

# Top 10 Bank Redefines Branch Goals Based on Market Opportunity

A leading U.S. bank needed to assess branch performance. They knew which branches had the highest Assets Under Management (AUM), but were unsure how those branches compared to competitive branches in the area. The bank also wanted to know which branches were underperforming relative to market opportunity.

## Objectives

The bank needed an objective way to view branch performance. The firm wanted to:

- Set realistic growth goals for each branch, based on market opportunity
- Assess if branches were appropriately located to meet market demand
- Optimize staff and resource deployment given market need

## Solution

The firm used MarketMix™ to analyze branch performance. MarketMix provides estimates of the total invested assets for defined geographic areas and can be used to analyze market growth over time. By conducting a three-dimensional quadrant analysis incorporating MarketMix' market size, share, and growth data, the bank was able to plot each of its branches into one of four quadrants. The graphic below shows a subset of the analysis.

## IXI™ Network Member Financial Services Firm

### CHALLENGE

Measuring branch performance was a growing priority for a leading bank. The bank needed a way to objectively compare branches and identify underperforming locations in order to enhance its branch management strategy.

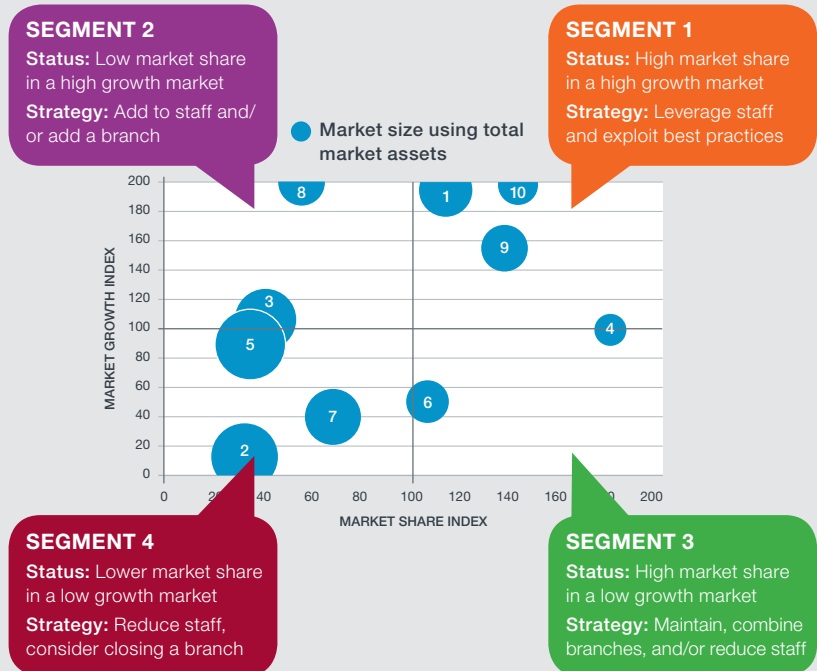
### SOLUTION

The bank used MarketMix to compare branches by market size, share and growth data.

### RESULTS

The firm was able to recognize fast and slow growing markets, and how branches within each market were performing based on the opportunity.

**Branch Performance Based on Total Assets Market Size, Market Growth, and Firm Market Share**





“Our bank has thorough performance metrics for our branches. Using MarketMix helped us determine if our growth goals for each branch were realistic given market opportunity. Our analysis enabled our bank to alter our branch strategy and increase focus in geographies with significant assets.”

– Bank Representative, Top 10 Bank

### Results

MarketMix helped the bank segment its branches based on performance. The bank was able to distinguish among branches with rising AUM based on whether their success was due to organic growth in stagnant markets or being fortuitously located in growing markets. The firm also discovered:

- Several branches thought to be high performers with high AUM were actually in low-growth markets or had low market share
- Several branches thought to be low performers had high market share
- Some geographies had too many branches given market demand, while other geographies required an additional branch to meet rapid market growth

“MarketMix helped us rethink our branch growth goals and our resource allocation. It helped us recognize which markets are growing fastest, so that we can be more proactive in servicing those areas,” commented a VP from the bank.

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2008 Case Study. Results may vary based on actual data and situation.

