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Large bank uses Pitney Bowes location-based data and analytics for branch transformation and sales growth.

Client profile

- Top-10 North American bank, with more than 1,000 locations
- Offers retail, small business and commercial banking products and services

Overview

The efficiency of a bank's branch network can have a significant impact on the institution's performance. That's why one of North America's largest banks has deployed Pitney Bowes® data technologies, demographic and financial services datasets, and analytical solutions to help transform its business. The project has improved decision-making related to changes in branch placement and format, identified untapped revenue opportunities, and increased Location and Business Intelligence capabilities across the organization.

Business challenge

The bank's retail distribution group is responsible for recommending where to open new branches, which branches to close and which to renovate. Previously, they made these decisions on a one-off basis, with little analysis of how the decisions would impact the overall business. Additionally, the retail distribution group considers the optimal product mix for each location, identifies opportunities to increase sales and provides Business Intelligence to other internal groups.

Solution

The bank tapped Pitney Bowes financial services expertise to upgrade its Location Intelligence capability. At the heart of the new system is a Pitney Bowes Spectrum® data-mart that holds 36 months' worth of customer history, account openings and closures, transaction and other data from every branch. Spectrum also pulls in the Pitney Bowes Demographics, Business and Demand Insight Financial datasets. Based on tens of millions of actual customer banking records, the Demand Insight Financial dataset estimates customer demand for 20 types of banking products throughout the U.S.

The Pitney Bowes GeoInsight™ solution presents the information from the data-mart in an easy-to-digest map-based format. The Spectrum data-mart also feeds information to Pitney Bowes WinSITE™, a predictive analytics solution that

Technology used

- Spectrum®
  - Advanced Data Integration Module
  - Enterprise Geocoding Module
  - Location Intelligence Module
- WinSITE™
- PERFORM™ .360
- GeoInsight™
- Pitney Bowes® Datasets
  - Demand Insight Financial
  - Demographics
  - Business

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forecasts the incremental impact of opening a new branch in a specific location or closing an existing branch. Pitney Bowes® PERFORM™ .360 helps the bank set opportunity-based sales targets for each branch. Pitney Bowes helped the bank's retail distribution team understand how to interpret and leverage results coming out of the new solution.

Benefits

The solution's integrated data consolidation and analytics enable the bank to more accurately forecast returns on prospective investments. By identifying the revenue opportunity of each market, the solution supports both real estate selection and decisions like which branches should add staff. The solution can even provide guidance on ad hoc projects, such as quantifying the potential upside of targeting certain customer segments with a particular marketing campaign.

Shortly after implementation, the bank's retail distribution group was asked to identify branches for consolidation. Utilizing WinSITE and working with Pitney Bowes, they determined which branches' closure would have the smallest impact on revenue generation across the overall network. They also evaluated the revenue opportunity of more than

15,000 potential new branch locations. WinSITE simulated external factors such as competitors' behavior, enabling the retail distribution group to develop a long-term strategic plan that included both opening and closing branches.

As part of the bank's branch transformation program, the retail distribution group is continually evaluating the network.
The Pitney Bowes solution provides much better decision-making reporting and analysis, and has dramatically improved efficiency compared with the manual processes and massive spreadsheets the retail distribution group used previously.

The bank is also using the solution to set annual sales targets for each branch. The historical approach of pegging sales goals to a standard percentage increase companywide has been replaced with a PERFORM .360–based process in which bank management tailors each branch's revenue target to the projected market opportunity in that location. The proportion of branches hitting revenue targets has increased, as has morale among staff and managers, who now have a better understanding of the reasoning behind their sales goals.

For more information,
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