

Banking and financial institutions

The financial industry is one of the economic sectors experiencing the greatest upheavals at present. After two years of sluggish performance by financial markets, the prospects for growth are improving. The more favourable outlook is fuelling even more vigorous competition among financial institutions, as they seek to win new clients, move into new markets or attain critical mass in particular businesses. The trend toward consolidation and concentration has gained momentum due to the new Basel II rules, which set higher capital requirements for financial institutions.

The Banking and Financial Institutions team at Solving International helps its clients to succeed in this fiercely competitive environment by advising and supporting them in the development and implementation of their key strategies for France and abroad.

Devising innovative strategies, improving business and financial performance, and providing a solid and measurable competitive edge are the primary ways we serve our clients.

Banking sector

Solving International's services

1. Strategy and offer

- **Segmentation and segment strategy**
The aim is to define for a specific banking activity* the customer segments of interest (current/targeted) and to build a strategy tailored to each segment (offer, channels, resources...).
For example: The approach to be used by professional staff
- **Innovation and speeding up the product development cycle**
Optimisation of the development cycle (product ideas, reports, projects...) and related management (product managers, project reviews, etc.), relying on a transversal approach among the participants (marketing, network, IT, back-office, etc.)
- **Basel II**
Assistance in choosing the system for controlling banking risks – loans, markets and operational staff – in line with the capital requirements of Basel II (McDonough). Launching of work in project mode
- **International strategy and development**
For the businesses that are conducted internationally: definition of strategies (by customer segment and by geographic region/country) and the most appropriate structures (customer/business/country dynamics, resource pooling, management...)
- **Governance of holdings and subsidiaries**
Definition and implementation of governance adapted to each situation, based on a new balance between a "financial" approach and an "industrial" approach, with better knowledge of HR and the methods for regular, local monitoring of field operations
- **Debt platform**
Design and implementation of a platform to optimise the offer and the value chain for debt and structured finance products, services and solutions

**Retail banking, investment banking, asset management, private banking, custody, etc.*

2. Global management services

- **Mergers**
Definition and implementation of a merger strategy tailored to the concrete aspects of each situation (co-ordination/organic merger, synergies and other issues, power conflicts, performance of the participants...)
- **Improving overall performance**
Formulation and implementation of action plans to strengthen performance (adjustments to the business portfolio, application of commercial and industrial leverage...)
Setting up of a "control tower" to support the management team and provide the required assistance to the operational teams.
- **General organisation**
Analysis of the structure, identification of functional problems and alignment with strategic goals
Assessment of the advantages and drawbacks of different structural arrangements and selection of the target structure
Assistance in the implementation
- **Organizing the network of branch offices**
The branch office remains an essential asset in the banking system. Various parameters lead however to look for a constant improvement of the network (demographic evolutions, targeted client segments, specialization, merchandising, relations between other networks and central functions,...).
- **Multi-channel approach**
As access channels client/bank are developing rapidly , how to maintain the central role of the branch office in order to guarantee a coherent approach towards the client ?
- **Efficiency of customer and support processes**
Full review and re-engineering of the main banking processes with an emphasis on quality, time and cost.

3. Strengthening competitiveness

- **Commercial performance**
Our approach looks at all dimensions of commercial efficiency:
 - ✓ Upstream, the components of the offer are taken into account (products, channels, pricing, communication, etc.)
 - ✓ Then, the organisation (structure, job positions, work processes, resources, tools, etc.)

- ✓ Downstream, the professional attitudes and desired behaviour are put into practice

All distribution channels are included in this approach.

- **Middle- and back-office performance**
A combination of three approaches (structure, process and sizing), with an emphasis on "industrial" organisation.
- **Optimisation of « functional branches »**
Definition of the levels of centralisation/decentralisation that will produce the maximum efficiency in these branches (HR, finance, financial control, etc.).
Application of concepts such as the "group effect", subsidiarity, and resource sharing
- **Purchasing strategy and organisation**
Purchases in the banking sector represent about 25% of GDP, and the proportion is going to grow because of outsourcing. The savings at stake are very substantial and can be of considerable help in reducing the operating coefficient. The aim is to identify these opportunities for saving and to provide the structures and processes to realise them as quickly as possible. The main levers here are globalisation, the complementary nature of the user-buyer pair, and challenging the need.
- **Outsourcing**
When thinking in terms of a worldwide offer, outsourcing is viewed as a strategic choice rather than merely a transfer of operations or personnel when times are difficult. Our approach involves first making a diagnosis of the activity and an analysis of the competition. It also calls for control over the entire value chain and specification of the service quality expected from the partner in a Service Level Agreement.