

Profitability & Performance MEASUREMENT CONFERENCE

from BAI and AMI*fs*

April 28–30, 2008 ■ Pre-conference workshops, April 27

Gaylord National® Resort & Convention Center ■ National Harbor, MD/Washington, DC

Let BAI and AMI*fs* help you be
a key driver of revenue growth
strategies in your organization

- CAPACITY PLANNING
- PRICING BEST PRACTICES AND
NEXT PRACTICES
- SCORECARDS AND DASHBOARDS
- BUDGETING AND PLANNING

Earn up to 20 CPE credits!

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AMI*fs*

BAI[®]

Measuring product and business unit profitability is a challenge no matter what the business conditions. But in these trying times in the financial services business, assessing profitability levels is more complex and more important than ever. Banks must make strategic choices using information that is based on the analysis of factors that are fast-changing in an environment that is as uncertain as we have seen in years.

The Profitability & Performance Measurement Conference from BAI and AMI*fs* offers you an opportunity to learn more about important industry issues while you network with your peers and industry experts. In addition, you can explore an exhibit hall with the latest innovations and solutions to support your organization in this challenging and evolving competitive landscape.

Let BAI and AMI*fs* show you methods to apply the latest thinking, best practices and technology to help you and other leaders of your organization provide robust analysis to achieve key results.

See you in Washington, DC!

Deborah L. Bianucci
President & CEO
BAI

Charles A. Stockton
President
AMI*fs*

Who should attend?

- Chief Financial Officers
- Financial Analysts
- Strategy Analysts
- Controllers
- Profitability Analysts
- Forecasting & Planning Analysts
- Performance Measurement Specialists
- Cost Measurement Analysts
- Marketing & Sales Managers

Book your hotel with BAI and save!

Make a room reservation and save money when you book your room with BAI. To receive the discounted rate of **\$255 sgl/dbl (additional resort fee \$10/night)**, reserve your room by **March 25, 2008**. Make your hotel reservation at www.bai.org/ppm/hotel, call BAI Customer Service at 800-224-9889 or the hotel directly at 301-965-4000.

Gaylord National® Resort & Convention Center
201 Waterfront Street
National Harbor, MD 20745

Register today online at
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The hotel will charge a cancellation fee of one night's deposit if the reservation is not cancelled 72 hours prior to arrival date. For the detailed BAI and Hotel Cancellation Policy, please refer to your hotel acknowledgement e-mail or contact BAI Customer Service.

Clear savings

***Early registration discount—save \$200 through March 14, 2008**

BAI/AMI*fs* Member price: \$1,195
Non-member price: \$1,395

Registering a team of three or more? Visit www.bai.org/ppm/fb1 for more information on additional discounts.

**Conference registration offers shown above may not be combined with other offers and do not apply to pre-conference events. (Prices above reflect discount)*

Adversity creates opportunity: Emerge profitably

It's no secret that the financial services industry is experiencing significant turbulence with soft profit performance and a continued credit crunch. However, the Profitability & Performance Measurement Conference from BAI and AMI's will help you identify and take advantage of new opportunities despite these challenges.

We'll show you how to apply the latest information, best practices, and technology so you can play a more central role in providing guidance and critical analysis. We will also help you improve profitability and efficiencies for your organization by identifying the true profit inherent in products and customers.

Keynote Speakers:



Monday, April 28, 2008

HumanSigma: Boosting Financial Performance Through Employee–Customer Encounters

Teresa Tschida

Principal, Gallup



Tuesday, April 29, 2008

Economic Outlook

Carl R. Tannenbaum

*Economic Consultant, Former Chief Economist,
LaSalle Bank/ABN AMRO*



Wednesday, April 30, 2008

Don't miss this inspirational closing session!

Dr. Thomas Barrett

*Entrepreneur and Author of the best seller
Dare to Dream and Work to Win*

You'll also hear:

- detailed analysis of revenue and expense trends in U.S. banking with James McCormick, Founder and President of First Manhattan Consulting Group
- insights into effective communication of strategic intent and how to measure its success from Brett Knowles, Founder, pm2
- and much more! Look inside for the complete agenda

Learning has never been this interactive.

- **Workshops:** delve deep into industry “hot topics” with pre-conference workshops.
- **Peer Group Roundtables:** discuss hot topics and issues, chosen by attendees, in these facilitated discussions.
- **Case History Clinics:** find out about the latest solutions that provide quantifiable ROI.
- **Networking Receptions:** make new contacts and meet new resources at our evening receptions.
- **Exhibit Hall:** explore an exhibit hall showcasing the latest innovations and solutions.

