

Your Finance Team...

The Critical Link Between Strategic Planning and Execution

Presented by Bryan Ridgway; Empyrean Solutions
May 13, 2026



TODAY'S PRESENTER

BRYAN RIDGWAY

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BRYAN RIDGWAY

Director, Performance Management Solutions
bryan.ridgway@empyreansolutions.com

Bryan **assists banks and credit unions** in understanding how Empyrean Solutions can help **analyze and improve their overall financial performance**.

He brings **30+ years** of experience in the **financial risk and performance management** areas within the fintech / banking industry, is a frequent speaker at national and regional professional meetings and conferences, and has authored numerous articles for industry publications.

Bryan holds an M.B.A. in Global Management with emphases in Finance from the Thunderbird School of Global Management, and a B.S. in Business Administration from Pepperdine University.



Agenda

Your Finance Team: The Critical Link Between Strategic Planning and Execution



1

INDUSTRY UPDATE

The market and industry are changing rapidly...your processes need to change to keep pace

2

FROM VISION TO EXECUTION

Ensuring that the entire institution is aligned to execute your plans and achieve your vision is critical

3

YOUR FINANCE TEAM AS A STRATEGIC PARTNER

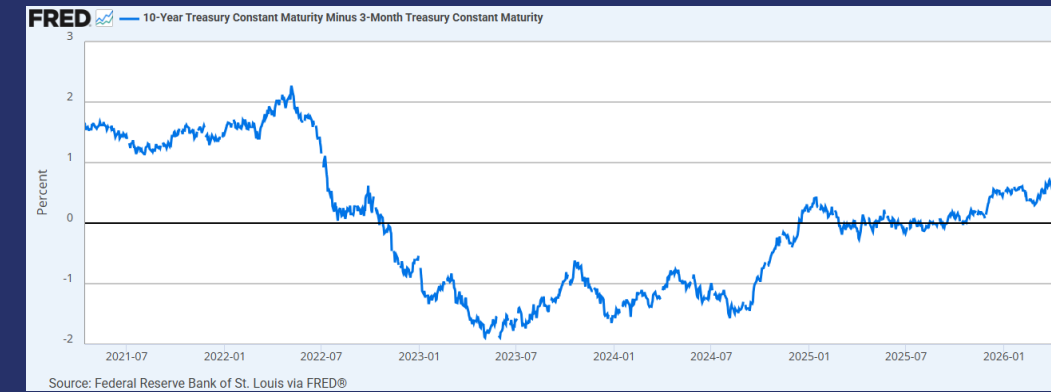
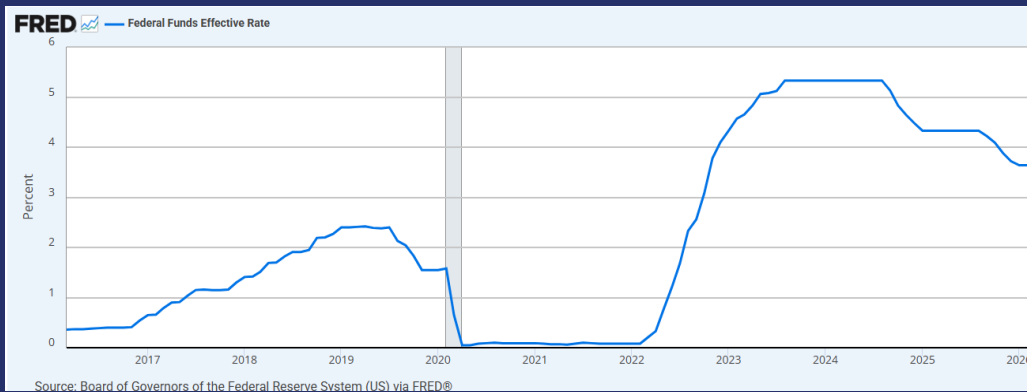
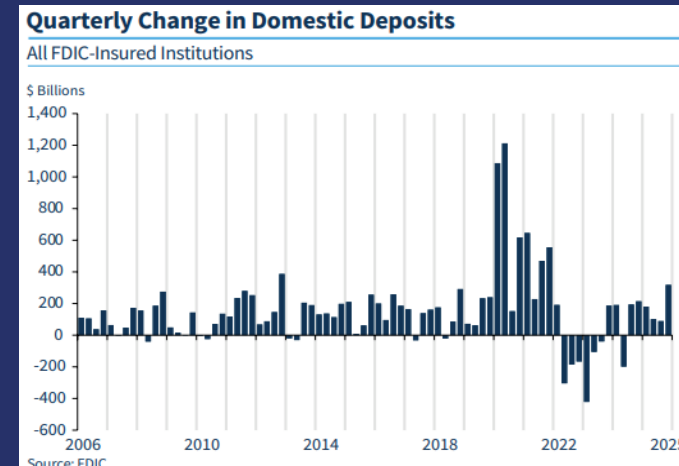
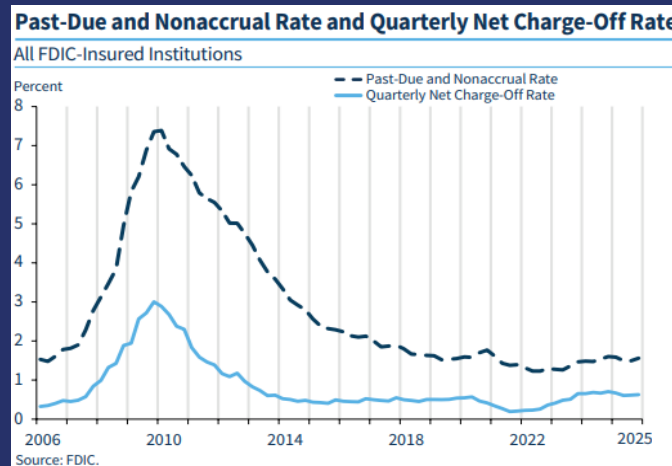
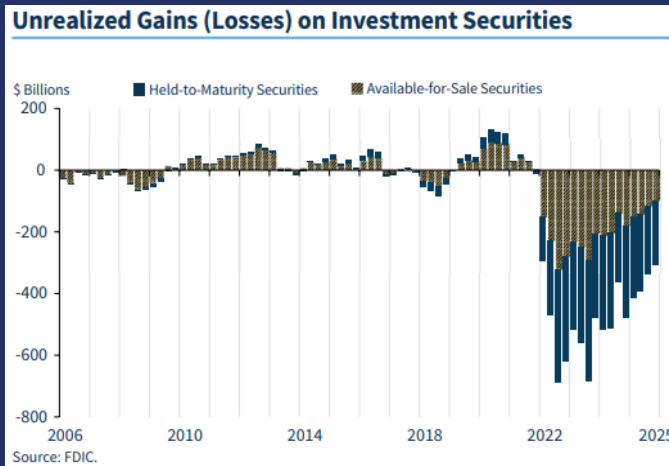
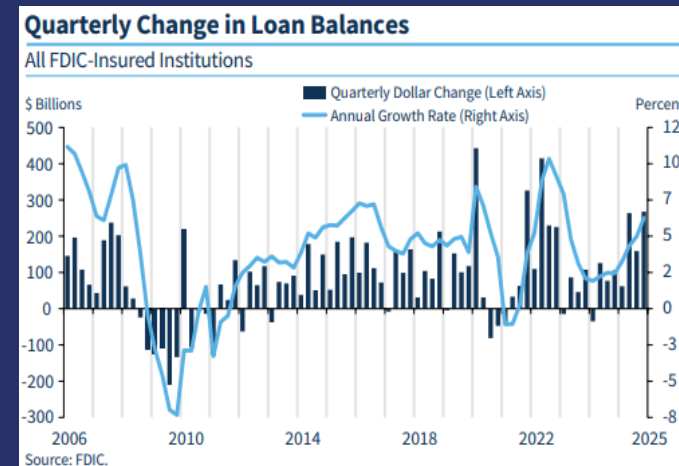
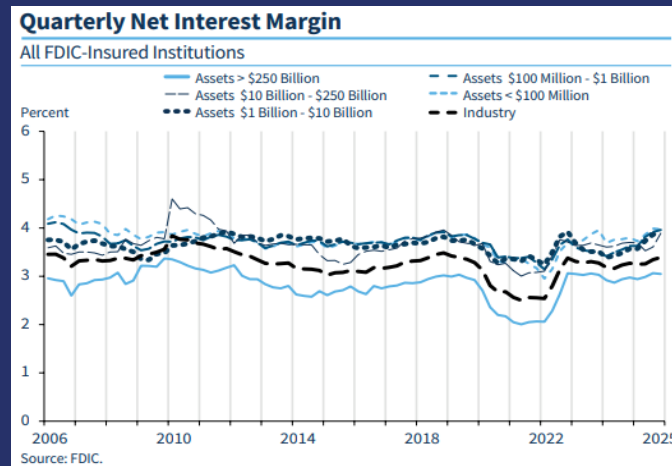
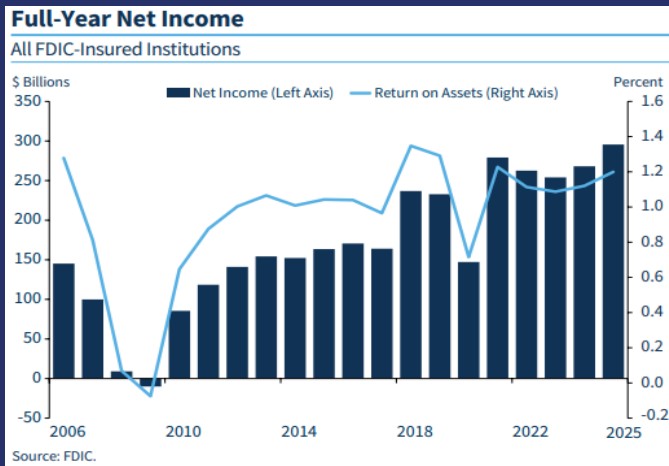
Your Finance Team has the data and information to help the institution accomplish this

