

Solution Overview: Portfolio Optimization



Hitachi Consulting Payments Compliance practice expertise spans all facets of card payments and association compliance—from release requirements normalization to release management, from product rollout to portfolio optimization, and from back office systems to processor optimization.

This unique perspective, based on years of experience with banks and merchants, associations and EFT Networks, ISOs and processors, provides you with the knowledge base necessary to conduct successful compliance initiatives that significantly improve your bottom line.



The Challenge of Industry Wide Change

A number of industry wide changes in card payments are converging, bringing new levels of complexity to the task of managing a card portfolio. The governance of Visa and MasterCard is becoming less issuer centric and their product offerings are becoming more complex. Now American Express and Discover have bank card offerings to compete with Visa and MasterCard. Combined with the effects of a mature and saturated market, these factors necessitate an attractive product suite and a continuous maximization of card portfolio profitability. In aggregate, they offer every issuer opportunities and the attendant challenges to tailor their product offerings to each segment of their card base, and to differentiate themselves from competitive alternatives.

It is incumbent on each issuing organization to make informed payment product decisions that drive profitability in their credit and/or debit card portfolios. To gain the traction needed for success, proposed changes must be communicated effectively over broad and diverse audiences involved with the delivery of payment products in an organization. Rationale for these decisions must be appropriate for the highest level executives, the operational level management and all in between, including shared services like finance, accounting and information technologies. These diverse audiences must understand relevant aspects of the products and services offered by the EFT networks and card associations, including American Express and Discover, to ultimately assist in choosing and implementing an optimal product mix, even if it is from only one card association.

Every organization, to remain competitive, will have to possess the ability to understand the products available to them and optimize their portfolio in order to make it a competitive advantage.

Our Portfolio Optimization Solution

Maximizing your profitability while differentiating your product portfolio and meeting your customers' diverse needs is not something to undertake alone, given today's rate of change.

By engaging an **expert third party** that has experience with American Express and Discover bank products, MasterCard and Visa new products, as well as products of the EFT networks, you can be assured your decisions will be well informed. You will understand the implications of selecting each, and benefit from proven processes for evaluating the product mix. You will find new ways to improve your offerings, grow your portfolio and maximize your profitability.

Our **Portfolio Optimization** offering is a multi-tiered service that identifies key considerations for evaluating products offered by the new card associations and comparing them to those offered by MasterCard and Visa. Our offering focuses on specific communications with key stakeholders from executive management to operations and everything in between. We provide you with an analysis of your options to help you to understand probable areas of opportunity and risk, a set of recommendations and impacts of implementing our them. We will also provide you with insights into the peripheral impact of expanding your offerings and how you can benefit financially from them.

Our staff can be engaged to plan and manage implementation planning and execution.

Solution Overview: Portfolio Optimization

Benefits of Portfolio Optimization Services

Determining and deploying the optimal combination of card association and EFT network products for your institution is a complex undertaking. Our team is steeped in the rules that define these products and has strong experience with implementing them. We can help you turn a confusing array of ever expanding product choices into a well-understood set of products that maximizes your profitability and the satisfaction of your customer base.

- **Clarity:** You will have a comprehensive view of your product portfolio and the areas that are less profitable, as well as those products that are most impacted by various release requirements.
- **Compelling:** Your customers will enjoy a carefully selected group of products that embrace their particular tastes and needs.
- **Competitive:** Your portfolio will meet the needs of your target customers, while at the same time providing your institution with substantial profitability gains.
- **Compliant:** Our staff analyzes your portfolio with an eye toward compliance and against a proven checklist to ensure your product mix meets all applicable association and EFT network rules.

Why Hitachi Consulting Payments Compliance Practice?

Our principal currency is the **expertise** we have developed in all elements of the payments system. Our team members average well over fifteen years direct experience with card payments including hands on experience in back office operations, compliance management, exception processing and risk management.

Moreover the practice offers an unparalleled **perspective** spanning the payments system. Across the team we have direct operating experience from within each payments system participant. As a result of this experience we have developed personal **contacts** that can be called upon in any situation.

Our expertise spans all facets of compliance. We have the benefit of a team dedicated to compliance, offering **focus** and insight that is unique in the industry. Because the team has been on the front lines performing work in this area for years, you can leverage the knowledge we have gained and the processes we developed and honed over the years.

As with all Hitachi Consulting practices, you can be assured of sincere collaboration with our partners, delivery of clear results and impeccable integrity.



About Hitachi Consulting Corporation

As Hitachi, Ltd.'s (NYSE: HIT) global consulting company, Hitachi Consulting is a recognized leader in delivering proven business and IT solutions to Global 2000 companies across many industries. We leverage decades of business process, vertical industry, and leading-edge technology experience to understand each company's unique business needs. From business strategy development through application deployment, our consultants are committed to helping clients quickly realize measurable business value and achieve sustainable ROI.

Hitachi Consulting's client base includes nearly 30 percent of the Fortune 100 as well as many leading mid-market companies. We offer a client-focused, collaborative approach and transfer knowledge to our clients throughout each engagement. For more information, call 877.664.0010 or visit www.hitachiconsulting.com.

Hitachi Consulting - Inspiring your next success!®

Hitachi Consulting
2001 Bryan Street, Suite 3600
Dallas, TX 75201
info@hitachiconsulting.com
Toll Free Phone: 877.664.0010

© 2008 Hitachi Consulting Corporation. All rights reserved. "Inspiring your next success!", "Knowledge-Driven Consulting", "Dove Consulting" are all registered service marks of Hitachi Consulting Corporation. "Building the Market Responsive Company," "Business Intelligence at the Edge of the Enterprise" and "Performance Management at the Edge of the Enterprise" are all service marks of Hitachi Consulting Corporation.