SUNDAY, APRIL 27TH, 2008

7:30 a.m. – 7:00 p.m.

Registration

8:30 a.m. – 4:30 p.m.

Full Day Workshop

Profitability and Performance Measurement from Soup to Nuts

Robert E. Kafarian

President & Chief Executive Officer, Kafarian Group

Learn about the key elements of profitability measurement related to Organizational, Product and Customer reporting. You will be provided insights of profitability reporting including, getting started issues, systems selection, uses of the information, technology requirements, alternatives and common pitfalls. This workshop will include case studies and examples in a presentation format to teach the overall concepts of profitability reporting and management reporting.

This course provides the basic elements of any profitability measurement initiative including:

- **Excellent groundwork for those in the initial profitability process**
- **Provides “next level” ideas to enhance existing projects**
- **Shows how each of the profitability concepts impacts the other and the importance of each**
- **Demonstrates the differences and similarities between each type of profitability reporting in the triad**
- **Examines system alternatives and technology needs**

8:30 a.m. – 11:30 a.m.

Half Day Workshops

Growing and Costing Deposits

Thomas A. Farin

President, Farin & Associates, Inc.

Because of the ageing CD customer base, funding growth in deposits is one of the biggest challenges facing financial institutions in the next 5-10 years. This session will attack this issue by focusing on three key areas, (1) upgrading the deposit pricing process, (2) using effective analytics (deposit math) in making decisions, and (3) using segmentation strategies to go after key constituencies and separate rate sensitive from non-rate sensitive customers.

- **How to tie your pricing process into ALCO**
- **Why the deposit pricing process needs to have both a tactical and a strategic component**
- **Why pricing decisions should be made using marginal cost of funds**
- **What kinds of tracking systems need to be installed to monitor the success or failure of your efforts**
- **How to target key constituencies like young people, seniors, paycheck to paycheck customers, etc.**
- **How to avoid paying up for non-rate sensitive customer while aggressively going after rate sensitive customers**

Comprehensive Cost Practices & Methods

Robert B. McDonald

EMC Global Services, Microsoft Practice

In this highly interactive forum, the dialogue will center on the various costing methodologies and distribution techniques available to account for 100% of non-interest expenses. In addition, we'll give you the information and tools you need to deploy the cost information and how best to use it in decision-making, as well as metrics to show results.

- **How costing and integrated resource management information fits with integrated profitability information, strategic analysis and planning within the BPM architecture.**
- **Cost deployment, integrated profitability measurement and integrated resource management**
- **Performance targets and management accountabilities**
- **Strategic analyses and pricing**

1:30 p.m. – 4:30 p.m.

Risk-adjusted Return on Capital (RAROC) & Capital Optimization

Orlando B. Hanselman

Education Programs Director, IPS-Sendero

Capital is a critical link between risk assumption and return generation for financial institutions. Through this workshop, you will explore the fundamentals of capital, capital management, and strategic use of RAROC. Discuss concepts, practical “how to” measurement methodologies, as well as a regulatory and strategy overview.

- **Insights to relationship between capital and funds transfer pricing**
- **Relative assessment method of capital assignment**
- **Capital assignment to products and customers**
- **“Right-size” organizational capital levels for optimum performance**
- **Incorporate capital cost into product pricing and relationship profitability**

Leveraging Scorecards and Dashboards to Turn Strategy into Action

Brett Knowles

Founder, pm2

Hear best practices and case study examples around capturing and communicating strategic intent, measuring and managing strategic success, and linking that to the processes and projects that underpin strategic objectives.

- **Capturing strategic intent**
- **Measuring performance**
- **Linking to processes and projects, as well as accountability**
- **Learn five key steps to achieve success in executing strategy**

5:00 p.m. – 7:00 p.m.

AMI's Reception & Business Meeting

All attendees welcome

Special Accommodations

BAI/AMI's recognizes the need to comply with the Americans with Disabilities Act. Please contact BAI Customer Service at 800-224-9889 (or 312-683-2464) so that we may accommodate any special needs you may have.

Business casual attire is recommended.

Continuing Professional Education (CPE) Credits

BAI/AMI's is registered with the National Association of State Boards of Accountancy (NASBA), as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit.

Complaints regarding registered sponsors may be addressed to the National Registry of CPE sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219-2417. Web site: www.nasba.org For more information regarding administrative policies such as a complaint or refund, please contact BAI Customer Service at 800-224-9889.