4

KEY TAKEAWAYS; Q&A

Recap of key items for consideration at your institution

2025 BANKING INDUSTRY UPDATE



Source: FDIC & FRED

2026 INDUSTRY OUTLOOK

Macroeconomic uncertainty, diverging consumer sentiment, and **persistent inflation** could test banks' revenues and profitability, even as strong capital positions provide resilience. Banks could be forced to **defend margins,** **diversify fee income,** and prepare for **increased competition from nonbank entities.**

– Deloitte, 2026 Banking and Capital Markets Outlook (Oct 2025)

Banks face an array of big picture challenges in the year ahead, from **artificial intelligence** to **balance sheet management.**

– Bank Director: CEO, Commerce Street Capital (Dec 2025)

The year 2026 is shaping up to be one of the most decisive for the financial sector. In an environment marked by **macroeconomic volatility,** the **exponential rise of AI,** and increasingly **stringent regulatory requirements,** financial institutions can no longer afford to stand still.

– Capital Banking (Dec 2025)

Your Finance Organization is the GPS
for performance—**constantly**
recalculating when conditions change.



From Vision-to-Execution

Your Finance Team...

Ensuring that the entire institution is aligned to execute upon your plans to achieve your vision

THE VISION-TO-EXECUTION CYCLE

Vision

Define where the institution is headed and what financial success looks like long-term

Assessment

Measure results, analyze variances, and surface insights that continuously improve the next cycle



Strategy

Build the multi-year plan and roadmap, and model financial and risk impacts

Execution

Implement the plan...assign accountability, allocate resources, and activate tactical plans across all functional areas

KEY INSIGHT: High-performing banks and credit unions operate within a **continuous, connected performance cycle** that reinforces and informs itself at every stage. Each phase feeds the next, creating an institution that is always learning, always adjusting, and always performing



Vision – Future Focus

Where are you going? Aligned with Mission and Values; long term aspiration that energizes the organization



Mission – Current Focus

Why do we exist and how do we operate today? The primary goals and operational principals that guide our daily work



Values – Core Beliefs

The non-negotiable principles that guide actions, decisions and culture at every level of the organization

THE LONG-TERM PLAN TO ACHIEVE OUR VISION

Translates ambition into a roadmap for every major decision and investment

9



Corporate Plans

Bank / CU-level strategic plan – the institution’s unified direction, priorities, and multi-year goals



Operational / Functional Plans

Detailed functional area plans designed to support and operationalize the corporate strategic plan



Financial Plans

Financial & Risk assumptions & projections – including long-term forecasts, scenario models, and annual budgets

KEY INSIGHT: The Strategic Plan is the **critical link** between our VISION and EXECUTION.



TACTICAL PLANS, DECISIONS & ACTIONS

Where strategy meets reality. Translates the plan into specific decisions, owners, actions throughout the year

10



Budget Is Our Guide

Strategic initiatives, operational, financial and resource plans needed to achieve goals and targets



Fine-Tune The Details

The who, the what, the when, and the how – a precision, data-driven approach to help align teams and sharpen plans



Implement The Plan

Functional areas take ownership and action throughout the year to achieve targets & goals

KEY INSIGHT: Data provides a foundation for better, more aligned decision making and execution.

ASSESSMENT



ANALYSIS OF OUR RESULTS

Identify where we are compared where we want to be. It is both the first and last phase of the planning cycle



IDENTIFY THE METRICS THAT MATTER

Focus on the most critical metrics, KPIs and underlying drivers that directly influence success and performance



Where Are We Today?

Point in time analysis to understand our results as they happen



Why Are We Here?

Analyze the underlying drivers of performance. What went well? Where do we need to improve or change course

KEY INSIGHT: Assessment is not a destination – it feeds the next iteration of strategy, keeping the institution continuously improving

Finance: The Unique Cross-Functional View

Finance sits at the intersection of every major institutional decision – and has a unique vantage point across the full lifecycle of performance.



