

**LOCATION PLANNING  
FOR FINANCIAL  
SERVICES**

**Optimising performance  
from your branch estate  
in a multichannel market**



**CACI**

## Introducing CACI

CACI provides customer management and branch strategy solutions for the financial services industry across the globe. We are Europe's leading location planning consultancy, and have specialist expertise in customer and channel management. This enables us to consider your branch network both on a stand-alone basis and in relation to your customers and other channels.

Our clients include some of the largest global banking businesses. Every leading UK bank and building society uses CACI information to understand and manage its branch network.

We have a true global capability, meaning we can work with you in any country, whether you operate there today, or plan to in the future.



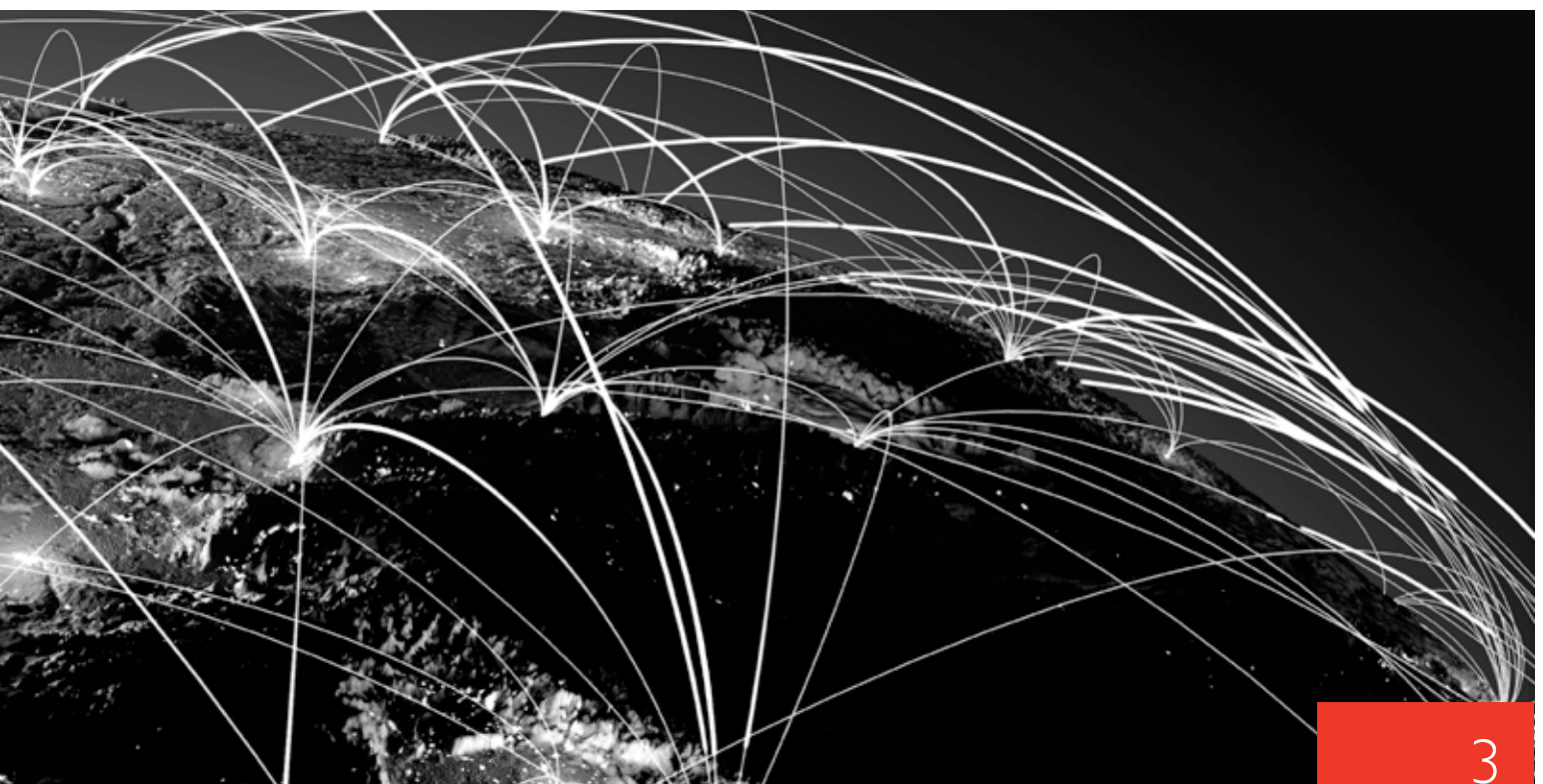
# Your Challenges

The retail banking industry has undergone a period of significant challenges. A combination of the banking crisis, plus the explosion of digital channels, means that there is more pressure to optimise return on investment in your branches than ever before.

An intimate understanding of your branch network has long been the key to successful network planning and management. You need to know not just where to open or close branches, but how well each one should perform, how much to invest in each location and, critically, how customers will use the branch. These issues are increasingly difficult to resolve as businesses mature and as both customer behaviour and branch investment decisions are increasingly influenced by non-physical channels.

Some of the questions we have recently helped clients address include:

- How can we improve the performance of our existing branch estate?
- What is the potential long term value of our branch estate?
- Which branches should feature automated services?
- How to integrate a merged network post acquisition?