Recommended CPE Hours

Profitability and Performance Measurement Conference

Full Conference: 14 hours

Full-day Workshop: 6 hours

Half-day Workshops: 3 hours

Method of Presentation: Workshops and conference sessions

Level of Learning: Intermediate

Prerequisites: None

Advanced Preparation: None

Field of Study: **Business** Management and Organization: 2 hours, Finance: 6 hours; Communications: 1 hour; Personal Development: 1 hour; Specialized Knowledge and Applications: 4 hours



MONDAY, APRIL 28TH, 2008

7:30 a.m. – 6:00 p.m.

Registration

8:30 a.m. – 9:30 a.m.

Keynote Session

HumanSigma: Boosting Financial Performance Through Employee–Customer Encounters

Teresa Tschida

Principal, Gallup

HumanSigma offers organizations an opportunity to sustain authentic growth in employee and customer retention, increase margins, and improve profitability. This management strategy boosts financial performance by assessing, managing, and improving the employee–customer encounter.

- Learn how the world's most profitable organizations measure and manage two simple factors—employee and customer engagement—to create organic growth
- Discover how the role of emotions play into the behavior of employees and customers
- Reduce performance variation among seemingly similar workgroups
- Leverage individual employee talents to engage other employees and customers

9:45 a.m. – 10:45 a.m.

Conference Sessions

Advantages and Disadvantages of Simple Versus Complex Costing Models

Jan Dominick

Senior Vice President, Comerica Bank

Jane Blake

President, MacDougall & Blake, Inc

Learn about the advantages and disadvantages of simple versus complex cost models as experienced during the last ten years at Comerica Bank and other financial institutions. If you think your bank is ready for a cost “overhaul” to expand or reduce complexity, then you will want to attend this session.

- Complexity versus value—is the perfect model really worth it?
- Labor tracking—who has time for this? what's the best model for you?
- Cost center tracking—friend or foe?
- Overhead—why is this so complex? are we the problem?
- Organizational, product and customer costing—this is a lot of detail. Can it be simplified?

Best Practices: Commercial Banking Relationship Pricing

Frank McKeon

Director, Financial Services, COGNOS Corporation

Learn what the key implementation tasks are to deliver a best practice pricing solution and the value it will provide to your relationship managers/lenders and to your overall commercial banking business. The session will provide a comprehensive overview for both credit and non-credit pricing activity. It will also discuss key business requirements from the relationship manager/lender perspective and what is important to them.

- Understand key components of a Best Practice Relationship Pricing tool
- Learn specifically what the end user (Relationship Mgr/Lender) business requirements need to be in order to enhance their decision-making capability
- Find out more about the importance of incorporating best practice risk measurement methodology into your pricing model

Leveraging Advanced Funds Transfer Pricing

Kenneth Levey

Director Financial Institutions, Business Objects

Jaime Garza

Senior Manager, BearingPoint

Funds Transfer Pricing (FTP) has been a staple of many financial institutions, allowing management to understand the value of their product offerings. By “benchmarking” accounts and products in their portfolios, banks are able to assess each product's contribution to the bottom line. But why, given the years FTP systems have been in the marketplace, is there still a lack of understanding of the output? What is it about typical FTP reporting that leaves management unable to make decisions regarding product pricing and net contribution to the bottom line?

- Make better pricing decisions
- Evaluating alternative investment and funding decisions
- Investing in high-performing products, segments, channels
- Fixing poor-performing products, segments, channels

11:00 a.m. – 11:45 a.m.

Case History Clinics

Hear from industry-leading solutions providers about the latest innovations that help support your profitability strategies.

12:00 p.m. – 1:00 p.m.

Lunch

1:15 p.m. – 2:15 p.m.

General Session

Translating Strategy into Action

Brett Knowles

Founder, pm2

Research indicates that over 80% of business strategies fail, not because they are wrong, but because they are not executed! Hear best practices and case study examples around capturing and communicating strategic intent, measuring and managing strategic success, and linking that to the processes and projects that underpin strategic objectives. Also learn steps your organization should take to improve this critical area of your business.

2:30 p.m. – 3:15 p.m.

Case History Clinics

Hear from industry-leading solutions providers about the latest innovations that help support your profitability strategies.

About BAI

BAI is the financial services industry's leading professional organization focused on enhancing employee and organizational performance. Through ground breaking research and an award-winning magazine, BAI's *Banking Strategies*, BAI provides the latest insights on complex, strategic issues in financial services. Through seminars, graduate schools and conferences—including the industry's premier event, BAI Retail Delivery Conference & Expo—BAI reaches thousands of financial services professionals each year to deliver content designed around critical business needs and to facilitate vital connections between financial services professionals, industry experts and solutions providers. Focusing on business issues and performance drivers, BAI applies its extensive line of training, metrics and employee assessments to help clients leverage their most important asset—their employees. For more information, visit www.bai.org.