Vision

Strategic Financial Plan

What does our vision look like financially and from a risk perspective?



Strategy

Forecasts, Scenario Analysis, Budget, & Risk Analysis

What do we need to achieve our plans? What are the best options? What is the Impact?



Execution

Budget (goals & targets), Profitability & Performance Data

Who does what, when, and how do we best execute our plans?



Assessment

Financial Reporting, Variance & Profitability Analysis, KPIs

Ongoing assessment of performance against plans to determine needed adjustments

Finance: A Strategic Partner

A high-performing finance team doesn't just close the books – it actively shapes how the institution understands, responds to, and improves its performance. To do that effectively, finance must play **three critical roles simultaneously**:

Navigator (Planning)

Sets targets, allocates resources, and defines what "winning" looks like. Finance translates institutional ambition into financial terms and actionable goals.

Interpreter (Analysis)

Explains *why* results happened and identifies which levers to pull next. Goes beyond variance reporting to uncover the root causes behind the numbers.

Translator (Communication)

Turns complex financial tradeoffs into clear, confident decisions for executives, the board, and operational leaders across the institution.



The V²E Cycle in Action

Illustrating how each phase of the Vision-to-Execution cycle comes to life in practice — with real examples of the tools, reports, and analyses that high-performing finance teams use to drive measurable results

Your Finance Organization is the GPS for performance—**constantly recalculating** when conditions change.





Assessment

Measure results, analyze variances, and surface insights that continuously improve the next cycle



ASSESSMENT

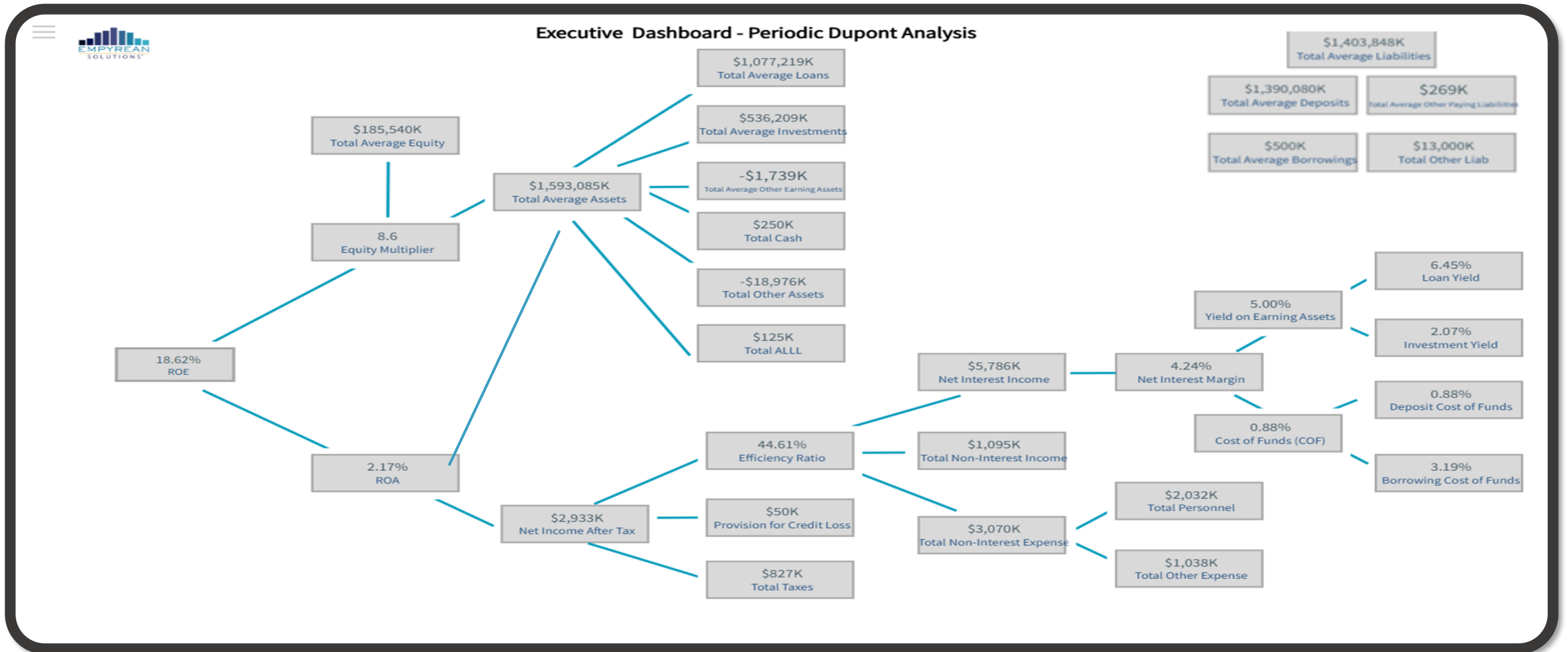
Understand the WHAT and the WHY



Best Practice Consideration:

Focus on the metrics and drivers that matter most to your institution, at the levels of detail that matter.

- **What are our results today** (MTD, QTD, YTD)?
 - Standard Financial Reports
 - KPI Analysis
- **What are the key drivers** of our performance?
 - Margin, Non-Interest Income, Loan Growth, # of Accounts per Customer, Direct Deposit, etc.
 - Dupont Analysis (causation analysis)
- Understand What Happened and **Why it Happened** – **Profitability Analysis**
 - What Products, What LOBs, What Customers contribute most to performance?
 - What is driving those results (margin, expenses, NII)?



Best Practice Consideration:

- Ability to drill to next level of financial / operational detail (e.g., # of loan originations, # of Employees, etc.)

Product Profitability Ranking

Product	Profit Contribution (Rolling 12 mo.)	Profit Rank	% of Total	Avg. Balance (000s)	# of Customers	Avg. Profit Per Customer
NI Demand	\$ 1,735,268	1	21.98%	1,383,277	122,958	\$ 14.11
Business Checking	\$ 1,589,215	2	20.13%	17,299,719	9,339	\$ 170.18
CRE Loans	\$ 1,471,583	3	18.64%	25,975,494	4,669	\$ 315.16
Wealth / IRA	\$ 831,318	10	10.53%	-	10,621	\$ 78.27
Fix Mortgage	\$ 783,160	4	9.92%	28,455,027	28,016	\$ 27.95
Int Demand	\$ 483,159	7	6.12%	1,529,473	59,144	\$ 8.17
Business CC	\$ 408,948	6	5.18%	2,666,344	11,673	\$ 35.03
Adj Mortgage	\$ 390,790	5	4.95%	23,852,142	22,568	\$ 17.32
SBA Loans	\$ 337,896	11	4.28%	8,660,265	2,381	\$ 141.89
Direct Auto	\$ 325,264	8	4.12%	4,614,815	15,564	\$ 20.90
Student Loans	\$ (20,526)	12	-0.26%	818,137	1,556	\$ (13.19)
Personal CC	\$ (153,948)	13	-1.95%	1,190,241	10,117	\$ (15.22)
Indirect Auto	\$ (287,369)	14	-3.64%	1,985,703	7,358	\$ (39.06)
	\$ 7,894,758		1.0000		155,643	\$ 50.72



