is best achieved when the client and APFT join up to identify and take advantage of opportunities. Our team approach maximizes knowledge transfer to all parties regarding: internal and external considerations, opportunities APFT identifies, the metrics to determine the size of the opportunity, and the methods to attain optimum end results.

APFT further uses this team approach via cross-functional assessments by our advisors and alliance partners. Our advisors are experts in various disciplines. We have built an exclusive group of alliances, which complements our internal resources. APFT will draw upon these varied resources to develop the optimized solution for our client when appropriate. This asymmetrical approach ensures that all possible valid paths will be reviewed prior to delivery of our recommendations to our clients.

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## One Size Does Not Fit All

**APFT** understands that each client has unique attributes.

Therefore, the solutions we identify must reflect the client's individual needs. APFT advisors and our alliance partners have successfully analyzed and enhanced a multitude of diverse projects in the following areas:

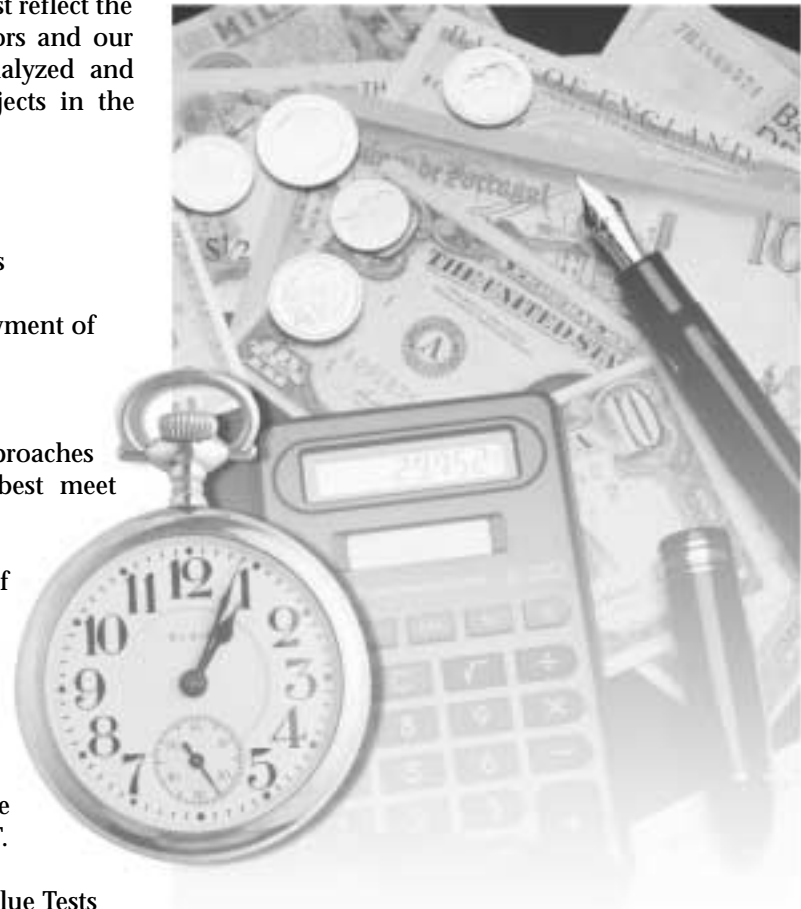
- Business models
- Budget processes
- Production facilities and processes
- Delivery mechanisms
- Technology platforms and employment of automation
- Product structures

APFT will develop unique approaches to performance enhancements that best meet each client's needs.

We use an extensive database of comparative techniques to customize a unique program for each client.

Our assessment of key item indicators quickly guides each project in the direction most needed. This technique ensures the most appropriate use of resources by the client and APFT. Conserving time and resources are key components to our services. APFT's Value Tests further refine the project's scope and direction for optimum results.

We are experts in strategic assessment, planning and executing tactical changes, and facilitating life cycle change. Our management experience makes us valuable participants in the projects we lead and serve.



