

BankersLab®: LendingLab® Product Overview

Why BankersLab®?

- Innovator in the development of advanced calculation-based and simulation training for banking associates.
- Offers a suite of products across banking functions and staff levels
- Respected executive team, each with over 20 years financial services and functional expertise
- Leverages proven techniques on how to train executives for the greatest retention and usage of learning

LendingLab® Overview

LendingLab® is designed to provide a solid understanding of how to plan, build and implement a retail-lending product. How do you strike the right customer value proposition? How do you design products for your customers that bring value to their financial lives and operate smoothly within the bank? How do you satisfy customers and improve profitability at the same time?

During the three-day course participants will explore retail product design, identify important features that bring customer value and support profitability, underwriting, and account management and collections.

Target Audience:

Retail lending product managers, Product marketing staff, Risk managers, and analysts. As a prerequisite, participants should be familiar with scoring, collections and the credit industry. Class size should range between 20-30 participants.

Three-Day Sample Agenda

Day One	Day Two	Day Three
Introduction and Goal Setting for the course	Underwriting Risk Acceptance Criteria	Account Management & Collection
What is the product program?	Activity: Setting underwriting risk acceptance criteria	Activity: Account Management & Collections Strategies
Product Planning	Portfolio Financials	Activity: Capacity planning
Product Design	Pricing & Cost of Funds	Case study: Develop a product program

Activity: Product Design	Activity: Pricing	Team Presentation: Product Program
Channel & Acquisition Strategies	Operational Risk and Regulatory Requirements	Course debrief and announcement of product program winner

Appendix 1: Course Module Learning Objectives

What is the Product Program?	<ul style="list-style-type: none"> Learn how to manage a consumer product program Understand how the product program works and its important features Understand roles and responsibilities in creating and managing the product program and ownership of a product program Define the renewal term and process of product program
Product Planning	<ul style="list-style-type: none"> Understand the product development process and role & responsibilities for each step Assess the factors that needs to be considered in product planning (External and internal environment, legal issues, and operational risk) Assess the underwriting process and operational system with its scalability for product planning Understand the importance of defining the business strategy and characteristics of target market/ customer segments
Product Design	<ul style="list-style-type: none"> Specify how a retail product is designed and how we can use those elements to foster long-term profitability and sustainability. Distinguish between secured and unsecured product and the key features of products. Identify your bank's competitive advantages in the market and how the product can leverage those Identity and characterize your customer target market by financial and narrative characteristics
Activity: Product Design	<ul style="list-style-type: none"> Build a new product from idea generation to product launch Link product features and structure to customer value, portfolio financials, and sales volume
Channel & Acquisition Strategies	<ul style="list-style-type: none"> Define the acquisition channels based on acquisition volume forecast for product launch Assess the acquisition strategy and understand how to run them effectively Understand what documents required by channel Build capacity plan for product acquisition

Underwriting Risk Acceptance Criteria (RAC)	<ul style="list-style-type: none"> • Understand how to set underwriting policy and cut off scores • Analyze how to use risk based pricing for target segment and learn how to manage portfolio mix via sub-segment caps • Understand the key credit risk drivers to be considered in setting risk acceptance criteria for secured vs unsecured products • Understand credit initiation process, including ownership of business quality in pre-approval screening and quality checks
Activity: Setting Underwriting Risk Criteria	<ul style="list-style-type: none"> • Exercise on setting underwriting policy and cut-off score override rules • Learn how to set the cut-off scores and how monitor them effectively
Portfolio Financials	<ul style="list-style-type: none"> • Define elements of Profit and Loss statements for financial products, and recognize their drivers • Apply revenue dynamics to analysis of a portfolio • Set up a Month on Books-based profit model • Investigate the components of expenses and their contribution to profitability • Understand the concept of risk/ reward balance and loss coverage
Pricing and Cost of Funds	<ul style="list-style-type: none"> • Assess the impact of pricing strategies on portfolio profitability • Understand the design of risk based pricing of loans • Examine pricing sensitivity by product, exposure and customer segment
Activity: Pricing	<ul style="list-style-type: none"> • Assess the impact of changes in cost of fund and interest rate on portfolio profitability • Understand the impact of customer interest rate changes on product P&L
Operational risk & Regulatory requirements	<ul style="list-style-type: none"> • Assess operational process and system that need to be aligned with the product scalability • Understand the factors need to be considered in operations for product planning • Understand the features that need to be compliant and learn how to monitor • Understand the regulator approval process and terms
Account Management & Collection	<ul style="list-style-type: none"> • Apply behavior scores to account management and collection strategies • Explore usage of strategy trees, champion-- challenger strategies • Formulate segmented approaches to account management utilizing scores and decision trees

<p>Activity: Account Management & Collection Strategies</p>	<ul style="list-style-type: none"> • Using customer risk segmentation to adjust credit limit strategies and consider appropriate action • Build collection management strategy trees using both internal data and credit bureau data • Understand how to define account management and write-off policies • Understand the reports that are needed for monitoring portfolio
<p>Activity: Capacity planning</p>	<ul style="list-style-type: none"> • Understand how to forecast collection capacity • Build capacity plan for collection
<p>Case study: Develop your own product program</p>	<ul style="list-style-type: none"> • Build and articulate your own portfolio program based on a scenario from a case study • Articulate specific parameters, policies and strategies for each key section of the product program
<p>Team Presentation: Product Program</p>	<ul style="list-style-type: none"> • Each team will present their product program. • The presentations will be peer and instructor reviewed, for detail, quality and clarity of articulation. • Each participant and facilitator will vote for the best presentation.
<p>Course debrief and announcement of product program winner</p>	<ul style="list-style-type: none"> • After the presentations, reconvene as a group to discuss strong and weak points of the presentations. • Discuss how the presentations compare to their 'real life' experience with product program and what lessons were learned. • Announce the winner of the case study presentations!