Strategy

Build the multi-year plan and roadmap, and model financial and risk impacts

STRATEGY

What's Our Plan and Expected Outcome



Best Practice Consideration:

Model multiple scenarios (base, optimistic, conservative), span both short and long-term horizons, and stress-test assumptions with what-if analysis before committing resources

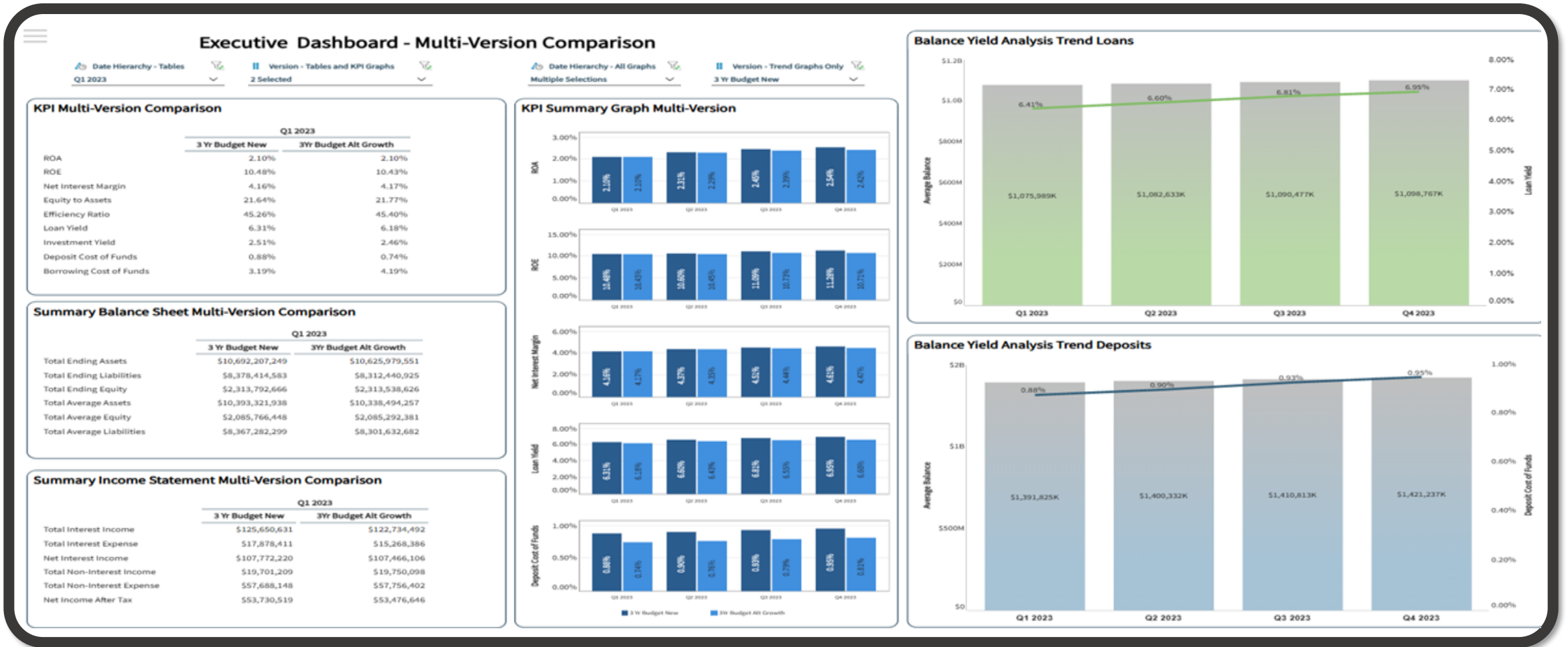
- Strategic Objectives and Initiatives to Meet our Vision
- Assess Operational Capabilities, Needs and Risks
- Financial Planning to support those initiatives
 - What investments and costs do we need to incur
 - What are the desired outcomes
 - What are the possible paths and outcomes (what-if analysis)
- Risk Planning and Assessment
 - What are the expected financial risk impacts (IRR, Liquidity, Credit, Capital)
 - What are our plans to manage those risks
 - Operational Risk assessment

Product Profitability Ranking

Product	Profit Contribution (Rolling 12 mo.)	Profit Rank	% of Total	Avg. Balance (000s)	# of Customers	Avg. Profit Per Customer
NI Demand	\$ 1,893,163	1	23.98%	1,383,277	122,958	\$ 15.40
Business Checking	\$ 1,589,215	2	20.13%	17,299,719	9,339	\$ 170.18
CRE Loans	\$ 1,471,583	3	18.64%	25,975,494	4,669	\$ 315.16
Wealth / IRA	\$ 831,318	10	10.53%	-	10,621	\$ 78.27
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SBA Loans	\$ 337,896	11	4.28%	8,660,265	2,381	\$ 141.89
Direct Auto	\$ 167,369	8	2.12%	6,922,222	23,346	\$ 7.17
Student Loans	\$ (20,526)	12	-0.26%	818,137	1,556	\$ (13.19)
Personal CC	\$ (153,948)	13	-1.95%	1,190,241	10,117	\$ (15.22)
Indirect Auto	\$ (287,369)	14	-3.64%	1,985,703	7,358	\$ (39.06)
	\$ 7,894,758		1.0000		155,643	\$ 50.72

Product Profitability Ranking

Product		Avg. Profit Per Customer
NI Demand	Become a More Commercial Focused Institution	\$ 15.40
Business Checking		\$ 170.18
CRE Loans		\$ 315.16
Wealth / IRA	Grow Wealth Management Line of Business	\$ 78.27
Fix Mortgage		\$ 27.95
Int Demand		\$ 8.17
Business CC		\$ 35.03
Adj Mortgage		\$ 17.32
SBA Loans		\$ 141.89
Direct Auto	Derive more Value from Personal Lending Line of Business	\$ 7.17
Student Loans		\$ (13.19)
Personal CC		\$ (15.22)
Indirect Auto		\$ (39.06)
		\$ 50.72

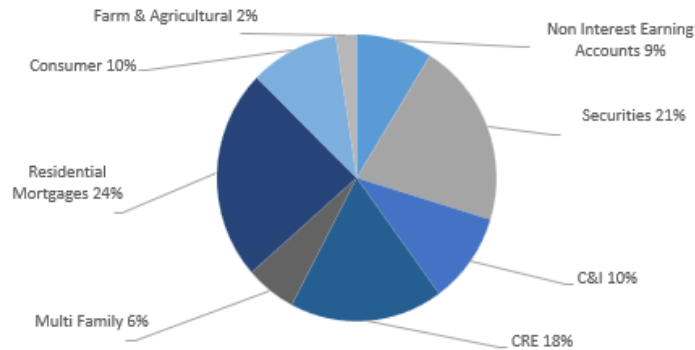


Best Practice Consideration:

