



A Primary Matters Total Cost of Ownership/ROI Analysis . . .

The Impact of an Inter-Departmental CRM Solution on Large Retail Banks with Multiple-Lines-of-Business

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Primary Matters, Inc.
(902) 794-7095
www.primarymatters.com

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Executive Summary

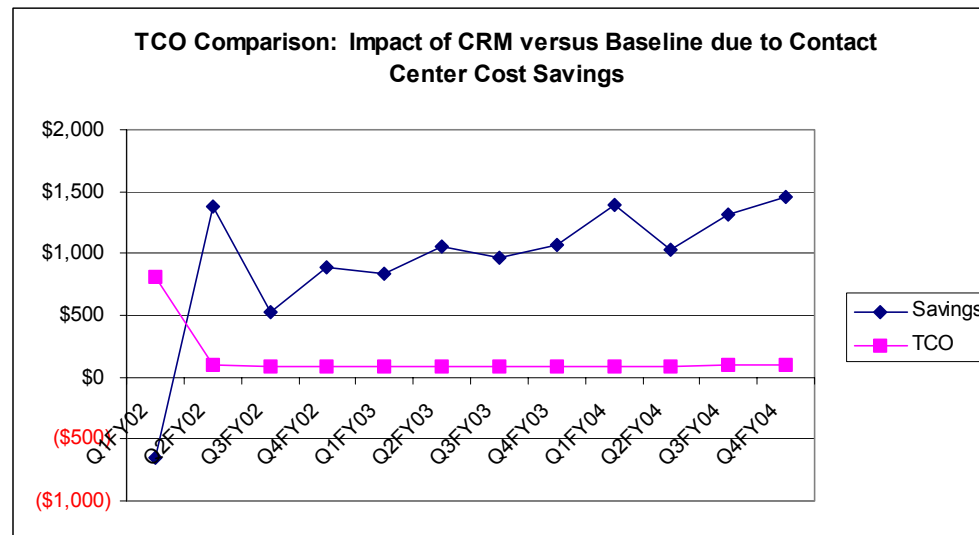
CRM solutions can have a major impact on the bottom line of banks' multiple business units, especially if the business units have some customers in common. This analysis focuses on **only one benefit of an inter-departmental CRM solution – providing a summary to the service representatives of a bank's contact centers of a customer's issues across different business units.**

As can be seen in the chart below, product revenues increase dramatically. This is due to an increase in the customer life cycle. In addition, the productivity gains in the contact center provide significant cost savings. The productivity gains justify the acquisition of an inter-departmental CRM solution, even when ignoring the revenue increases. The Bank's product costs increase but this is because there are more customers, which is the source of the increased revenue.

Impact of Inter-Department CRM Solution on Bank's Credit Card, Retail & Commercial Lines of Business (\$000's)				
Total Accounts before inter-departmental CRM	6,039,855			
Total Accounts after CRM Implementation (Year 3)	6,226,802	Percent increase in Customer Base	3.10%	
		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
		<u>3 Year Total</u>		
An Increase in Product Revenues	\$2,644	\$11,398	\$21,257	\$35,299
A Decrease in Contact Center Costs	-\$2,148	-\$3,923	-\$5,193	-\$11,264
An Increase in Product Costs, due to More Customers	\$366	\$1,576	\$2,940	\$4,882
Total Business Units' Costs decrease, even with More Customers	-\$1,783	-\$2,347	-\$2,253	-\$6,382
Business Unit Contributions to the Bank Increase	\$4,427	\$13,745	\$23,509	\$41,681
Total Cost of Ownership for the Inter-Departmental CRM Solution	\$1,086	\$354	\$373	\$1,814
Return on Investment, including only Contact Center Savings	198%	421%	621%	621%
Return on Investment, including increases in Revenues	407%	1261%	2298%	2298%

