

Axiom Financial Institutions Suite



Improve financial decision making

Finance professionals have assumed more of an advisory role in recent years, particularly around scenario planning, profitability analysis, and other aspects of performance management. To support finance staff with new duties related to strategic decision making, Kaufman Hall offers solutions that help financial institutions develop the right processes and frameworks for making effective strategic decisions across the institution.

Designed for Financial Institutions

The Kaufman Hall Axiom Financial Institutions Suite is designed by industry professionals for banks, credit unions, farm credit associations, and non-depository lenders. Its unified platform integrates data from numerous source systems to create and monitor budgets and plans, measure profitability, and conduct other reporting and analyses within a single system. Financial institutions use Axiom Software and its advisory services to manage and enhance performance by:

- **Developing long-term plans** that are fully integrated with budgets and forecasts
- **Improving efficiency** and accuracy in generation of cash flows and budgeting and forecasting processes
- **Measuring and analyzing** profitability across the organization to empower enhanced decision making
- **Increasing visibility** of key performance indicators via dashboards and reports
- **Aligning** employee performance with profitability goals
- **Analyzing** loan portfolio performance and proactively identifying threats to loan quality



- Strategic Decision Management
- Budgeting, Planning, and Forecasting
- Funds Transfer Pricing and Profitability
- Reporting and Analytics
- Incentive Compensation Management
- Advisory Services

Strategic Decision Management

Using Axiom Strategic Decision Management, financial institutions can align strategic initiatives and capital spending to their overall performance goals and achieve benefits, including the following.

Accurately assess and compare strategies – Ensure comprehensive and discreet calculations using consistent methodologies. Clearly view and compare the impacts of each strategy upon the institution.

Ensure fiscal responsibility – Track capital spending and timelines, identifying any deviations from plan to understand financial impacts.

Maintain alignment between strategy and execution – Integrate goals with budgets and forecasts to clearly translate strategic plans into actionable, unit-level targets, ensuring execution consistent with strategic decisions.

Budgeting, Planning, and Forecasting

Kaufman Hall Axiom Planning – encompassing budgeting, rolling forecasting, scenario analysis, and long-range planning – supports a driver-based approach to financial planning. Financial forecasts are developed based on market and operational drivers, with calculation methodologies configured for your institution. Benefits include the following.

Manage all aspects of planning – Integrate the components of planning, including net interest margin, non-interest income and expense, capital expenditures, and staffing.

Spend less time reconciling and managing data – Streamline processes to achieve timely and reliable results tied to your institution's market and operational drivers. Automatically consolidate budgets across the institution while using a Microsoft® Excel® interface.

Improve planning accuracy – Calculate cash flows at the record level—aggregating them into planning portfolios using Kaufman Hall Axiom Cash Flow Forecaster—to improve accuracy in net interest margin planning.

Understand the impact of change – Use rolling forecasts to monitor and model the impact of market and organizational changes on financial outcomes, and use scenario analysis to understand the effect of alternative circumstances on budgets and forecasts.

Funds Transfer Pricing and Profitability

The Kaufman Hall Axiom Profitability and Axiom Funds Transfer Pricing solutions measure profitability across the institution. Benefits include the following.

Accurately assess profitability – Create a true look at profitability by instrument, branch, product, officer, relationship, or customer/member to drive more informed business decisions by addressing the following components:

- Matched-term funds transfer pricing
- Allocation and assignment of non-interest income and expense
- Loan loss allocation based on various methods, such as using the risk profile of the customer/member
- Capital allocation (by various methods)
- Pricing new business based on a relationship's overall contribution and empirical profitability

Produce comprehensive reports – Generate full profit-and-loss reports and calculate risk-adjusted return on capital for any dimension.

Reporting and Analytics

The Axiom Reporting and Analytics Platform provides executives and managers timely access to reports to support informed decision making. Benefits include the following.

Reference a single, unified database – Integrate data from multiple source systems, with highly flexible and configurable report formats.

Measure for success – Gain important insight into KPIs across the organization, such as return on equity, return on assets, and net interest margin, using drill-down/drill-through, ranking, trending, and variance analyses to uncover root causes of performance.

Communicate flexibly – Use a variety of reporting methods, including daily flash reports, a monthly board book, and various financial and management reports.

Incentive Compensation Management

The Kaufman Hall Axiom Incentive Compensation Management tool enhances incentive compensation processes through increased transparency and alignment. Benefits include the following.

Streamline plan development – Create and execute plans using familiar, intuitive Excel modeling.

Provide complete visibility into performance – Show employees the path to success with full transparency around incentive criteria and calculations.

Improve accuracy and timeliness – Leverage data in the Axiom platform to streamline the incentive compensation process and improve accuracy. Our solution includes the ability to perform “what-if” compensation scenarios.

Align compensation to organizational goals – Tie incentive compensation to profitability metrics to align behavior with desired outcomes.

Integrate incentive compensation with your enterprise performance management system – Leverage data in the Axiom platform to establish a single source of truth, enhancing consistency, accuracy, and efficiency.

Advisory Services

Kaufman Hall brings deep understanding of the industry and financial best practices to promote effective strategic decision making across the institution. Our advisory services activities include the following.

Expert implementations – Collaborate with Kaufman Hall experts to develop processes and frameworks that optimize the use of Axiom Software for each solution.

Development of robust policies and processes – Leverage Kaufman Hall software and expertise to advance profitability analysis, reporting and analytics, and loan portfolio analysis.

To learn more about the Axiom Financial Institutions Suite, visit our [website](#) or request a [demo](#). Read about our advisory services for financial institutions [here](#).