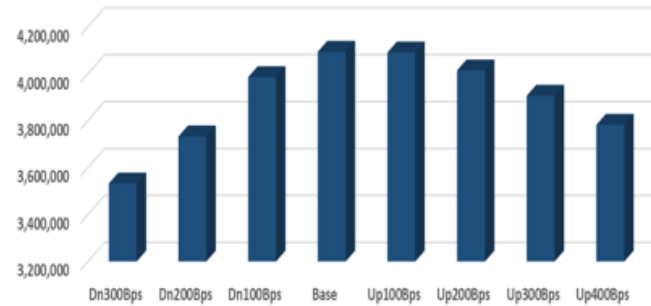
- Assign a Probability to the outcomes (typically subjective, but consider stochastic income simulation)

Executive Interest Rate Risk Dashboard

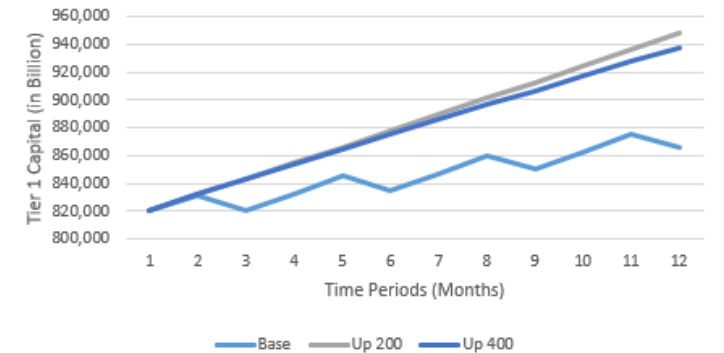
Balance Sheet Composition - Assets



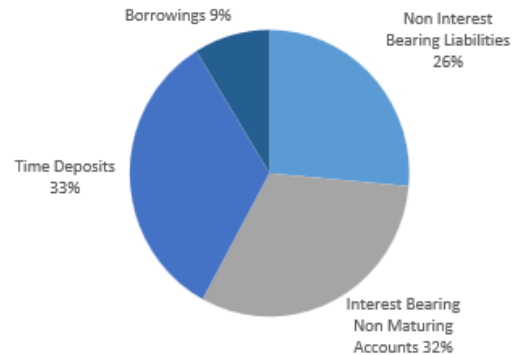
Economic Value of Equity (EVE)



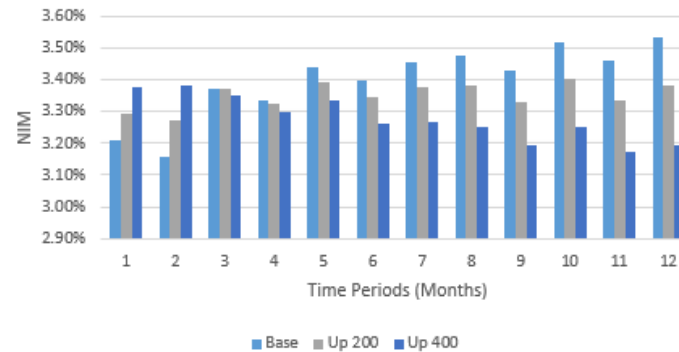
Tier 1 Capital



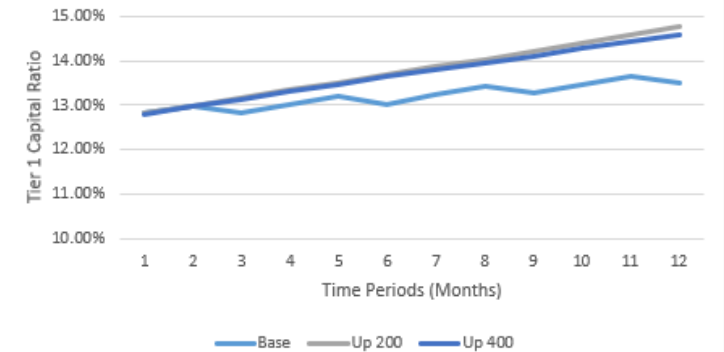
Balance Sheet Composition - Liabilities



Net Interest Margin

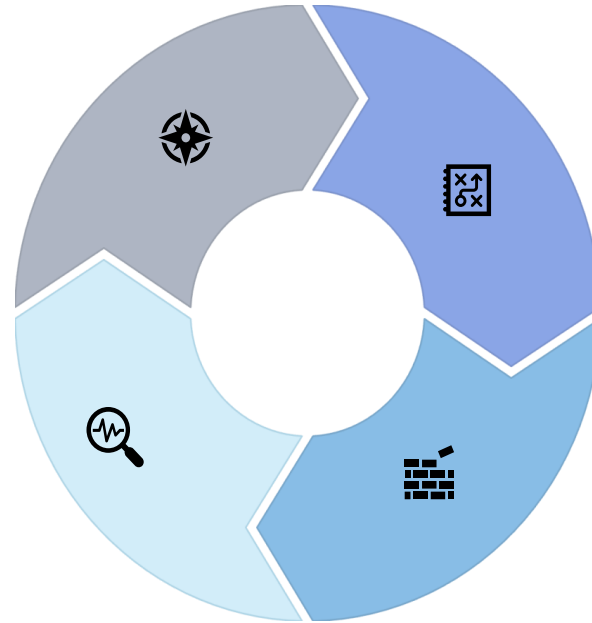


Tier 1 Capital Ratio



Best Practice Consideration:

- Run Strategic Plan(s) through multiple risk scenarios— rate shocks, credit stress, deposit outflows, competitive disruption, etc.



Execution

Implement the plan...assign accountability, allocate resources, and activate tactical plans across all functional areas

EXECUTION

How Do we Align Execution to Our Strategy?



