



Simon-Kucher
engine

Case Study

Optimizing granular deposit pricing grid

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Optimizing granular deposit pricing grid

Context

Client: Top 4 US National Bank

Challenges:

- **Cluttered data** with limited granularity, unclear responsibility structure, limited historic price variability, complex product grandfathering
- **One-size-fits-all strategy** without customer price sensitivity considerations
- **Limited internal capabilities**
Internal resources are lean and current data capture is limited

Objectives:

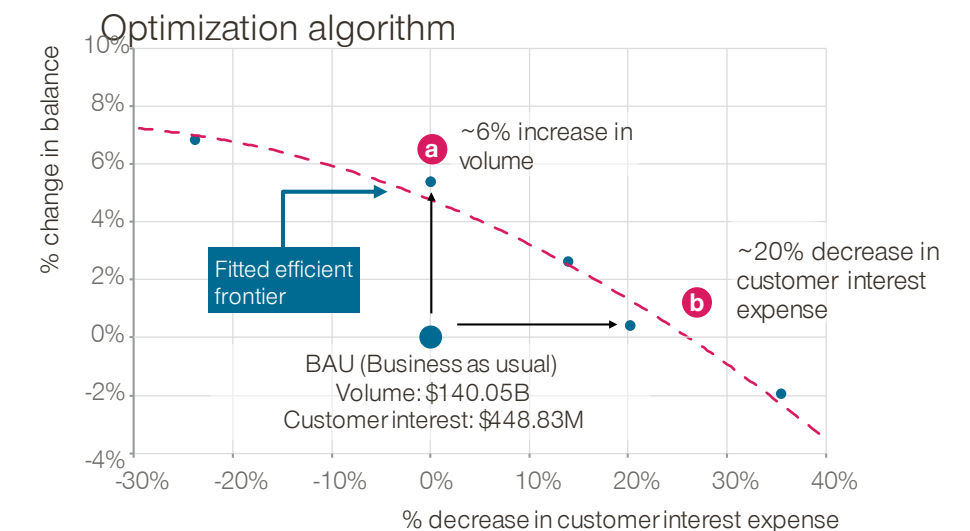
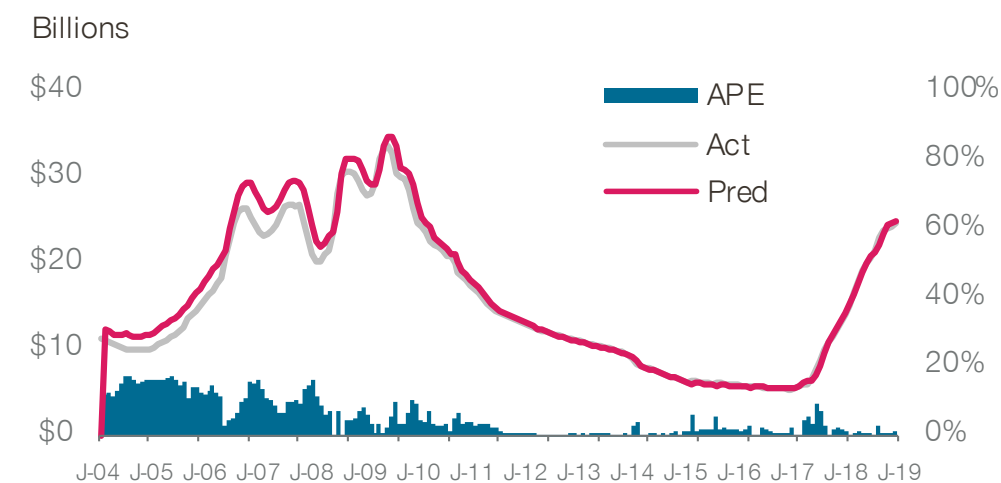
- Guide in-house team to develop price elasticity models
- Design and develop a price optimization algorithm for 600+ price points
- Develop a logic to extrapolate optimized price points to the current 5000+ grid

Approach

- Guided, supported and stress tested elasticity models developed by client team
- Designed optimization engine for 600+ price points across all deposit products, regions and customer segments
- Developed an extrapolation engine to output 5000+ rates for implementation in the current pricing grid
- Guided client IT teams to integrate optimization and extrapolation engines in their in-house front end tool

Deliverables

Modeling guidance and stress testing (prediction vs actual)



Realized savings of **\$45M+** in a volume neutral setting by optimizing over **5000 price points** for a deposit portfolio of **\$140B**

Simon-Kucher Engine combines over thirty-five years of unique monetization expertise with proven digital solutions that fit to you.

What we do

It's simple. We power businesses' growth. Through our digital technology and business-oriented thinking, delivered as a service. Straightforward and built to achieve the results you need – quickly and reliably.

What we deliver

Easy to use products: Cloud-based software as a service products, easy to use and implement.

Tailored solutions: Designed to help our clients grow and adapt to the ever-changing digital landscape, achieving the results they need.

If you want to use digital products to accelerate your company's power, find out what our solutions can do for you. We support your business with intelligent engines, smart toolkits, and intuitive platforms – all quickly and reliably delivered by our team of product managers, developers, and engineers.



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