

INFUSED.  
INTRIGUED.  
INNOVATIVE.  
**GET INSIGHTS.**  
INVIGORATED.  
INFORMED.  
INSPIRED

# Maximizing TBS Functionality

**Barbara Hunter**  
**FIS Credit Card Product**

# TOPIC OVERVIEW

- Landscape
  - Regulatory
  - Economy
- Product and Platform Enhancements
  - 2010 Enhancements
  - 2011 Roadmap
- Existing Functionality
  - What's already there
- Open Discussion

# LANDSCAPE



# REGULATORY IMPACT

## NEW BUSINESS MODEL NEEDED

New Regulations have created new business challenges:

- Reduced credit line increases or abandoned them altogether
- Lenders need to rethink line increases, increase accuracy, control losses, boost profitability
- Financial institutions need to identify replacement revenue for lost fee income

New Value Proposition:

- Assigns the best credit line increase amounts while balancing business constraints, while meeting regulatory requirements
- Responsible Growth
- React quickly to changes
- Deepen relationships

# ECONOMY

- Consumers Saving and Paying Down Debt
- Fewer Discretionary Funds
- Decreased Transactions
- Decreased Finance Charges



# ENHANCEMENTS

# RECENTLY IMPLEMENTED

- ClientLink Enhancements
- Paper Statement Suppression
- Automatic Transfer of Lost/Stolen Transactions
- Delayed Blocks Processing for Upgrades and Transfers
- Posted Items History File
- Masking PAN on Cardholder Statements



Consumer Credit Product Delivery Targets	Q1 2011	Q2 2011	Q3 2011	Q4 2011
ClientLink Architecture Redesign Look & Feel Enhancements SSO		In production – est. April		
		Business Requirements	Development Begins (Q1/Q2 2012 Delivery)	
		Business Requirements	Development Begins (Q1/Q2 2012 Delivery)	
eZCardInfo.com Card Activation Balance Transfer PassMark Replacement Enhanced ScoreCard SSO Electronic Dispute Form Enhanced Mobile Services	Development	Beta	Available	
	BRD Developed	Availability and ongoing development		
	BRD Developed	Technical Design and Development Efforts to Begin		
	BRD Developed	Development & Available		
	Scheduled for Q1			
	BRDs Developed	Technical Design and Development Efforts to Begin		
ServiceView & CollectorView Client Requested Enhancements SSO	BRD Developed	Development		
		Business Requirements	Development Begins (Q1/Q2 2012 Delivery)	
Other TBS Development Portfolio Intelligence Loan Origination Solution Currency Conversion Multiplier	Infrastructure Enhancements	Availability		
	BRD Developed	Development and Availability		
	Development & Available			
TBS & BASE2000 Variable Rate Mgmt Service Account Billing Updater Service Stmt Suppression Enhancements ePix (edge-to-edge plastics) C/H Authorization Controls Visa Signature Discover Network (BASE2000 Only) EMV/Contactless/Chip Card		Available		
	BRD Developed	Development and Availability		
		BRD Developed	Development	
		Development		Available
	Vendor/Solution Review	BRD	Development	
	Development	Available		
		Development		Available
		Defining Strategy		

# EXISTING FUNCTIONALITY



*There is nothing new under the sun but there are lots of old things we don't know.*

[Ambrose Bierce](#), *The Devil's Dictionary* US author & satirist (1842 - 1914)

# ARE YOU USING.....

- SSO for eZCardInfo.com
- Transaction Level Routing
- Additional Balance Segments (Buckets)
- Rewards
- eZDisclosure
- Collections
- Letter Modules
- Overlimit Fees
- Statement Messaging and Inserts
- Business BINs for Business Cards
- Compromise Manager

# Putting It Together.... Steps to Success!



# STRATEGIES BY SEGMENT

## Segment Your Portfolio:

- Inactive Cards - Card is retained, but not used; dormant card
- Moderate Users - Card used to some degree but likely not the primary card
- Convenience Users - Card is heavily used for purchases but tend to pay off balances.
- Balance Rollers - Card is not used heavily, but significant finance charge income from previous balance transfers or prior purchases.
- Heavy Users - Cards can combine high charge volume with significant levels of finance charge income.

# INACTIVE CARD STRATEGIES

- Analyze Cardholders
  - Use Age & Open Data as Filters
- Focus on Both Younger Members and New Accounts (opened in last 3 years)
  - Promote Already-Established Credit Availability & Low-Cost Financing
- Perform Usage Campaigns
  - FastTrack Program
- Establish a Low or Non-Activity Fee

# MODERATE USE STRATEGIES

- Analyze Members Using Age as a Filter
  - Younger vs. Older Members
- Implement Rewards to Encourage Member Card Use
  - Frequent Flyer/Other Rewards
- Offer Interest Rate Incentives to Younger Cardholders for Additional Balances

# CONVENIENCE USER STRATEGIES

- Analyze Portfolio
  - Age & Monthly Purchase Activity
  - Low vs. High Volume
- Implement Rewards to Retain Older, High-Volume Users
  - Frequent Flyer/Other Rewards
  - Cash Back Rebates
- Offer Rewards to Encourage Usage
- Offer Interest Rate Incentives To Younger, Low-Volume Users for Additional Balances



# BALANCE ROLLER STRATEGIES

- Analyze Credit Limits
- Manage Limits Annually Based on Your Business Practices
- Offer Interest Rate Incentives for Additional Balances

# HEAVY USER STRATEGIES

- Analyze Credit Limits
- Actively Manage Limits Based on Your Business Practices
- Implement a Member Recognition Program for High-Value Users
  - Periodic “Thank You” Mailings

# NEW GROWTH OPPORTUNITIES

## BUSINESS CARDS

- Same fee structure as consumer card
- Very small additional cost for Reporting Services
- Enhancement products
- Marketing investment



Higher average ticket

Higher spend

Increased interchange

Launching and Supporting a Business Card Program is **Not** Cost Prohibitive

# FINAL THOUGHTS ....

- Modeling and Segmentation is Key to Better Credit Card Portfolio Management
- Broad Credit Card Menu is Needed!!
  - Standard Card Without Benefits
  - A Convenience User Card (Rewards)
  - A Balance Roller/Heavy User Card  
(Balance Transfer Offer)
- Issuers Must be Willing to Work Their Card Portfolios to Get the Best Possible Return From Them





***“Don't reinvent the wheel, just realign it.”***

[Anthony J. D'Angelo](#) Creator of The Inspiration Book Series