Best Practice Consideration:

A Data-Driven approach supports ALIGNED EXECUTION for Product decisions, Sales enablement, Marketing campaigns, Operational changes, Customer interactions, Risk management, and Resource decisions

STRATEGY

Strategic Initiatives • Goals • Operating Plan • Financial Plan • Risk Assessment



FINANCE TEAM

Provide & Leverage Profitability, Statistical, Financial and Operational Data Tailored to Each Teams / Individuals



OPERATIONAL LEADERS

Identify the WHO, WHAT, WHEN, WHY, HOW...creating goals, responsibilities, tasks, and metrics for their teams



EXECUTION

Teams & Individuals make tactical decisions and take action

EXECUTION

Turn Strategic Goals into Team Goals/Action Plans

Become a More Commercial Focused Institution

1 Cross Sell Business Checking Customers on Loan Products

2 Adjust Pricing / Fee Structure to Attract more Business

3 Increase Profitability of Business Credit Cards

4 Offer Treasury / Cash Management Services

Product Profitability Ranking

Product	Avg. Balance (000s)	# of Customers	Avg. Profit Per Customer
NI Demand	1,383,277	122,958	\$ 15.40
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		155,643	\$ 50.72

Product Profitability Comparison

Profitability Statement	Commercial Products	Commercial Loans	CRE Loans	SBA Loans	Business CC	Commercial Deposits	Business Checking	Commercial CDs
Risk Adjusted Return on Capital (RARoC)	19.89%	12.47%	11.42%	12.58%	18.46%	63.59%	73.49%	38.64%
Adjusted Interest Income	8,487,851	8,487,851	5,597,456	1,658,955	1,231,440			
FTP Charge	6,609,034	6,609,034	4,756,823	1,042,377	809,834			
FASB Fees	608,083	608,083	523,521					
Earning Assets NIM	2,486,900	2,486,900	1,364,154					
FTP Credit	5,981,086							
Interest Expense	2,102,599							
Liabilities NIM	3,878,487							
Net Interest Margin	6,365,387	2,486,900	1,364,154					
Total Non-Interest Income	3,885,234	2,298,643	1,978,113					
Revenue	10,250,621	4,785,543	3,342,267					
Direct Expenses	2,403,546	916,123	601,344					
Indirect Expenses	1,929,045	796,776	504,899					
Total Non-Interest Expenses	4,332,591	1,712,899	1,106,243	267,929	338,727	2,619,692	2,232,889	386,803
Pre-Provision Net Revenue	5,918,030	3,072,644	2,236,024	541,174	295,446	2,845,386	2,354,393	490,993
Provision	124,556	124,556	55,901	40,588	28,067	-		
Net Income Before Taxes	5,793,474	2,948,088	2,180,123	500,586	267,379	2,845,386	2,354,393	490,993
Taxes	1,882,879	958,129	708,540	162,690	86,898	924,750	765,178	159,573
Net Income After Taxes	4,139,062	2,218,427	1,471,583	337,896	408,948	1,920,635	1,589,215	331,420
Total Capital	20,811,479	17,791,322	12,890,566	2,685,346	2,215,410	3,020,157	2,162,465	857,692
Avg Earning Assets	37,302,103	37,302,103	25,975,494	8,660,265	2,666,344			
Avg Liabilities	19,868,664					19,868,664	17,299,719	2,568,945

CRE Loans: What Profitability Data is telling us

1. NIM is 5.25%
2. Orig. Related Fees are high
3. Non-Int. Inc. > Net Int. Inc.
4. Expenses are high...can we offset impact with for efficient operations?

Strategic Initiative

Become a More Commercial Focused Institution

CRE Loan Portfolio Goals

- Increase # CRE Customers by 20% over next 24 months
- Increase CRE Balances by 25% over next 24 months



Execution

What

Adjust Pricing / Fee Structure to Attract more Business

How

NIM is 5.25%

- Reduce Spread by x bps
- Reduce Orig. Fees by x%

Non-Int. Income

- Reduce Monthly Fees

Officer Incentives

Special Pricing

- For Business Checking Customers

WHO

CLO
LOB Mgr
Marketing
Finance

CLO
LOB Mgr
Marketing
Finance

CLO
LOB Mgr
HR
CEO

Marketing
LOB Mgr
SBA Mgr
Finance

Task 1

Task 2

Task 3

WHEN

Feb 2026

April 2026

January 2026

June 2026

Strategic Initiative

Become a More Commercial Focused Institution

Execution

What

Adjust Pricing / Fee Structure to Attract more Business

How

Special Pricing

- For Business Checking Customers

WHO

Marketing
LOB Mgr
SBA Mgr
Finance

WHEN

June 2026

Task 1:
Identify
Customers

Task 2:
Develop
Marketing Plan

Task 3:
Communicate
Plan

Task 4:
Execute Plan

Existing Customer Segmentation

- Business Checking Customers w/ no Loans
- Customer Profile of CRE Loan Customers
 - NAICS Codes
 - Services Used
 - Other Products Used
 - Asset size / Revenue size
 - Location
 - Avg. Profit by Customer Segment
- Ideal Customers to target

New Customer Targeting

- Market Data on Businesses in target area
- Competitor Rates information
- Businesses to target

EXECUTION

Segmenting Customer by Profit Contribution



Best Practice Consideration:

Customer Tiering creates an empirical decision-making framework enabling customer facing team members to make quick decisions that are aligned with the goals of the organization.

Customer Tier Levels	Profit Range Per Customer	Number of Customers	% of Customers	Total Profitability by Tier	% of Profitability by Tier	Customer Base Value Creation Index
Diamond	\$500+	30,875	3%	\$15,450,000	254%	17%
Titanium	\$50.00 - \$499.99	53,977	6%	\$2,700,000	44%	
Platinum	\$5.01 - \$49.99	69,460	8%	\$2,872,000	47%	
Gold	\$0.01 - \$4.99	152,499	17%	\$338,400	6%	54%
Silver	-\$25.00 - \$0.00	331,477	37%	(\$1,014,000)	-17%	29%
Bronze	-\$25.01+	261,870	29%	(\$14,270,000)	-235%	
Total	Total	900,158	100%	6,076,400		

EXECUTION

Leveraging Customer Segmentation

Value Creators (~20%)