- Do I need a physical presence everywhere, or can I rely on digital channels in some areas?
- How can we establish a premier focussed network?
- How can we establish a commercial/business focussed network?
- How to enter a new market/territory. What are the quick wins versus the long-term opportunities?



## Turning data into intelligence

Our approach is driven by **data**, delivering insight that is built by understanding that the national picture is actually the sum of individual local markets, and not the other way round.

As the largest independent location planning consultancy in Europe, our experience in defining local markets is outstanding. CACI's consultants are particularly skilled at solving issues in areas of the globe where existing data sets are limited. What sets us apart is our experience of working with local data providers to pull together the data to drive analysis, allowing unrivalled depth of insight within each market sector.

Using carefully audited data and applying our knowledge of consumer behaviour, we can measure the geographical and economic variation in:

- People as consumers of retail and financial products
- Towns and cities as shopping destinations
- The linkage between people and places through drive-time accessibility and distance decay
- Market opportunity – volume or value – based on where people live, work and shop
- The channel preferences of local markets

**With this approach we rapidly turn data into usable intelligence that ensures better decisions are made.**



# High net worth individuals in major European cities



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## How our approach benefits our customers

Our ability to produce detailed intelligence for any country means we are able to support organisations with complex investment decisions, whether they are already based in a country (or market), or are looking to enter for the first time:

