

Example courses

Understanding & selling a profitable credit card: 2 day course with simulation

- Payments landscape & strategy
- Credit card profitability: income & expense drivers
- Measuring performance
- Management information and benchmarking
- Business simulation
- Credit card value chain
- Segmentation
- Digital and contactless

Credit Card Workshop
Simulation input sheet - Round 1

Input	Yes	No	Benefits
Linked account	Yes	Yes	
Travel insurance	No	Yes	
Payment insurance	No	Yes	
Online statements	Yes	Yes	
Reward programme	No rewards	5% of total	Customer
Co-branding	No co-brand	Yes	Customer
Balance transfer	No	Yes	
Card protection	No	Yes	
Min 3% fee	0.00%	3.00%	
Direct sales marketing tool	Level 0	Level 3	
Branch marketing tool	Level 0	Level 3	
Internet marketing tool	Level 0	Level 3	
Interest rate	0.00%	15.00%	
Annual card fee	\$0.00	\$99.00	
Foreign currency fee (FX %)	0.00%	0.99%	
Domestic ATM fee	0.00%	5.00%	
International ATM fee	0.00%	5.00%	
Balance transfer interest rate	0.00%	15.00%	
Payment insurance fee	0.00%	5.00%	
Card protection fee	\$0.00	\$5.00	
Interest free days	31	54	
Penalty fee amount	\$0.00	\$25.00	
Risk based pricing	No	Yes	
Standard application cut-off score	0	1000	
Risk based pricing sub-off score	0	1000	
High-side overrides	0%	15%	
Low-side overrides	0%	15%	
New customer credit limit	Conservative	Aggressive	
Existing customer credit limit strategy	Conservative	Aggressive	
Behavioural scoring	No	Yes	
Collections strategy	Conservative	Assertive	
Retention programme	No strategy	Strategy 3	
Attrition scoring	No	Yes	
e-commerce Authentication	CVV2	3D-S	
Fraud Detection	No FDS	Level 3	

Selling channels and customer experience

- Customers have come to expect card products to fulfil their needs in a "24/7 digital engagement"
- There is increasing competition from tech savvy giants and digitally disruptive bank challengers.
- Card businesses need to reimagine their end-to-end customer experiences across all channels to make the most of the product capabilities.
 - But it can be difficult as it is a struggle to integrate channels in the large complex organisations that banks have now become.



Understanding debit profitability: 2 day course with simulation

- Debit landscape
- Alignment to retail and debit strategy
- Business simulation
- Current account P&L
- Value chain and ownership
- Driving profitability through POS usage
- Changing cardholder behaviour
- Mobile and contactless
- Communication & staff engagement

Market background

About you

- Your group has been tasked with running a consumer credit card programme in Lacerovia
- Your bank is well established with 35 branches & offers a wide range of consumer financial service products, ranging from current account, savings, mortgages, loan products and insurances.
- The Bank has made the strategic decision to launch a new Visa credit card product in order to enhance the bank's profitability
- There are 2 current credit card issuers in the Lacerovia market:
 - o National Bank of Lacerovia (NBL)
 - o Sore Bank
- Contained in this Market Overview for Lacerovia is key information, including:
 - o Pricing options
 - o Product features
 - o Cost information
 - o Marketing Channels

The economy

Since its peak 3 years ago the economy has been in decline and has officially been in recession for the past 18 months, which has resulted in the highest unemployment and lowest consumer confidence for a decade. However, most observers agree that the economy is in recovery mode and will start to enjoy growth in the next year.

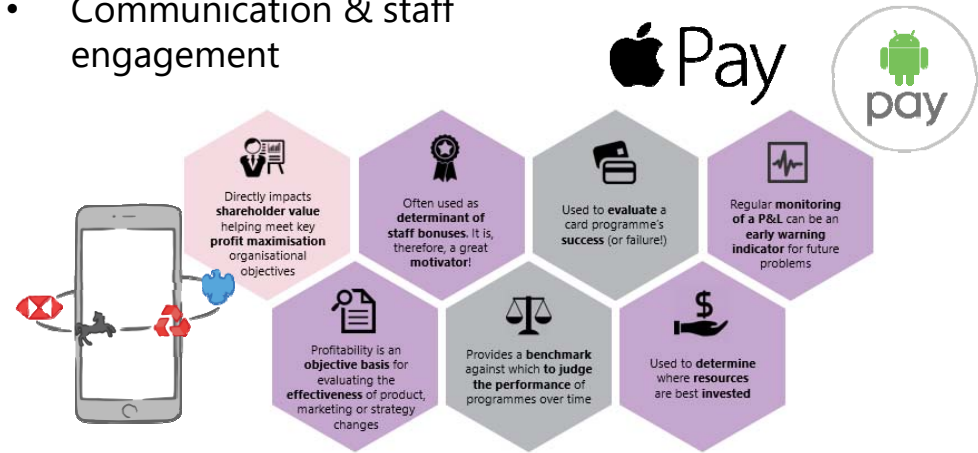
Economic Data	Year 1	Year 2	Year 3	Year 4	Year 5
Inflation	1.0%	2.10%	2.25%	2.40%	2.5%
Unemployment rate	11.0%	9.4%	8.5%	8.2%	8.0%
Federal bank base rate	2.5%	2.2%	2.0%	2.2%	2.5%
New credit card applicants	1.3 million	2.2 million	2.4 million	2.2 million	2.5 million
Population growth rate	1.50%	1.50%	1.50%	1.50%	1.50%

The credit card market

There are two existing consumer card issuers in Lacerovia: National Bank of Lacerovia (NBL) and Sore Bank. Both were previously state-owned and retain good links with the government.

NBL and Sore Bank have enjoyed a virtual monopoly in consumer banking in Lacerovia. However, the stringent government legislation that has supported this has recently been relaxed. Although these banks are still likely to have advantages due to their network of contacts, from January next year (Year 1) the government will grant licenses to operate to other, new card issuers. This is an experiment in

Credit card course simulation Page 1



Example courses

Understanding the impact, compliance & best practice of IFR and PSD2



Our expertise in payments regulation allows us to deliver course and workshops that address the following questions:

- Who will win in the **new regulatory & technical landscape**?
- Where has the interchange regulation had the **biggest impact**?
- How are acquirers **meeting the requirements**?
- Where are new players **changing the customer proposition**?
- Are banks ready to be **disintermediated**?
- Will it ever really happen?



Online and business school simulations



We have delivered numerous business simulations both in workshops and for a **leading business education provider**. Our simulations are **built bespoke** to meet your training requirements.

*"It was **really useful** to understand how **competitors react** in a simulation environment."*

*"**Great way to take some risks!**"*

*"Very **well balanced**. Probably the **best course** I have ever attended."*

*"The course leaders were **very cool and energised** the team."*

- **Recent delegate feedback from Optima training courses**