

**Should I steer my clients into cheaper delivery channels, such as the Internet?**

It Depends. The profitability of a customer is usually dependent upon three basic factors:

1. How much income is the relationship generating?
2. Are the fees generated by the relationship covering the expenses?
3. Is the relationship properly priced and is the cost of the account within acceptable parameters?

If the account is unprofitable and its transaction activity is too high, then channeling that account into an alternative delivery mechanism might make sense. However, if you have an unprofitable account that has fewer transaction elements such as a certificate of deposit, switching delivery channels to improve profitability may not prove helpful. In that case, your best option to improve the profitability of the account is to re-price the certificate. Therefore a pricing change vs. a channel change might be the better option.