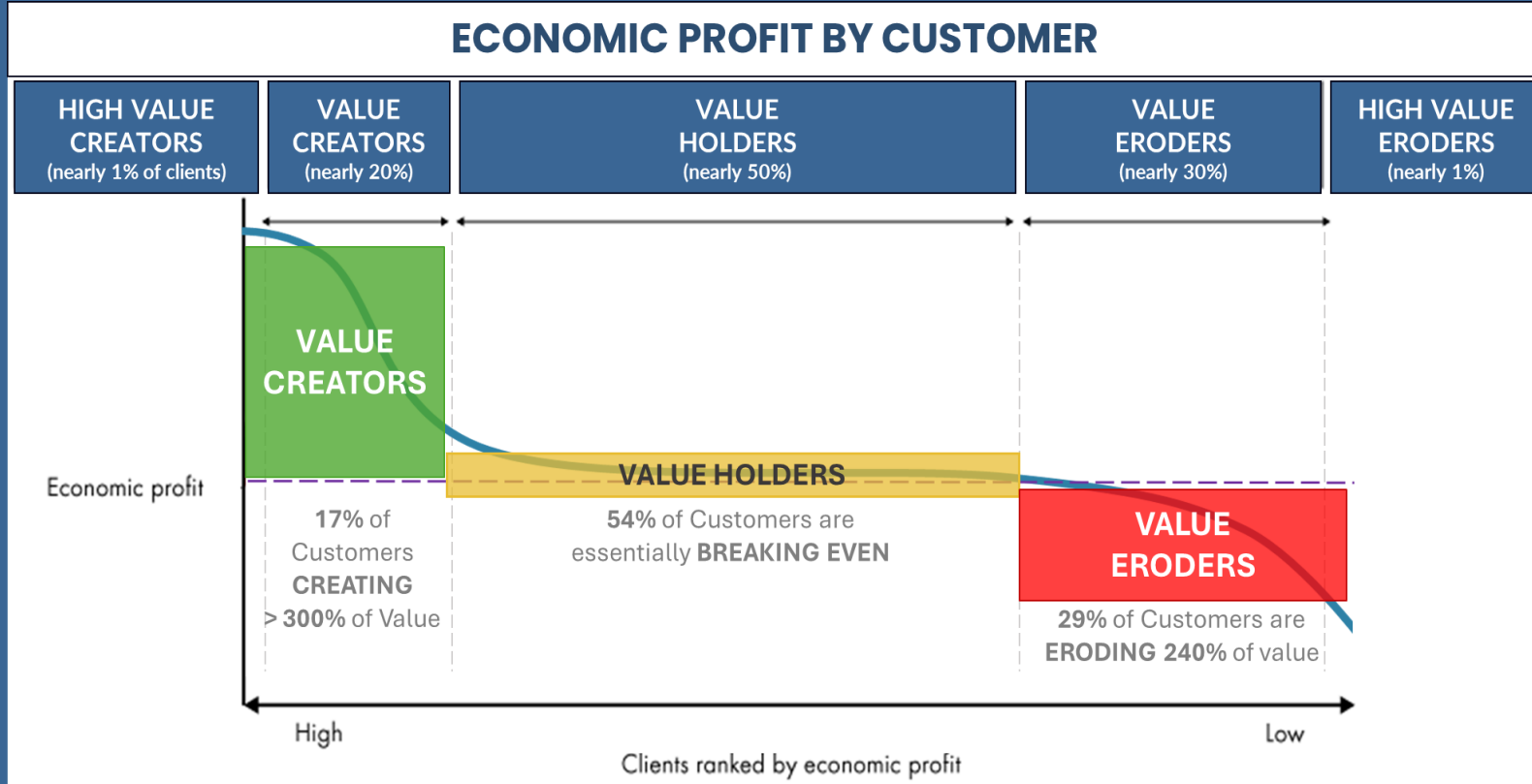
17% of members create over 300% of institutional value. Develop targeted relationship plans to retain them, expand wallet share, and replicate their profile with other customers.

Value Holders (~50%)

54% of members essentially break even. Understand what shifts these customers toward value creation – what products, what channels, deeper engagement; key growth opportunity.

Value Eroders (~30%)

29% of members erode 240% of value. Targeted behavioral and pricing strategies can shift high-balance eroders toward profitability without damaging customer relationships.





Assessment

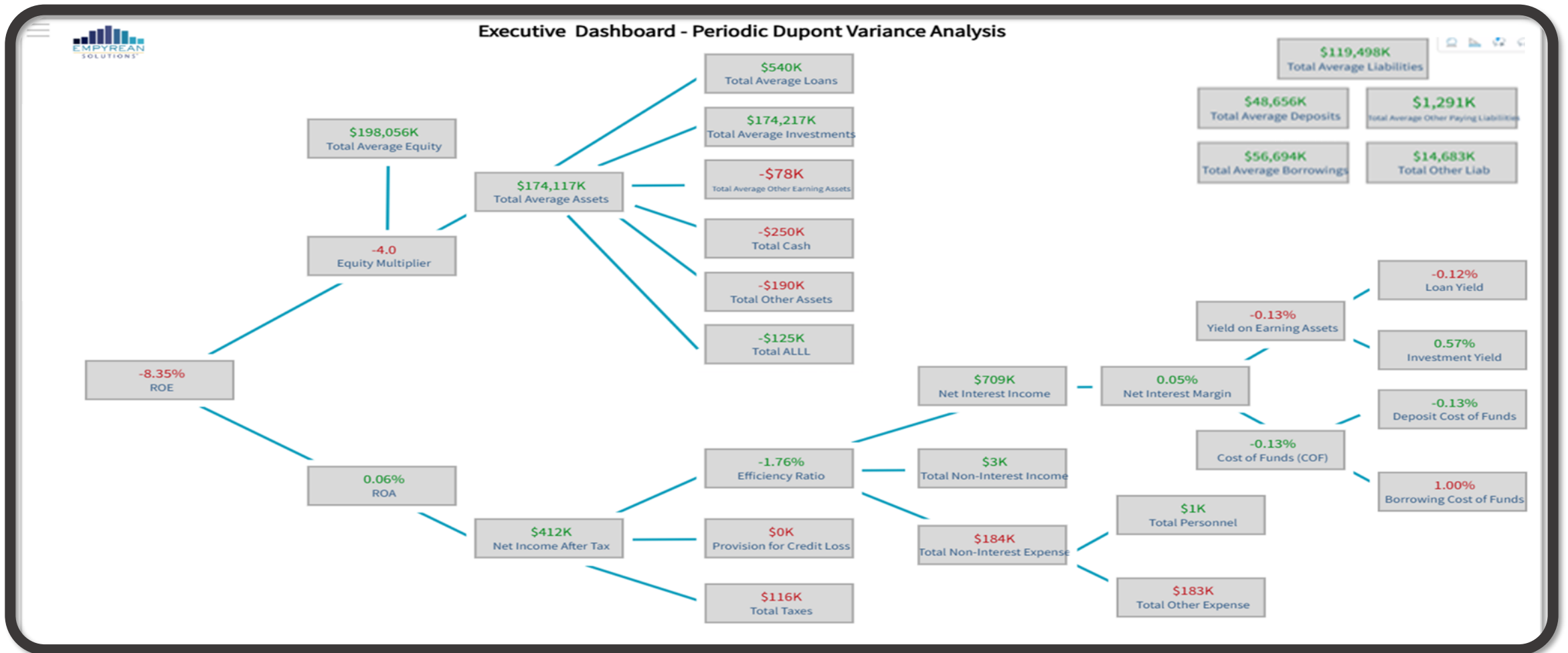
Measure results, analyze variances, and surface insights that continuously improve the next cycle



