



Treasury Consulting

PFMpricer for Bank Fee Analysis and Negotiations

Whether you are in the process of evaluating bank proposal responses during a competitive request for proposal (RFP) process or seeking to review your pricing between evaluation periods, successfully negotiating competitive bank pricing is a key component in establishing and maintaining a positive banking relationship. Entities may find themselves at a disadvantage with these negotiations because they may not have the necessary pricing data and/or may be unaware of pricing trends in the market to formulate valid negotiation points. In our experience, entities tend to approach bank pricing negotiations simply by asking banks for their best and final offers or may formulate a basis for negotiating pricing by comparing proposals submitted by other banks received during an RFP process. Even if an entity is able to understand the multitude of complex treasury line items and compare each bank's pricing against those of the other banks, this approach tends to be flawed in that entities are unable to compare their existing or preferred bank's pricing against that same bank's pricing offered to other similarly sized and geographically aligned entities. This may lead to entities settling for fees and pricing only as good as the best fees and pricing offered in the limited number of proposals they received and not necessarily the best pricing in the market.

Our Experience

PFM has been providing treasury consulting services to public and not-for-profit clients since 1989.¹ Our national and regional presence gives us a strong understanding of pricing in the banking industry. Using the **PFMpricer**, our proprietary bank pricing database containing hundreds of comparative data points from banks across the country, PFM can produce a **PFMpricer Negotiator**. The **PFMpricer Negotiator** is a comprehensive report that provides a list of suggested treasury service line items to target for final negotiations. The report includes current pricing for those services, suggested market pricing, and the anticipated savings based on market prices. Our clients can use the **PFMpricer Negotiator** to negotiate pricing themselves or PFM can directly negotiate pricing on their behalf.

Our Process

Our goal is to provide our clients with the data and intelligence to successfully negotiate improved pricing for their banking services. We first conduct a review of our clients' bank pricing by reviewing the bank's proposed pricing or an account analysis statement for their existing relationship. We then load our clients' bank pricing into our **PFMpricer** database to run a multi-dimensional analysis. PFM then produces a comprehensive report that identifies the most impactful services with target prices and savings to be included in the negotiation. Leveraging PFM's treasury consulting services and the **PFMpricer** database, our clients become positioned to strengthen their negotiations and potentially get better pricing. Our approach is summarized in the four-step process below:



¹Through December 6, 2021, treasury consulting services were effectuated through former affiliate PFM Asset Management LLC.