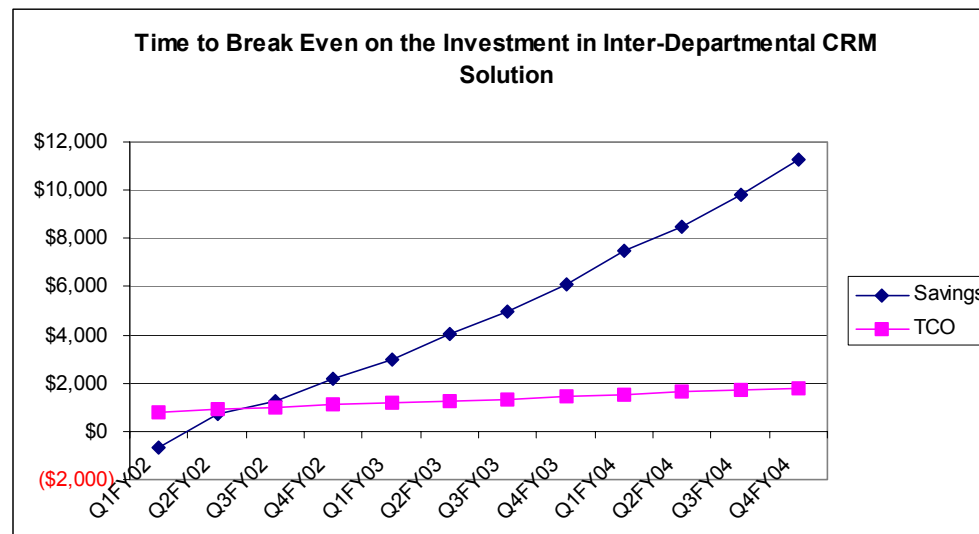
Contact Center Impact: Contact Center Savings and Cash Flow

This chart focuses on the total of three contact centers. It shows the Total Cost of Ownership (investment, expenses, operations and personnel costs) associated with implementing an inter-departmental information solution in the three contact centers compared to the savings. A CRM investment is recovered quickly based only on the savings enabled by the productivity improvements. Break even is accomplished in only a few months. The increase in revenues, not accounted for in this cash flow and breakeven analysis, is the most important benefit. The increase in revenues does not need to be considered to justify the investment.



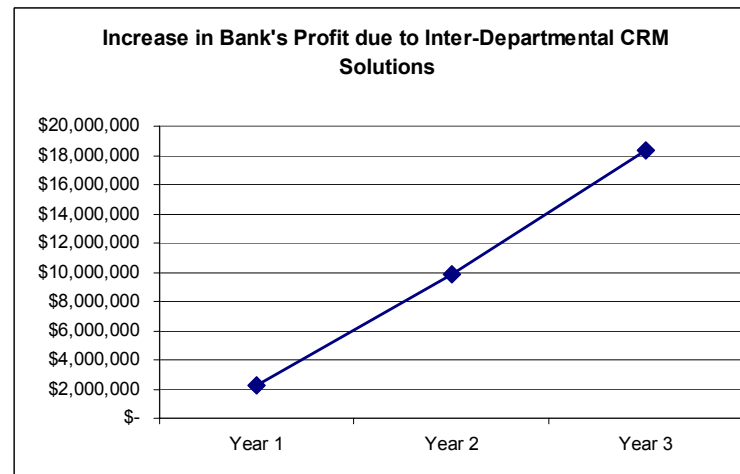
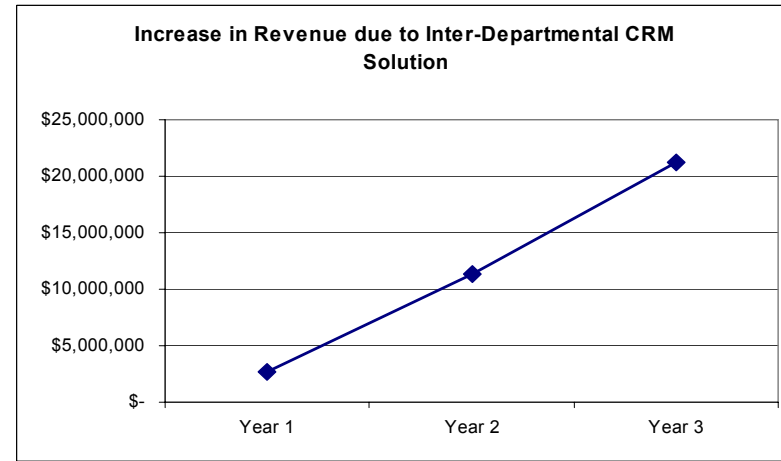
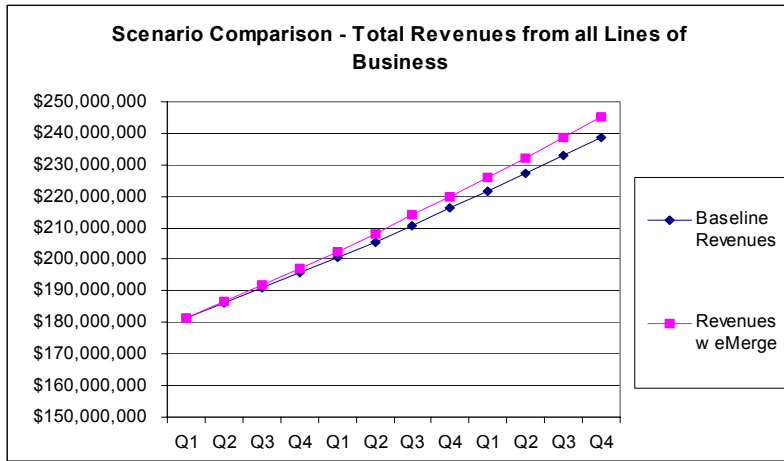
Contact Center Impact: Time to Break Even on Contact Center Cost Savings

The investment in CRM reaches break-even within 3 to 4 months of going into production based solely on the cost savings in the Contact Centers. Noting that the CRM solution does not go into production until Q2, breakeven is in a couple of months after the production date. This chart does not include the benefit of the revenue increases, which provides an even more compelling case for the inter-departmental CRM solution for a bank with multiple business lines sharing customers.



