

BENEFITS

- Better operating costs
- Improved revenue
- Predictable metrics
- Risk mitigation
- Clear and concise objectives

**PAST EXPERIENCE
(A SUCCESS STORY)**

Our client, a mid-sized credit union in the Southwest, came to us for an independent view of their credit card function. Although they were satisfied with their current technology provider, they were getting little operational and strategic support.

We provided insight into their programs, provided a method to reconfigure their many card offerings into four simple offerings, honed collection strategy, and audited their operational processes. Our functional review, found operations staff were not following risk strategies, so we designed management discipline to ensure compliance.

CREDIT CARD MANAGEMENT: MAXIMIZING PROFITABILITY

Credit cards have long been recognized as the most profitable retail banking product in existence. But a number of forces—exogenous to the portfolio itself, or indeed part of the management of the portfolio—can impede that profitability. Mercator Advisory Group’s independent examination of your operation will provide keen insights into how your credit card business runs and what you can do to make it more profitable and less risky. We offer a perspective on your credit card operation that is independent of your platform provider. Some credit card issuers may leverage our methodology to hone portfolio performance, while others may find that a credit card operation is not suitable for their business. Armed with our insights, you will understand how well your operation works, as well as how profitable it can actually be.



Mercator Advisory Group’s Credit Card Management program provides a tool allowing portfolio managers to gauge issuer performance and make the changes necessary to optimize profitability. Mercator’s experience with financial institutions helps small and mid-market issuers level the playing field with large national issuers.

Our process includes an independent view of operating metrics and how they fit into industry best practices, feedback on how your business strategy compares to industry best practices, and insights on the risk and opportunity in running your credit card business.



DETAILS OF PROGRAM

The program begins with an independent review of financial and operational performance results. Our review will take advantage of our experience in credit card management and will examine areas such as acquisition strategy, credit policies, credit line increase/decrease programs, the use of scoring in your account management process, underwriting consistency, and credit policies governing your business.

At this level our goal is to understand the direction, growth, profitability and risk. As independent providers serving your executive team, our view will be unencumbered by mid-level managers and vendors. Our objective is to ensure operational execution aligns with your business strategy.

After gathering our view, we will present our findings, along with a gap analysis and suggested remedies.

Our next step will be to understand operational practices by performing staff interviews and examining data files provided by the financial institutions.

Through the review of data elements such as cardholder note files, risk and profitability indicators, and industry trends, we will provide a comprehensive view of risks and opportunities in your credit card business.

As we build our view on your credit card operation, one goal will be to perform a skills transfer explaining each step in detail and providing a business tool for future use.

Our independent view of your operation will provide keen insights into how your credit card business runs and what you can do to make it more profitable and less risky. Without accountability to your platform providers, we offer an independent perspective on your credit card operation. While some credit card issuers may use this to hone performance, others may find that a credit card operation may not be suitable for their business.

DELIVERABLES

We will deliver our perspectives on the readiness for portfolio expansion, techniques to better exit the COVID-19 crisis, and a plan for continued success. Our objective will be to transfer our skills to your executive management team so that your group can navigate the rapidly changing environment.

ABOUT US

Mercator Advisory Group is the trusted advisor for the payments industry globally, charting the course for sustained growth and profitability and delivering fact-based insights and advice.

