

CHANGE IS HERE

Adapt | Survive | Thrive



SRM'S CREDIT CARD STRATEGY SERVICES

MARKET-FOCUSED, ON POINT, PRIORITIZED FOR YOUR GROWTH

FAVORABLE CONDITIONS FOR SUCCESS

Attractive market conditions are driving a period of sustained growth in the card payments space. The team at Strategic Resource Management (SRM) regularly works with financial institutions on their credit card portfolio strategy and sees this as an area of continued opportunity.

Consider these five industry trends when thinking about the potential of your portfolio:



PAYMENT GROWTH:

Card-based payments are growing rapidly and have become a critical source of revenue for many issuers. Add to that the global pandemic's increased demand for safe, secure, contactless options, and you have set the table for continued card preference.



PROFITABILITY:

Credit cards are a key contributor to banking profitability, with an industry average pretax ROA of about 4%.



COMPETITION:

Increased profitability is driving aggressive competition for top of wallet status with attractive sign-up bonuses, heightened and highly relevant rewards value propositions, and out-of-footprint marketing.



DATA & ANALYTICS:

Key players are using enhanced data and analytics to not only drive penetration, activation, and usage, but also reduce fraud and charge-offs, all contributing to improved portfolio yields.



TECHNOLOGY PLATFORMS:

Issuers are seeking to manage and optimize technology assets to gain efficiencies and improve the member experience. Scale and expertise have become crucial in the deployment of technology infrastructure.

But how can you make moves consistent with these trends and benefit from the continued movement in the payments space?

SRM can help, with a clear approach and strategic acumen that considers your in-flight initiatives and adds expertise to your existing business bandwidth.

We separate out four unique opportunities – or modules – to find ways to improve your strategy and outcomes.

OUR APPROACH

SRM generally starts by assessing the situation across four key modules of your credit card infrastructure. Then we create a project trajectory with two key phases – a deep current state analysis and opportunity ID, then a second phase that lays out the target state for your program to respond to market conditions (and a clear roadmap on how to get it all done). Where we make a difference for our clients is our ability to help them prioritize in the second phase of work, identifying the easy wins and the future state implementations.

Here is a deeper look at our four focus areas:



MODULE #1: EXAMINING PRODUCT & PERFORMANCE

Understanding how your credit card strategy plays into your larger business goals for today and tomorrow is critical. SRM asks the right questions and brings our insights into the deep dive part of the process. We work with you to review portfolio performance, to understand where the best card engagement exists today and areas where there's room to grow.

Looking at the existing product set is a critical part of the process, as what was engaging and highly profitable 5-10 years ago is likely not meeting your customers/members needs today. By tying this examination to your financial goals – where you started and where you want to be – SRM can arrive at an insightful take on the overall performance score of your credit card product portfolio. If the score is not where you would expect it to be, we are here to help lay the groundwork for change and future success.



MODULE #2: OPTIMIZING THE ACQUISITION PATH

Think for a moment about how you introduce your credit card products to customers and prospects. Now switch your thoughts to the ways consumers are exhibiting changed behavior following a global pandemic. Does your approach still resonate? Is there an opportunity to revise your methods to focus on shifting behaviors?

Our acquisitions thinking focuses on three critical areas – the sales channels you use, your prospecting methods, and your underwriting strategy. SRM undertakes a deep assessment of all three and compares current performance to our benchmarks and best practices. Our team knows small shifts in strategy can mean big improvements and revenue opportunities.



MODULE #3: EFFECTIVE PORTFOLIO MANAGEMENT

Americans, on average, carry nearly four credit cards. What are you doing to ensure that your card is in the top slot, stored in their Amazon account, used for their recurring Netflix and Spotify payments, and stored in their Apple Pay? Effective portfolio management can lead to significant increases in utilization and allow you to increase the profitability of your portfolio.

SRM will dive into all the facets of the portfolio management process with you, with special attention paid to customer segmentation, top-of-wallet strategies, line management, and advanced attrition and retention management methods.



MODULE #4: DELIVERY & OPERATIONS FOR CONTINUED SUCCESS

This fourth stage in our process is all about improving member touch points. It examines the complete ecosystem of technology and communications offerings against customer preferences. Picture consistency and ease of integration from back-office operations to the call centers, online self-service, mobile push notifications, and low-hassle fraud and security checkpoints.

IMAGINE THE CARD PERFORMANCE POSSIBILITIES - CONTACT SRM FOR A CONSULTATION

SRM wants to learn more about your institution's portfolio. A consultation is the first step to get the ball rolling and put your products on the path to best-in-class.

Contact Jesse McGannon, Vice President of Advisory Services, at jmcgannon@srmcorp.com or on [LinkedIn](#). You can also visit www.srmcorp.com to learn more about our broad service offerings and get the latest info on critical market trends and shifts from our experts.
