

CASE STUDY

## AMCORE Bank

“PITNEY BOWES BUSINESS INSIGHT ENABLED US TO ADD DISCIPLINE TO OUR SITE SELECTION APPROACH AND, AS A RESULT, STREAMLINED THE PROCESS IMMENSELY.”

Eleanor Doar, Senior Vice President and Director of Marketing, AMCORE Bank

WHEN AMCORE COMMITTED TO EXPANDING THEIR BRANCH NETWORK, THEY CALLED ON PITNEY BOWES BUSINESS INSIGHT TO IMPROVE THEIR SITE SELECTION PROCESS.



### Challenge

AMCORE Bank called on Pitney Bowes Business Insight to provide sophisticated analytical tools with consulting services that could improve its site selection process.

### Solution

Pitney Bowes Business Insight helped AMCORE Bank streamline and improve its process for identifying new retail sites by placing accurate, actionable information into the hands of key decision-makers.

### SUMMARY

AMCORE's success is driven by the company's ability to make it easy for customers to bank and invest. They offer sophisticated bank products delivered by people who understand the local markets. The company has four lines of business including commercial and retail banking, mortgage services and investment management. With more than 70 branch locations in Illinois and Wisconsin and more than 1,600 employees, AMCORE Bank has approximately \$5.4 billion in assets.

Bank executives favored a unique expansion strategy, opting to enter into new markets by first opening a limited branch office (LBO) that specializes in providing banking services to middle-market businesses. If the LBO proves successful, the company follows up with a full-service branch in order to expand their banking presence in the market.

However, what made a good commercial LBO site didn't necessarily make a good retail site. A business banker typically calls on customers at their office and middle-market business clients tend to be less influenced by the branch location. By contrast—for banks to entice consumer and small business customers—they must be located conveniently to these key market segments.

AMCORE Bank management had signed off on a plan to expand their branch presence within their growing footprint. “Everybody had their own idea AMCORE's Senior Vice President and

Director of Marketing, “Developers and realtors were flooding us with phone calls and e-mails. We were wasting time looking at sites that added no value to our franchise. We needed a disciplined approach to the site selection process.”

AMCORE came to Pitney Bowes Business Insight for solutions. Doar says, “Pitney Bowes Business Insight had more of what we were looking for in the way of determining a successful site for us. They talked about trade areas, about singular success factors based on our own data and density of markets. These were things that made a lot of sense to us.”

“They built in modeling capabilities using our data and actual in-market intelligence that were at a higher level of sophistication than what we had been using. The result was more buy-in.”

AMCORE used Pitney Bowes Business Insight WinSITE™ to:

- Identify optimal retail hub locations
- Make a business case for identified retail sales through detailed forecasts for proposed branches—with estimates of expected maturity, projected cash flows and net present value for each location
- Identify trade areas for new and existing locations with maps, demographics and competitor summaries
- Map ATM locations
- Map middle-market businesses

“EVERYBODY HAD THEIR OWN IDEA ABOUT WHERE WE SHOULD GO. WE WERE WASTING TIME LOOKING AT SITES THAT ADDED NO VALUE TO OUR FRANCHISE. WE NEEDED A DISCIPLINED APPROACH TO THE SITE SELECTION PROCESS.”

Eleanor Doar, Senior Vice President and Director of Marketing, AMCORE Bank

## RESULT

Pitney Bowes Business Insight's impact on the AMCORE Bank site selection process has been far-reaching, Doar says. “First of all, it prioritized where we should go next by the opportunity,” she says. “Pitney Bowes Business Insight helps us analyze every proposed site within our prioritized markets. If the numbers don't work, it's taken off the table.”

But the biggest impact, Doar says, has been the added discipline the company had sought from the start. “We had a strategy that was working and we had the Board behind us. But we wanted to move faster. WinSITE™ enabled us to add discipline to our site selection approach and, as a result, streamlined the process immensely.”

“Our people have gotten behind the analysis because they understand the rigor behind it.”

The streamlining of the bank's processes has allowed AMCORE's expansion plans to flourish at a faster pace. “Now when we talk to a realtor or developer, we know exactly what we are looking for which saves both of us valuable time. After we identify real estate options that best fit our strategy, we do a more detailed analysis using WinSITE and get results back within two or three days.”

Doar sees the adaptability of Pitney Bowes Business Insight's WinSITE model as a key to the relationship. “If our plans for a branch change—if we say, ‘Let's make it a storefront instead of a freestanding branch’ or ‘Let's add some additional drive-up lanes’—they are able to be flexible with us. If we come back from visiting a market and tell them there's a large lifestyle center being built near the branch, they can put that specific intelligence into the model, and sometimes that can affect the numbers dramatically.”

Doar points out that the presence of a prominent retailer nearby can increase the attractiveness of a site for obvious reasons. “From a retail banking perspective, we want people,” Doar says. “We want to be where the consumers and small businesses are located. Being convenient means leveraging where people already go; if we are next to a Target, we're going to get some people into our bank or our drive-thru.”

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## THE PITNEY BOWES BUSINESS INSIGHT ADVANTAGE

AMCORE Bank chose Pitney Bowes Business Insight because of its quality people, its flexibility and its experience, Doar says. “Pitney Bowes Business Insight had a more robust analysis and we felt the team working with us were highly qualified. They've been around the block with a number of other institutions, so when we hit a challenge they are a great source of advice and expertise.” “Pitney Bowes Business Insight looked at what made us successful within our existing markets, modeled that information and said, ‘OK, this is the demographic and the competitive environment where you will do well. Let's go find it.’ And then they did find it—right down to the intersection.”

