



**Success Story:** Credit Card Processing

**Client Classification:** Mid-sized Credit Card Processor

**Service Category:** Change Management, Operational Strategy Cost Transformation

**Situation:**

A Midwestern Bank had spun off its credit card operations servicing merchants and financial institutions into a venture capital backed independent firm. The new firm planned to double in size within 5 years and needed to streamline its operation to contain cost and to provide for an orderly growth.

**Recommendations:**

The following LoBue recommendations were implemented in this project:

- Recommended consolidation of all similar functions into homogeneous process groups eliminating redundant operations. Rationalized key processes to reduce number of handoffs and to eliminate no-value added tasks.
- Recommended the outsourcing of several non-core functions.
- Determined the span of control for each organizational unit and reduced the vertical management structure to a more horizontal organization.
- Moved and consolidated three separate contact centers into a single operation and provided a training plan and a systematic approach to training resulting in increased agent skill levels and reduced number of agents. At the same time, improved the customer service quality by shortening customer wait time by 15%.
- Recommended the reallocation of customer accounts to relationship managers and moving non client related activities from RM's to operations.
- Recommended the reallocation of sales territories and the revision of sales targets for sales staff engaged in merchants and financial institution credit card sales.

Installed a comprehensive management reporting system which contained weekly and monthly operating statistics and action oriented issue resolution.

**Results:**

- The institution wide rationalization resulted in an annual expense saving of \$5.2 million. Plans were put into place to reduce an additional \$4 million in expenses after the conclusion of the LoBue project.
- The three contact centers were consolidated into a single center with an outside backup and the staff was cross trained to handle all call types.

**OFFICE LOCATION**

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The comprehensive management information coupled with the management discipline placed the institution on a significant growth path toward the five year goal of doubling incoming revenue.

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