## Performance Enhancement



- What is your unit's mission?
- What paths/processes must you use?
- How do you train for your mission?
- What are the resources necessary to most efficiently accomplish your missions?
- How do you procure those resources?
- What is the real cost?

These questions cover the surface of what needs to be answered to gain a perspective on how you can improve performance. APFT has diagnostic programs that can expedite the process and achieve desired results in a relatively short time frame. APFT advisors have examined diverse industries and processes. We know and apply the proven techniques for performance enhancements that can cross industry lines. We identify nonessential tasks that hamper efficiency or that prove to be counterproductive.

Organizations must be able to rapidly adapt to changing conditions or risk loss. Therefore, APFT's approach is to optimize today's operations as well as to aid in the planning to meet tomorrow's challenges. The processes we use and leave in place ensure there is no loss of momentum in what must be accomplished today or for future planning processes.

APFT modular programs allow for customized approaches for each client's study. Each study can include components that will examine the human, process, technology, delivery, and monetary facets of how your business operates today and will recommend changes for tomorrow and beyond. APFT modular programs include:

- Profitability Improvement
- Treasury & Cash Management Services
- Profitability for Financial Institutions
- Total Process Improvement Program
- Project Management Programs
- Metrics to Success



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# Profitability Improvement

## Take The Next Step:

APFT profitability programs can greatly benefit most any organization in today's international arena. Our experienced advisors are results driven, cost efficient, and committed to assist management to achieve business objectives. We will maximize profits and identify options to use scarce resources at optimal efficiency.

## Guaranteed Results:

APFT offers multiple payment options for service. These include options based on results. We work in concert with the business executive to develop solutions within the context of the business directions, goals, and objectives.

## Value Added Client Service:

Our advisors are highly skilled in business process review, profitability enhancement, and return on shareholder value with a focus on performance enhancement and revenue generation. Our experience spanned all aspects of banking products and operating areas including retail banking, lending, credit card, private banking, treasury, trust, risk management, financial controls, and global custody. All organizations can benefit from the relationships that exist between these areas and the internal and external functions to your organization/divisions.

APFT's approach focuses on identifying profit performance enhancement concepts. Our tactical methods will produce significant revenue improvements. We use a variety of business process review techniques, industrial engineering practices, and production management principles to quantify the current operational ROI/ROE status and to accurately gauge the optimum results, prior to implementation.

APFT utilizes various techniques including workflow analysis, data mining, activity based costing, and quality control verification. We can quantify service quality levels such as revenue lost and cost avoidance. Of particular interest to our clients are our sales and marketing productivity tools as well as our Decision Support Reporting Systems. Our clients have complete control. We provide an exploratory study without charge or will schedule our advisors for the initiation of your study.

## The Exploratory Study:

The Exploratory Assessment Study is short term in nature. Very little client management time is required for a professional presentation of results to be proposed to the sponsoring executive. We will review information provided and develop projections of performance enhancement that can be achieved via the use of our programs. We will review this data to develop revenue enhancements or cost reduction strategies with profit enhancement projections. Clients have the option to accept any of APFT's solutions for implementation into their programs.

**If you would like to know more about our Profitability Programs & Services, or have a specific need, please Contact Us.**



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**APFT** provides a broad range of treasury management services for corporations, financial institutions, and government/public sectors. Our services focus on cash management/funds mobilization optimization techniques and foreign exchange exposure/risk management strategies. We generate solutions to improve funds readiness, to increase cash efficiencies, and to maximize revenue as well as reduce risks.

## Cash Management & Funds Mobilization Program

We perform detailed management reviews of existing policies and procedures, which include an audit of existing funds mobilization account structures, a resources and usage analysis, and validation of all internal and external service level agreements. APFT reviews are used for domestic and international treasury functions. Results obtained from each review will validate/rationalize the use of funds, optimize cash flows and improve revenues.