4:00 p.m. – 5:00 p.m.

Conference Sessions

FTP of Indeterminate Maturity Deposits

Vince Woodward

Vice President – ALM, People's United Bank

Most traditionally-funded banks' indeterminate maturity deposits are a material driver of Interest Rate Risk and FTP profiles. These accounts typically make up some 60% of total liabilities. In this session, we'll outline a simple methodology for examining the behavior of your indeterminate maturity deposits. We'll also analyze the historic behaviors of retained deposit balances and provide a simple desktop approach to developing an in-house empirical deposit study.

- **Getting started: data-mining, static pools and handling the results**
- **Using simple statistical methods in Excel**
- **Term to maturity: How do we derive terms to maturity for both core and volatile deposit balances in the absence of contractual maturity?**
- **Rate reaction: How do we capture rate changes when most offer rates are administered and do not have predictable re-pricing frequencies?**
- **Combining the pieces: How do we apply these derived results and integrate the term assumptions and rate reactions into the ALM and FTP production models**

Capacity: Two Divergent Views

Jefferson V. Nathasingh

Senior Vice President, Compass Bank

Frank McKeon

Director Financial Services, COGNOS Corporation

A lively debate of dramatically opposing viewpoints on capacity measurement vs. full absorption costing from two leading industry experts.

- **Understand the practical use of both approaches**
- **Learn about their applications in resource management**
- **See their impact on profitability through pricing**

How Competitive Can You Get—And Still Make the Bank Risk Adjusted Money?

Shahram Elghanayan

Managing Director, BancWare ERisk

While investors call for improvements to risk management and to making loans only at a price that will compensate for credit risk, banking organizations face the reality that if they take this strategy they face losing market share and lending talent. Hear more about an approach that accepts the logic of risk-adjusted pricing but harnesses it to the competitive nature of bank lending.

- **Different levers, in addition to price, that determine whether a lending decision is profitable or not**
- **Analysis of the effect of different pricing and structuring decisions on expected deal volume**
- **Using this information in predictive analytics that help maximize enterprise risk-adjusted profitability**

5:00 p.m. – 6:00 p.m.

Networking Reception

7:00 p.m.

AMIFs Networking Night on the Town!

About AMIFs

The Association for Management Information in Financial services (AMIFs) is the preeminent organization for management information professionals in the financial services industry. For 28 years, AMIFs has provided a unique opportunity for financial services professionals to exchange, grow and refine their knowledge and experience. Our primary focus is on performance measurement related topics such as: customer, account, organizational and product profitability, activity based costing, funds transfer pricing, asset/liability management, forecasting/planning and related measurement programs. For more information, visit www.amifs.org and learn about our conference, workshops, member benefits.

8:30 a.m. – 9:30 a.m.

Keynote Session

Economic Outlook

Carl R. Tannenbaum

Economic Consultant, Former Chief Economist, LaSalle Bank/ABN AMRO

Learn what the future holds for growth, inflation, and interest rates in the United States. In addition, find out more about key risks to the forecast and what they mean to outlook of the economy.

9:45 a.m. – 10:45 a.m.

Conference Sessions

Costing the Technology Organization: Transparency or Transformation?

Scott Wise

President, Armada Consulting

Rising technology costs are a key issue affecting performance and profitability of financial institutions today. While line of business managers are struggling to understand the source and nature of these expenses impacting profitability, technology managers are challenged with making these costs transparent and proving the strategic value of IT.

- **Common challenges in providing effective IT cost control**
- **Processes that can drive cost improvement behavior**
- **Leading approaches finance can implement to control IT costs**

Enterprise Scorecard—An Integrated Financial and Risk Perspective

Keith E. Novek

Partner, FS Business Performance Management Lead, IBM Consulting

Christopher George

Partner, FS Business Risk Management Lead, IBM, Global Business Services

Does your organization have a consistent set of KPIs that businesses are measured against and accountable for? This session will provide a pragmatic framework and identify the types of information needed for a successful enterprise scorecarding program. In addition, it will discuss proven techniques for implementing an Enterprise Scorecard and what steps can be taken to make the information actionable.

- **How to design, build and implement an enterprise scorecard**
- **Getting business and support areas to care about enterprise measures**
- **Emerging and disruptive technologies that could simplify implementations, expand access to enterprise data and provide powerful analytics to a broader audience**

Hitting the Target: The CAM-I Target Costing Implementation Guide—an Out of Industry Case Study

Tami L. Capperault

Finance Manager, Boeing Commercial Airplanes

Target costing is a proven method that leading-edge organizations use to reduce the inherent risk of new product development by providing “best value” products to their customers while increasing profits. Hear insights from the CAM-I Target Costing Interest Group's guidebook. Understand the how, when and why of implementing this important strategic management process.

