



How CFOs Build the Foundation for High Performance

Financial institutions that consistently achieve high performance have foundational approaches in common. They pursue:

1 Forward-Looking Discipline

By actively testing and retesting strategies using scenario modeling, institutions develop the discipline needed to drive profitability.



The No.1 attribute in high-performing financial institutions is forward-looking discipline. These organizations established a disciplined culture, a process and forward-looking software tools that enabled them to quickly model out new scenarios.



Source: Danny Baker, Vice President of Market Strategy, Fiserv, in BAI Quick Q&A on Building Agility, Resilience and Performance, 2021

2 Efficiency and Effectiveness

Efficient organizations aren't just working faster; they're freeing up time to pursue higher-value, more effective work.



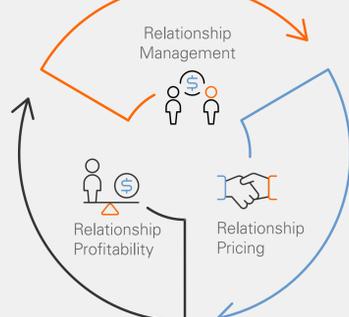
The implication for banks is to focus on creating business models with fundamentally and intrinsically higher levels of efficiency rather than simply cost cutting to higher earnings.



Source: KPMG report, Shifting to a Higher Gear, 2022

3 Closing Execution Gaps

Strategy is only successful if it's executed properly. Strategic business drivers like profitability measurement and pricing guidelines should have a leading role in frontline business activities to ensure success.



4 Analytics Enablement

High-performance institutions don't just collect information; they use it. They leverage insights derived from machine learning and artificial intelligence and embed them in critical delivery mechanisms.



Winning institutions will craft strategies based on a foundational understanding of their capabilities and infrastructure, the markets they participate in, and the customer segments they serve.

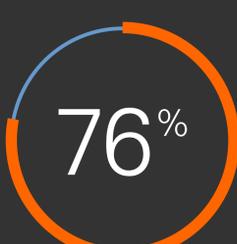


Source: KPMG report, Shifting to a Higher Gear, 2022

5 Risk-Adjusted Profitability

Financial institutions are in the business of trading risk, so it's imperative they view customer profitability through a risk-adjusted lens and ensure customer-related strategies are executed on the front lines.

A recent survey of financial institutions revealed a lack of focus on profitability:



Say customer profitability is important to monitor



Actually monitor customer profitability

Source: Syntellis Performance Solutions survey, CFO Outlook for Financial Institutions, 2022

6 Fulfillment Automation

High-performance organizations provide fast answers, price products and services in real time, and quickly deliver products and services to drive their competitive advantage.



CFOs need to execute these top-of-house strategies in a way that mutually satisfies the needs of the customer and the needs of the institution. This means financial institutions must know their customers intimately – well enough to predict what they want before they even ask – and then deliver it in a seamless experience.



Source: Danny Baker, Vice President of Market Strategy, Fiserv, in BAI Quick Q&A on Building Agility, Resilience and Performance, 2021

An approach to financial management that embraces high performance will drive agility, resilience and successful strategic decisions for financial institutions.

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