ASSESSMENT

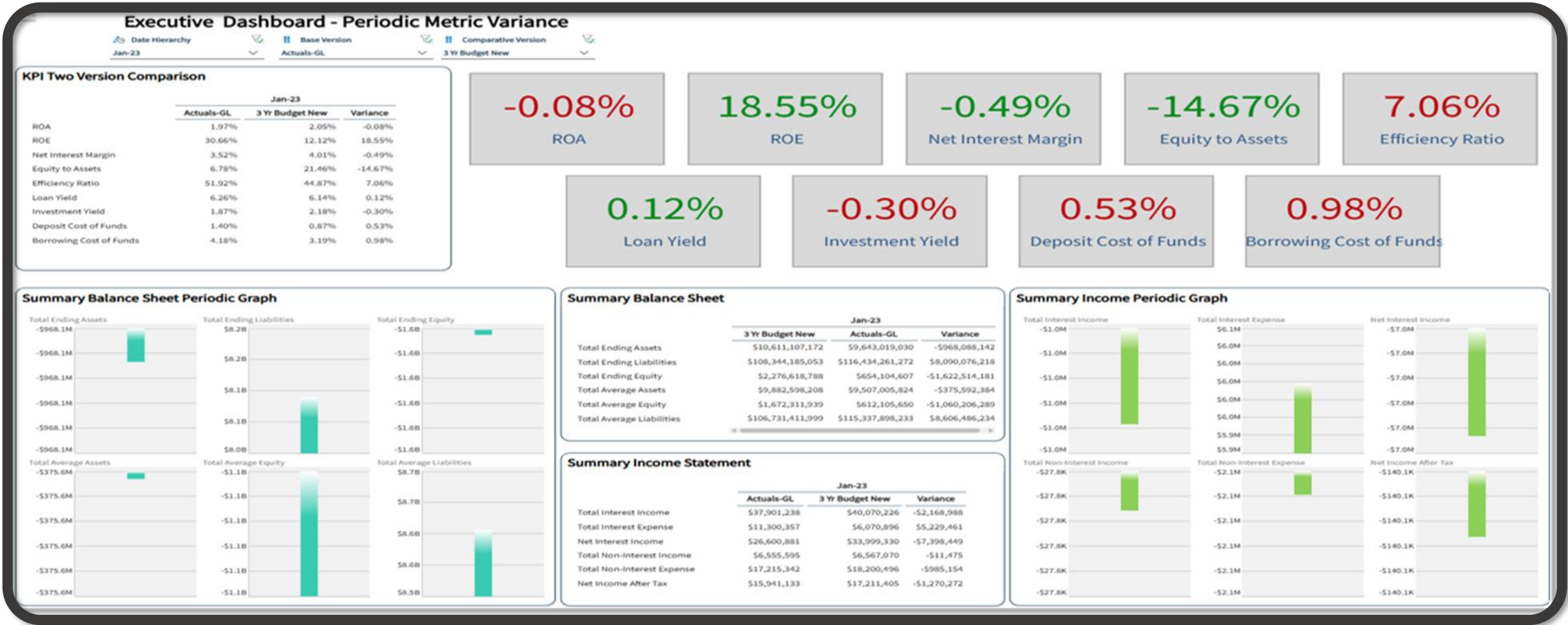
Assess, Understand, Shift Gears... and do it Quickly!

- **Assess Actual Results vs. Planned Results**
 - Did we achieve our goals...Financial and Performance Variances
 - Drill to the underlying drivers...plan issue or execution issue
- **Assess External Market Factors**
 - Identify Market Drivers that most impact business results
 - Assess Market Driver variances and related impacts
- **Assess Risk Position and Outlook**
 - Ensure we are still within our risk tolerances
 - What changes are needed...funding strategy (liquidity), balance sheet management (IRR), etc.
- **Loop back to strategy phase**
 - Based on progress and variances...do we need to shift our plan
 - Identify changes...reforecast...communicate changes



Best Practice Consideration:

- Ability to drill to variances in underlying drivers (e.g., # of loan originations, # of Employees, etc.)



Summary Balance Sheet Periodic Graph

Summary Balance Sheet

	Jan-23		
	3 Yr Budget New	Actuals-GL	Variance
Total Ending Assets	\$10,611,107,172	\$9,643,019,030	-\$968,088,142
Total Ending Liabilities	\$108,344,185,053	\$116,434,261,272	\$8,090,076,218
Total Ending Equity	\$2,276,618,788	\$654,104,607	-\$1,622,514,181
Total Average Assets	\$9,882,598,208	\$9,507,005,824	-\$375,592,384
Total Average Equity	\$1,672,311,939	\$612,105,650	-\$1,060,206,289
Total Average Liabilities	\$106,731,411,999	\$115,337,898,233	\$8,606,486,234

Summary Income Periodic Graph

Summary Income Statement

	Jan-23		
	Actuals-GL	3 Yr Budget New	Variance
Total Interest Income	\$37,901,238	\$40,070,226	-\$2,168,988
Total Interest Expense	\$11,300,357	\$6,070,896	\$5,229,461
Net Interest Income	\$26,600,881	\$33,999,330	-\$7,398,449
Total Non-interest Income	\$6,555,595	\$6,567,070	-\$11,475
Total Non-interest Expense	\$17,215,342	\$18,200,496	-\$985,154
Net Income After Tax	\$15,941,133	\$17,211,405	-\$1,270,272



Best Practice Consideration:

- Focus on the Metrics that Matters; At the levels that Matter; Ask Managers for Comments / Updates

Your Finance Organization is the GPS
for performance—**constantly**
recalculating when conditions change.



Let's Wrap it Up

Key Take Aways; A Final Thought and Q&A



Uncertainty & Volatility

Rates, deposits, competition, customer behaviors, the economy, and geopolitical conditions will continue to shift.



Link Finance & Operations

Quickly evaluate the operational, risk, and performance impacts of each potential strategy. Finance and operations must speak the same language.



Focus

Direct energy toward the metrics, initiatives, and decisions that actually move the needle for institutional success and performance.



Agility

Model and evaluate potential strategies, outcomes, and scenarios continuously. The ability to respond quickly is a strategic advantage.



Speed Is Critical

Assess, adapt, execute...QUICKLY. The institutions that assess and adjust quickly and efficiently will consistently outperform their peers.



Collaboration

Capture both operational and financial inputs from across the institution. The best plans are built with the teams responsible for executing them.

FINAL THOUGHT



FINANCE IS THE STEERING WHEEL

Your finance organization isn't just about numbers — it's the **steering wheel driving strategy, execution and performance**. When finance leads the planning rhythm, the entire institution moves with greater clarity, speed, and confidence.

The Vision-to-Execution cycle

is not a theoretical framework. It is the operating discipline that allows finance leaders to navigate uncertainty, make better tradeoffs, and deliver on their promise to stakeholders.



THANK YOU!

DOWNLOAD THE WHITE PAPER

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The Finance Function:
The Critical Link Between Strategy and Execution

THANK YOU!



GET IN TOUCH

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Bryan Ridgway

Director, Performance Management Solutions
Empyrean Solutions, Inc.



bryan.ridgway@empyreansolutions.com



304 Cambridge Rd, Suite 210, Woburn, MA , 01801



empyreansolutions.com



[Empyrean Solutions](#)

Questions?

We welcome the conversation. Reach out directly to explore how our structured financial risk and performance management platform can transform financial and operational outcomes at your institution.

Connect on LinkedIn

Follow Empyrean Solutions and Bryan Ridgway on LinkedIn for ongoing insights on bank and credit union performance, budgeting and forecasting, FP&A best practices, and finance leadership.