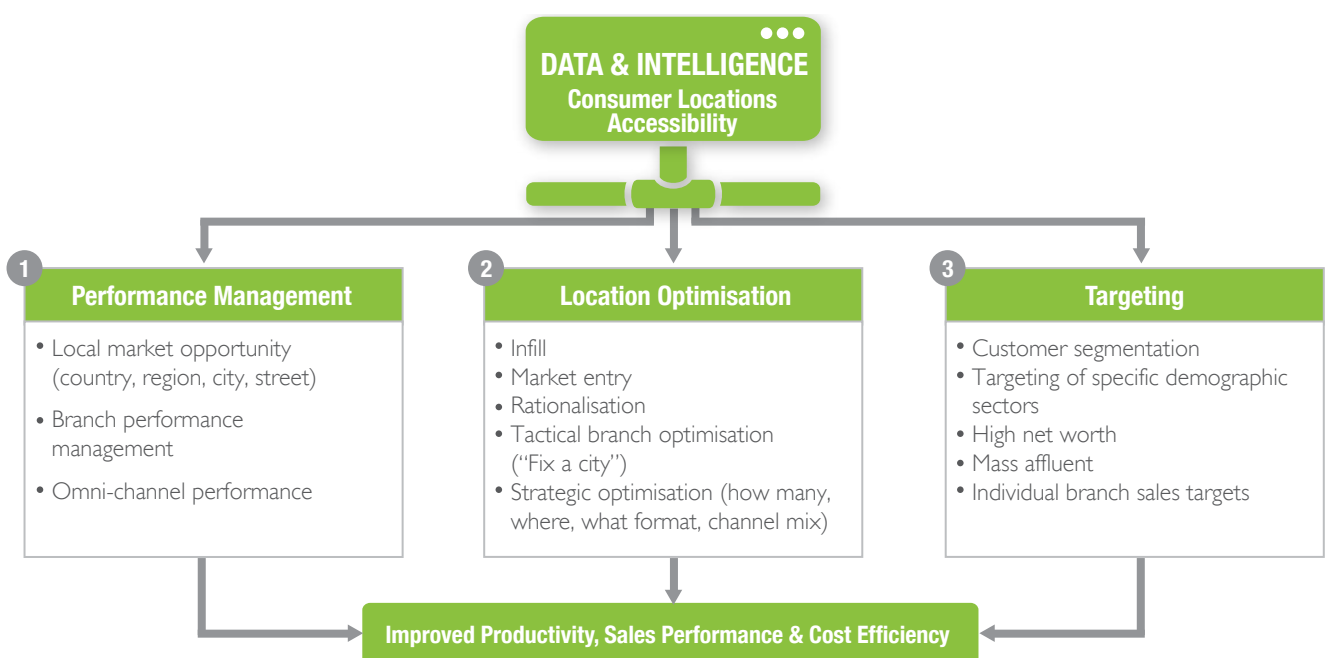
Maximising existing territories	Evaluating new territories
<ul style="list-style-type: none"> <li>Combining local market information with your own branch and customer data, we can deliver a complete assessment of the <b>opportunity</b> and your <b>performance</b> within it</li> <li>This enables us to <b>optimise</b> your <b>sales</b>, <b>marketing</b> and <b>property strategies</b> to improve locations that are underperforming, and protect or enhance better performing ones</li> <li>It also means we can help to identify similar 'good' locations for network <b>infill</b> and identify low-potential locations for network <b>rationalisation</b></li> </ul>	<ul style="list-style-type: none"> <li>Combining local market information with your own objectives for a new country, we can identify the most strategically important locations, "flagship destinations", where you can obtain the biggest return on investment = <b>quick wins</b></li> <li>We are then able to produce a <b>road map</b> to help you expand into the next best locations, based on local opportunity and competition</li> </ul>

## In both cases...

- We can analyse the population base to segment them by demographics, behaviour and value
- We can ensure that your local branch offer is commensurate to the local demand
- We can measure the local market opportunity by channel, based on customer preferences, so you can optimise your local distribution strategy and maximise your multichannel potential
- We can work with other agencies (e.g. property advisors) to help source the right premises in the right locations

## Strategic deliverables

- **Performance management:** We can improve the performance of your branch network, through pinpointing where you are underperforming relative to the local opportunity, and by safeguarding where you are performing well
- **Branch optimisation:** We can help optimise the branch formats to use in each local market, whether that is flagship branches, full service branches, automated service branches, kiosks, or ATMs
- **Multichannel investment:** We can help you optimise your channel investment by delivering the best balance between your branch network and other direct or digital channels that you require in the digital age



## Client endorsements



“CACI have been engaged by HSBC since 2009 providing support through intelligent customer and market driven insight. We have worked together to develop a dynamic scorecard used to manage the optimisation of the UK branch network at a strategic and tactical level. The outcome has provided the capability to expand, improve performance or optimise locations where needed on a town by town basis.

We continue to work with CACI supporting a multichannel strategy built around the changing needs of our customer base.”

“As customers' use of digital banking increases, we wanted to work with a partner who could help us establish the local opportunity and customer need, not just now, but looking forward. We've worked with CACI to provide insight to ensure our network remains relevant, well located, and is invested in at the appropriate level to ensure it meets the needs of our customers both today and tomorrow.”



“CACI has been instrumental in aligning Santander UK's previous brands on a town-by-town basis, so that the rebranding exercise went as smoothly as possible – and their data enabled us to reduce branch overlap and cost without affecting sales performance or customer convenience.

CACI's market potential models, built from local opportunity, have been used since 2006 to help us optimise our resource allocation, by making sure staff levels are commensurate to the local demand.

We continue to work with CACI to optimise our branch network both in terms of locations, resource and how it fits in the developing Omni-channel world.”

# CACI