## Foreign Exchange/Money Market & Risk Management Programs

APFT advisors work with management to establish the existing levels of foreign exchange and money market exposure. We analyze current risk management strategies to benchmark them against current policies and procedures and market best practices, as appropriate. Our reviews are conducted for domestic and international foreign exchange and money market operations. The results of our analysis will validate the appropriate risk management structure and ensure that the best controls and reporting vehicles are employed.

## Support Activities

Outlined below are activities APFT undertakes to support our Treasury and Cash Management Services:

- **Competitive Review:**  
Complete an analysis of 'like kind' cash management and foreign exchange services, such as product offerings, pricing options, and the quality of services provided.
- **External Relationships:**  
Develop a relationship approach to service providers in the banking, corporate, or public/government sectors. Consolidate relationships across organizational lines within the client organization and consolidate suppliers. APFT will participate in the implementation process as needed.
- **Management Information Reporting:**  
Establish the appropriate level of performance tracking parameters and develop timely management reporting. APFT will participate in the implementation as needed.
- **Operations & Systems Reviews:**  
Assess the information technology environment and operational support and benchmark these areas against market best practices and emerging technologies.

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## Serving Select International Markets



**APFT** goes beyond theory and provides our clients with realistic recommendations and solutions. Our proven approaches to profit and performance enhancement apply to any type of business, including world wide financial institutions. Providing over 25 years of experience, our suite of tools and programs (**ProfitFocus™**, **ProfitSuite™** and **ComplianceSuite™**), lead the way in developing innovation and setting new standards for “best practices.”

### **ProfitFocus™** (Profit & Profitability Enhancement Program)

- Retail Banking
- Credit Card
- Commercial Banking
- Trust
- Private Banking
- Lending

### **ProfitSuite™** (Reporting Tools for Evaluating and Monitoring of Implemented Profit Programs)

- Provides better information for use in pricing or quoting products or services.
- Enables management to use “what if” analysis to determine the effect of changes in product pricing, fee structures, equipment, staffing, or allocation measures.
- Provides more accurate product and service costing.
- Using a customer-centre data mining approach, provides a better understanding of different cost allocation approaches, fee structures and their enterprise wide costing/pricing impact.

### **ComplianceSuite™** (Monitors Compliance performance Throughout Your Financial Institution)

- Monitors, tracks and records in the **ComplianceBase™** depository with Federal and State laws for each industry and resulting regulations from governing regulators.
- Monitors organization’s practices and product fee structures to insure full compliance with the laws and regulations that cover financial institutions and that bank examiners review on a regular basis.
- **GLBA Consumer Privacy Act** with resulting **State & Federal Banking Regulations.**
- Bank Secrecy Act, OFAC and Money Laundering Detection.
- Advertising , Internet Banking and Website Compliance.
- Initial Disclosures for Consumer Deposit Accounts.



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# Profitability For Financial Institutions

## Our Profit & Performance Enhancement Program

**Concentrates on analyzing and improving the following income areas:**

- Increased Fee Income
- Control and Tracking
- Pricing Alternatives
- Complete Review of Data and Monetary Transfers
- Product Re-Engineering
- Algorithm Evaluation
- Timing Examination
- Policy and Process Review
- Balance Enhancement

**Identifies methods to lowering expenses:**

- Improved Processes
- Improved Staff Utilization
- Reduced Response Through Sourcing
- Employment of Automation
- Balance Sheet Reviews: Float Reserves, Asset Analysis

**Establishes tools and methods to confirm and monitor implemented profit programs:**

- Assess results of implemented profit programs
- Compares actual results to projections
- Analyzes enterprise wide change effects
- Creates projections based on results incurred
- Monitors the effectiveness of implemented profit programs in an environment of change



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# Total Process Improvement Program

**APFT** Total Process Improvement Program (TPIP) is a package of best practices built from two decades of experience. This program is designed to effect changes, to meet new and improved customer requirements, to maintain employee standards, and to have positive impacts on the bottom line. TPIP consistently produces the desired results.

