



601-P26-CE-1



In-Class



24 hours

Course Description:

The course provides a broad overview of new Product Design and Development in a Banking context. It is built on the key concepts of customer value proposition, product life cycle, communicating value proposition through product features, and integrating credit risk aspects and pricing considerations in product design. It also covers the importance of building an emotional connection with the customer, and how product design can help build relationships over a customer life cycle. The focus would be to understand the thinking of Product managers that goes behind such developments. Case Studies and Group activities will be spread out throughout the course.

Target Audience:

- Bankers with experience 2-3 years in the Banking Sector.
- Product designers in banks.

Course Objectives:

After completing this course, the participants will be able to:

- Identify banking products features and how it can contribute to a viable product design.
- Communicate Customer Value Proposition (CVP) effectively to customers given that the CVP is fully clear as a concept.
- Prepare a product portfolio strategy for the bank using Product Life Cycle Model (PLC) and BCG Matrix.
- Distinguish credit risk and risk-based customer segments.
- Apply cases on banking products using product profitability and pricing strategies.

Course Outline:

Module 1: Product Development in a Banking context

- What is Product development and factors influence buyers' decisions.
- The four dimensions in product design.
- Banking products.
- Characteristics of banking products.

- Retail vs corporate banking products.
- Four key success factors of product design:
 - Desirability.
 - Feasibility.
 - Viability.
 - Ethicality.

Module 2: Customer Value Proposition (CVP)

- Understanding the concept of 'Value.'
- How customers understand value.
- Benefits and costs: perceptions & facts.
- Communicating CVP.
- Examples of CVPs in banking products; Loans, Cards, Deposits, and Insurance.
- Product differentiation in banking.

Module 3: Product Life Cycle (PLC)

- Introducing Product Life Cycle.
- The four phases of PLC & pre-launch.
- Why Product Life cycle is important.
- The Boston Consulting Group Matrix.
 - Cash Cows, stars, question marks and dogs.
 - Objectives and implications.

Module 4 – Risk considerations in designing Banking Products

- Retail credit risk: Basic concepts.
- Risk based Customer Segments.
- "Portfolio Approach" in Retail Credit.

Module 5 – Product Profitability and Pricing

- A final element of Product design.
- Pricing at "Cost Plus" model.
 - Direct Costs.
 - Adding a margin.
 - Benchmarking and Pricing Objective.
- "Adverse Selection" of customers.
- Benefit vs Price.
- Case Study – SFB Bank.



601-P26-CE-1



In-Class



24 hours

Assessment Strategy

Participants will be informally assessed on their interaction during sessions and their participation in group exercises.

Course completion will grant participants:

2 CEUs.

Course Language:

English.

Prerequisites:

Intermediate level of English Language.