

Firm joins forces with community banks to control expenses and improve efficiencies

Keeping overhead in check boosts a bank's profitability in booming times. During a challenging economic cycle, controlling everyday expenses climbs even higher on the priority list. One possible target for pain-free cost reduction is printed materials, teller supplies and office supplies.

The typical community bank with four to nine branches has little to no centralized information on the sources and costs of its custom-printed and off-the-shelf office supplies. Without knowledge of inventory levels, usage patterns, and apples-to-apples price comparisons, the bank employees charged with purchasing are unable to base decisions on reliable data. The results can be expensive and wasteful.

Optimum System Products, an alliance partner of Bankers' Bank of the West since 2003, has helped financial institutions boost their bottom line and streamline the procurement process for more than two decades. A family-owned firm, Optimum System Products combines its aggregate purchasing power and negotiated pricing with a network of print and distribution centers to achieve significant cost savings for community banks.

Depending on the client's needs, Optimum can customize an online office supply ordering portal, an online procurement system for the bank's letterhead and unique printed collateral, or both. Banks using Optimum's warehousing and distribution services receive reports by cost center, a tool that enables banks to better manage inventory and budgets. With current information always available, the bank can reduce stock on hand, eliminate obsolete forms, and avoid rush orders.

A new client relationship starts with a discussion of the bank's needs and a free, no-obligation cost analysis, according to **John Martin**, CEO and co-founder of Optimum System Products.

The Optimum representative typically spends two to three hours reviewing the bank's current

procurement and accounts payable process. Using this information as a starting point, the representative can then present the client bank with recommendations for achieving savings, improving efficiencies, and implementing purchase controls.

Because recommendations are tailored to the unique needs of the bank, projected savings vary as well. Savings in the range of 10 to 18 percent in year one are fairly common for banks with several branches.

Yet Martin is quick to point out that bank clients enjoy benefits beyond those returned dollars.

"Check 21 led to cutbacks on courier service, and that meant fewer trips between branches," he said. "At the same time, banks have seen more value in saving staff time, fuel and floor space."

In addition, Martin noted it's not unusual for banks to enjoy a boost in employee satisfaction after becoming Optimum clients.

"Managers understand that picking and packing supplies is probably not the best use of their employee's time," he said. "When given the option of a more efficient distribution process, they're happy to redirect that employee to more significant projects—and the employee is happier, too."

Optimum System Products has a long-established client base in the eastern U.S. and a steadily growing territory west of the Mississippi. While cost savings, convenience and increased efficiencies are often what motivate community bank executives to schedule an initial meeting with Optimum, Martin believes his company's responsive service and expertise are what turn that prospective client into a loyal customer over the long run.

"Optimum has leveled the playing field for community banks by providing an Internet-based, bank-specific catalog and procurement system that surpasses what many of the mega banks have had in place for many years," he said. ▲

*Optimum System Products, based in Columbus, Ohio, serves more than 1,500 financial institutions across the country; it has earned endorsements from Bankers' Bank of the West and from 14 state bank associations. To find out what Optimum System Products can do for your bank, call **Pamela Grammer** at 303-514-9396. More information is available at www.optimumsystem.com.*