The various management best practices APFT employs include business process review, benchmarking metric determination, process mapping and design, root cause analysis, and end-to-end quality improvement. We support TPIP with project management expertise and full implementation assistance. APFT's objective is to provide our clients with the best possible solution and a quality blueprint for a competitive edge.



## **APFT continuously seeks the right answers by working as a team with our clients:**

- What activities or processes most meet the requirements of the end customer?
- Do we realize the full potential of the staff?
- How can we raise the level of short-term financial performance?
- How can we raise the level of unit performance?
- Are we achieving sustained customer satisfaction?
- Where can we find the best and most current methodologies in use today?
- Which organization in the local market employs the most competitive best practices?
- How are the costs, quality, and time to produce being measured today by the customer and the competition?
- Are there sufficient management tracking tools in place to measure results?
- Do we use current information effectively?

TPIP achieves maximum benefits when the entire business processes are evaluated. However, the benefits can be achieved in modular steps, which are effectively applied to select business units, the middle office or back office operations.

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# Total Process Improvement Program

## The Great ESCAPE: An Approach

**APFT** advisors are more than traditional consultants. APFT's expert advisors leverage their years of real world experience to provide optimum and guaranteed results during transition and continuing well into the future. Our programs for change management are built around a process, which allows our clients to ESCAPE the inefficient ways of the past and to build an improved process for future growth. APFT analyzes all information. Our reviews analyze and identify all areas using the following steps for recommended improvements:

- **Eliminate:** Processes or tasks that are no longer useful or determined to be redundant will be eliminated.
- **Simplify:** A process or task that is needed will be simplified to achieve optimum efficiency.
- **Centralize:** An activity that is accomplished in multiple locations would be designated to one centralized location to better serve all sites that benefit from the same activity.
- **Automate:** Commercial applications or in-house designed solutions that can streamline a process through automation will be identified.
- **Prioritize:** A plan will be devised for the analysis process to ensure the best approach for each project's greatest success. A canned solution from a previous study will not fully optimize the next project.
- **Endorse:** Management will provide support for the direction the organization is heading to achieve the desired results.

**APFT offers multiple approaches to change management. Each of our programs is modular in design and will be tailored for each client's specific needs.**



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## Structured Leadership Capabilities

**APFT** offers clients two Project Management Programs. The first program provides classic leadership for structured projects across the organization. The second program provides structured leadership capabilities for enabling the power of technology. APFT firmly believes that the basic principles of project management apply to all projects. However, the amount of detail preparation, management supervision, planning, skill requirements, and quality control will depend on a project's nature and complexity.

### APFT Classic Project Management Program

The Classic Project Management Program applies to the implementation of new and innovative policies, procedures, and practices within the client organization, which may or may not entail the implementation of new technology. APFT provides leadership in the classic management sense to deliver benefits in a timely, structured manner. There are multiple components that APFT employs to accomplish these goals:

- Establishing a clear and precise definition of the business objectives
- Identifying the benefits and end deliverables
- Requiring organizational accountability and responsibility
- Providing a detailed project planning tool with staffing requirements
- Ensuring proper management oversight and control discipline

### APFT Classic Information Technology Project Management Program

The Classic Information Technology Project Management Program provides a blueprint approach to the project life cycle of an information technology project. APFT can serve the client for in-house PC application deployment, in-house conversions/upgrades or the migration of an application to different platforms/processors. The life cycle stages include: Project Definition, Requirement Specifications, Design, Coding & Testing, Acceptance Testing, and Live Production. APFT constantly monitors emerging technologies and our client's rely on us for forward thinking innovation.



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# Profitability Programs

## Data Mining

In today's fast paced and competitive business environment it is becoming increasingly harder for businesses to maintain their competitive advantage. Everyday companies process and store vast amounts of highly detailed information about customers, markets, products and processes. By mining this data, organizations are able to resolve a diverse range of business problems and create new opportunities. As part of the larger process known as knowledge discovery, data mining is the process of extracting information from large volumes of data. This is achieved through the identification and analysis of relationships and trends within commercial databases. Data mining is used in areas as diverse as banking, insurance, space exploration and medical research. APFT specializes in delivering Decision Support Reporting Systems and analyzing customer information for marketing purposes, expense reduction and profit and performance enhancement.



