

## Financial Institution

NorthStar was engaged by a regional bank to review critical areas of its burden or overhead expenses. While the bank had been profitable, it had not been achieving its profit objectives. It had laid off a small number of employees without any appreciable impact to the bottom-line. The bank was concerned that their employees not become aware that an outside consultant was reviewing their expenses. Morale had been under stress because of the earlier layoff and the many rumors circulating throughout the banking industry.

NorthStar began by performing a macro review of all bank overhead. Several items were identified that might offer substantial cost reductions and corresponding profit improvement for the bank. NorthStar professionals reviewed the targeted areas with bank management and management agreed to proceed with a more detailed analysis.

At this point, only three bank employees were aware of the work being performed by NorthStar. The bank cautioned again, that they did not want other employees becoming aware of the analysis work. NorthStar assured bank management that no one else at the bank had a need to know of its work, nor did NorthStar need anyone else from the bank to participate in the review.

After studying the data in greater depth and computer modeling various options, NorthStar identified the course of action with the greatest benefit to the bank. This path did not require any capital investment, expense upgrades, changes in general operating procedures, or layoffs of bank personnel.

Bank management embraced the plan. The bank began to realize initial cash flow and profitability benefits within ten weeks of implementation. Additional gains were made over the following months until the bank accomplished the goals established by management and NorthStar.

**At the end of the engagement, no additional bank employees ever became aware of the role that NorthStar played in revitalizing the bank.**