



Knowledge is Power: Understanding Your Card Portfolio For Maximum Results

If it's true that "forewarned is forearmed" Valley Bank of Kalispell has certainly benefitted from an increased awareness of the power of its card portfolio. "We [previously] looked at [credit cards] as a convenience and not an income driver," notes Joel Rosenberg, assistant vice president at the bank. Today that's changed. In part because Rosenberg can now provide profit and loss information to bank executives who "have gotten more interested" now that the program has produced measurable revenue, he says.



Joel Rosenberg
Assistant Vice President
Valley Bank of Kalispell

Rosenberg has been using ICBA Bancard's card analytical tool, Automated Card Expert, since he inherited responsibility over the bank's card program three years ago and says the data contained helps him with his profit/loss analysis, expense reporting and trend investigation.

Because of the bank's size (it only has \$96 million in assets and a limited staff) Rosenberg uses ACE exclusively to stay on top of card trends without fear of neglecting his other duties at the bank. "ACE enables us to not give our portfolio much thought without flying blind."

"For a banking product as important as credit cards, understanding how the portfolio is faring, particularly in a stressed economy, is vital," says Scott Broughton, senior vice president for ICBA Bancard. Monitoring key metrics regularly can help identify and address negative indicators that could erode potential profits, he says.

"The portfolio is a direct reflection of the state of the economy and consumer spending and it's detailed enough to [help banks] figure out ... why you're making more money or less of it if you're using it," agrees Rosenberg.

ACE winning features, according to Rosenberg:

- *Year-over-year performance tracking*
- *The level of detail contained*

Given the bank's unique portfolio composition (primarily older, conservative customers that don't carry balances) Rosenberg limits his use of ACE's peer comparison tool when assessing rates and terms. But he does use the feature to check Valley Bank's standing among its peers in terms of profits and losses.

"In this economy it is reassuring to see that we are doing well with our collections compared to ICBA's top performers," he says.

And while the bank doesn't routinely run "what if" scenarios—another benefit of the ACE tool—Rosenberg has used it to help "test out card features" when the bank considered "adopting a rewards program or changing our current cards fee structure."

With limited time to devote, it's even more important that the product be somewhat self-explanatory. "It's simple to use. There was no learning curve," says Rosenberg. "The only reason I don't use it more is because you have to remember to," he jokes.

Rosenberg also has a selfish motivation for using ACE. "It makes me look like I really know what is going on. After just a few minutes I can give a very accurate depiction of the state of the program."

The ACE Difference

If you haven't seen ACE or experienced all it can do, sign up today! Your bank's information on ACE is in a secure and protected area of the site and is only viewable by your bank. Call (800) 242-4770 or e-mail us at bancard@icba.org to learn more.