## APFT ProfitSuite™ OLAP/Data Mining Reporting Tools For Evaluating and Monitoring Implemented Profit Programs

APFT's ProfitSuite™ is a robust and scalable solution that combines our profit finding techniques with a suite of enterprise class server components and desktop data mining and reporting tools for medium and large organizations.

## Why Use ProfitSuite™?

- Provides reporting tools to allow management to confirm and monitor implemented profit programs.
- Increases Fee Income.
- Identifies profitable customers and their characteristics.
- Using a customer-centre data mining approach, it provides a better understanding of different cost allocation approaches, fee structures and their enterprise wide costing/pricing impact.
- Focuses marketing efforts on prospects more likely to purchase additional products.
- Focuses management to use "what if" analysis to determine the effect of changes in product pricing, fee structures, equipment, staffing or allocation measures.
- Evaluates advertising effectiveness.
- Provides better information for use in pricing or quoting products or services.
- Estimates potential customer losses.
- Targets direct marketing to those most likely to respond.
- Ranks customer defection for effective retention programs.
- Provides more accurate product and service costing.
- Cross-sets and upgrades customers based on past product purchases when appropriate.

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## Realistic Recommendations and Solutions

### APFT ProfitFocus™ Profit & Performance Enhancement Program

APFT's ProfitFocus™, Profit & Performance Enhancement Program, can help identify practical opportunities for reducing expense while increasing market share and income. APFT goes beyond theory and provides our clients with realistic recommendations and solutions. Our proven approaches to profit and performance enhancement apply to any type of business, including world wide financial institutions.

### Fraud Detection

For many industries, especially insurance and credit cards, fraud is a major issue. The actions of a few penalize honest customers. Businesses must balance the need for quality customer service with the potential or systems to allow fraud to take place.

#### **Solution:**

Defining key indicators of fraud for new and existing customers enables potentially high risk' customers to be dealt with specially.

Building a **Profile** of the characteristics and behavior of customers who have proven to be fraudulent will enable organizations to understand the key attributes and motivators of fraud. Transactional information immediately prior to the fraudulent incident is vital in understanding patterns of behavior. When these are linked to demographic and other relevant information, critical indicators of fraud can be identified and applied to other customers.

A **Predictive Method** is then built to show which customers are most likely to defraud your company. Once characteristics of fraud are understood, a predictive model can rank all customers according to their potential to commit fraud. Staff are then able to prioritize those customers displaying characteristics of potential fraud.

This promotes more effective allocation and resources to the issue of fraud and allows 'good' customers to be rewarded for their honesty and loyalty.

### Customer-Centric Approach

APFT Profitability Programs enable market leaders to discover and unlock true sources of sustainable, competitive advantage by building and capitalizing on customer knowledge and service. It takes the right information in the right hands at the right time to create the optimal metrics that will build strong community of customer relationships, reducing the cost of sale, increase profits and capture market share.



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## APFT Can Help You Achieve The Standard You Desire



Your company is not a virtual entity. There are real world concerns and opportunities that must be dealt with daily. Every executive, manager, and member of your staff should have accurate information for the measurement of performance or the company will not be rewarded for their superior performance. Training and modernization funding will not be directed appropriately. Management needs to address the following issues to ensure your company's metrics are aligned:

- How does your organization, division, unit, or section measure up?
- Are there broad industry or unit standards in place?
- Are standards up to date?
- Who established the benchmarks?
- How were benchmarks created and validated?
- Have your metrics been tested lately?

APFT and its alliance partners have extensive expertise in multiple disciplines, which cover: industrial engineering, systems engineering, process re-engineering, time management, profitability enhancement, and total quality management. We have led and served as senior members on teams that created standards where none existed previously as well as modified standards to meet new realities.

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