- **Build a support base**
- **Establish a charter for target costing**
- **Develop an action / implementation plan to achieve goals**
- **Institutionalize the target costing process**

11:00 a.m. – 11:45 a.m.

Case History Clinics

Hear from industry-leading solutions providers about the latest innovations that help support your profitability strategies.

12:00 p.m. – 1:00 p.m.

Lunch

1:00 p.m. – 2:00 p.m.

General Session**Achieving Operating Efficiency & Revenue Growth Simultaneously****James McCormick***President, First Manhattan Consulting Group*

Given today's environment, it is critical that organizations look for new ways to operate efficiently and cost effectively. Hear an industry veteran's insights on way to achieve this, as well as new analysis of revenue and expense trends in U.S. banking.

- Components of revenue presenting the most significant growth challenges
- Prognosis for future gains in productivity and what approaches can work now
- Best practices in managing revenue/expense dynamics

2:15 p.m. – 3:15 p.m.

Conference Sessions**Behavioral-Based Profitability Analytics: Maximizing Enterprise Value and Enabling Performance Improvement****Mr. Jeff Lovett***Director – Finance and Performance Management Solutions, Teradata Corporation*

In order to build effective profitability metrics and KPIs that help them proactively improve profitability from the bottom up—by customer, account, channel or organization—today's financial services institutions need a consistent, reconcilable, enterprise-wide understanding of profit contribution based upon actual customer and corporate behavior.

- The limitations of traditional profitability metrics and measures
- Why profitability solutions need to scale with the business
- The benefits of a single view of enterprise performance
- Real-world success stories

New Performance Analytics in Branch and Customer Profitability**Dick Baumgartner***Chief Financial Officer, Community America Credit Union***Andy Tuck***Vice-President Finance, Community America Credit Union***Mitchell Max***Managing Partner, Decision VU*

Activity-Based Costing is a critical component in Community America's Profitability Roadmap. This session will review their unique approach to measure customer and product profitability, supported by a capacity-driven branch performance measurement system to guide effective decision-making, in place of a traditional branch-centric profitability system.

- Choosing a basis for measuring branch and channel performance based on controllable factors
- Measuring customer profitability based on account-level costing
- Benefits of using actual costs vs. standard costs
- Applying capacity measurement to reporting and decision-making
- Using profitability information to guide informed decisions

Planning & Budgeting: Relevance in Volatile Markets**Greg Thompson***Director of Management Reporting, Wachovia Corporation*

How can forecasts and budgets stay relevant in volatile markets and what role do metrics and drivers have in building and maintaining a financial forecast? This session discusses how forecasts, budgets and strategic plans can help business leaders make good decisions.

- Planning processes that provide good information for decisions across economic cycles
- Important stress tests for planning processes
- Metric and driver-based planning processes to create flexibility, credibility and accountability

3:45 p.m. – 5:00 p.m.

Peer Group Roundtables

5:00 p.m. – 6:00 p.m.

Networking Reception

9:00 a.m. – 10:00 a.m.

Conference Sessions**Assessing Financial Talent & Retention****Deedee Myers, MSC, CHIC***Chief Executive Officer, DDJ Myers Ltd and Advancing Leadership Institute*

Retention strategies related to your strategic and succession planning processes and career / leadership development can create goodwill and reignite passion in your employees. Particular emphasis will be on Profitability and Performance Measurement specialists, their supply and demand in the market and impact on compensation budgets.

- Operational guidelines to further the quality of care for your most valuable resource, people
- Sample career development plan components and a process guideline

Capacity Management for Treasury Services and Operations**Brian Moore***Financial Analysis & Business Partner Reporting, Wachovia Corporation*

Capacity management is important as organization's look to see where best to invest or shift valuable resources. Executives need to do what is best for the company vs. individual departments such as sales or operations. Learn how to identify what your available and unused capacity is and what the next step should be to build a profitable organizational strategy.

- Defining capacity-based performance metrics
- Capacity-based management reporting
- Building consensus via cross-functional teams and accountabilities

10:15 a.m. – 11:15 a.m.

Keynote Session**Dr. Thomas Barrett***Entrepreneur and Author of the best seller Dare to Dream and Work to Win*

Leadership in these challenging times is critical to successfully develop and execute your organization's profitability goals. Dr. Barrett, a dynamic thought leader, will help you identify what you want to achieve, how to communicate it and teach and coach others to deliver it.

11:15 a.m.

Conference Adjourns

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CHICAGO, ILLINOIS 60606-3421

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