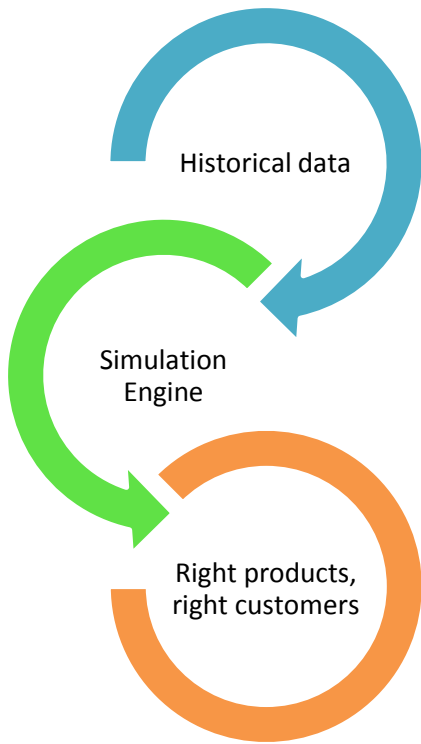


Revenue Management and 'What if' Simulations for Banking

miEarnings delivers simulation and reporting capabilities to enhance product manufacturing and revenue management.

This powerful tool allows a bank to monitor and manage revenue growth across various products, services, and lines of business. The module can identify and report on revenue leakage through price variance monitoring across multiple levels (product, package, segment, and branch, for example). Through an investigative variance tracking system a manager can discover the how and why of revenue leakage, whether due to discretionary pricing, promotions, errors, or faulty logic.



Test Profitability Scenarios Prior to Launching New Products

The miEarnings simulation capability allows product managers to test the affects of new product pricing strategies on segment revenues, costs and profitability. Based on this analysis the product manager can then create multiple price models to compare potential outcomes, test package and bundling scenarios, as well as run historical or synthetic analyses based on past transactions. These scenarios are run in an offline environment and stored for future use – changes can then be made seamlessly without IT intervention.

Top 5 Benefits of Simulation

1. Obtain transactional and charge analysis on various price models
2. Understand revenue impacts before new product launches
3. Support testing during product design phase
4. Assess internal cost allocations between lines of business
5. Compare against costs – understand profitability of new models



The Features and Benefits of Simulation in Product Creation

The features of miEarnings allow Product Managers to:

- Create "What If" analyses to determine revenue, costs and profitability impacts of possible new product pricing strategies, including changes to existing pricing or new products
- Run multiple simulations and compare results without affecting production environments across multiple parameters to ensure impacts are correctly allocated, parameters include: relationship manager, channel, product, package, branch, geography etc.
- Select source data most specific to simulation objective and to store past simulations for future comparison purposes
- Perform simulations in an offline environment; with ability to promote changes to production seamlessly based on "maker/checker" permissions
- Identify revenue leakage through specialized application that provides the capability to identify and report on the revenue leakages that happen within the organization across multiple points

“We reduced the time to market for new pricing strategies, enabled product bundling and differential pricing based on customer loyalty.”

~ Mr. Johannes H. Staub
Head Services, ZKB



Implementation Experience at Zürcher Kantonalbank

Zafin Labs worked with Zürcher Kantonalbank during 2009 to launch a relationship based pricing function using the miEarnings simulation engine for on-demand pricing in wealth management. The result was immediate, with ZKB doubling revenue for its related product line within the first quarter, and realizing its return on investment within 12 months. Overall, the miRevenue deployment at ZKB resulted in faster revenue collections, product innovation, leakage tracking, customer individualizations and increased revenue.



For more information on how
Zafin Labs can help you with
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