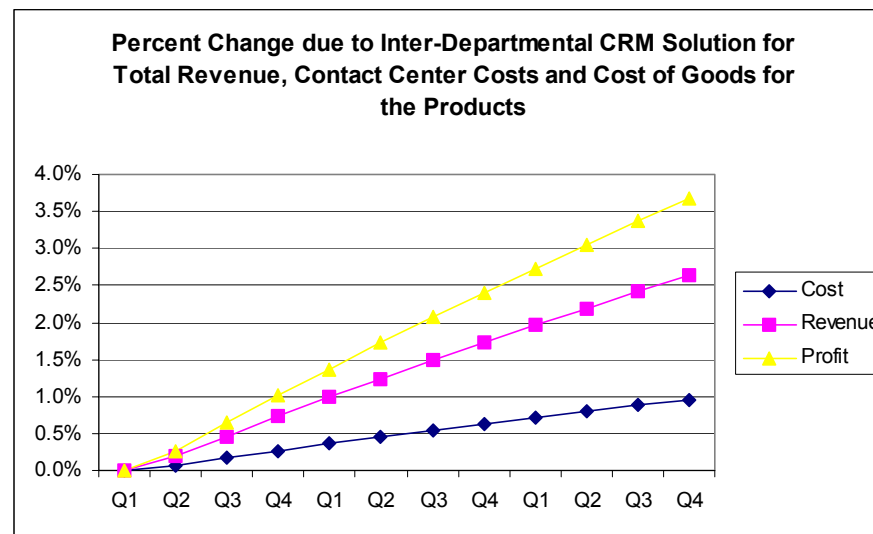
Business Unit Impact: Increase in Revenue and Profit Due to CRM Solution

These charts show the annual revenue and profit increases due to the CRM solution's impact on the customer life cycle. A major part of the revenue increase is turned into profits since adding small increases to the customer life cycle leverages the current expense structure.



Business Unit Impact: Revenues, Contact Center and Product Costs, and Profits

This chart shows the percentage change in the total revenues, total costs (including contact center costs and the costs of maintaining the credit card, retail and commercial customers), and profitability of these lines of business. An inter-department CRM solution has a major impact on these metrics, especially profitability. This is due to both cost savings in the contact centers and the longer customer life cycle extending the profitable portion of a customer's relationship with the bank.



Summary of Assumptions and Methods

The model used in this document is of a generic bank. Specific banks may differ, but such differences can easily be accounted for to better understand the specific impact of inter-department CRM features on an individual bank.

In providing this Total Cost of Ownership Analysis, Primary Matters has:

- Analyzed the Inter-Departmental CRM impact on a typical bank;
- Modeled the impact of a CRM solution on the customer contact centers and the potential impact on the customer base;
- Linked this to a simple revenue model of each of the Bank's lines of business;
- Created a Baseline and Scenario that mirrors the before and after situation.

The Bank has three separate business units – Credit Card, Retail and Commercial. The inter-departmental CRM solution affects these businesses in several ways. These businesses, although independent, have customers in common. These customers call the wrong division and need to be transferred, or call one division but have questions that apply to the different business groups. These customer satisfaction and efficiency issues are addressed by the CRM solution.

For the contact center cost analysis, it is assumed that:

- A percentage of calls do not need to be transferred to another agent due to the additional information provided by the CRM Solution.
- A percentage of calls are shortened due to the information provided by the CRM Solution.
- A percentage of callbacks will be eliminated since the customer receives all the information they need in the first call.
- Cross-selling results in a higher percentage of customers acquiring multiple products from the bank. This results in a longer customer life cycle with the bank.

For the revenue and product cost analysis, it is assumed that the improvements in customer satisfaction from better service will result in:

- The average customer life cycle lengthens for each line of business.
 - The Credit Card Line of Business average customer life cycle increases from 30 to 31 months;
 - The Retail Banking Line of Business average customer life cycle increases from 36 to 37 months; and
 - The Commercial Line of Business average customer life cycle increases from 36 to 40 months.
- Increasing the average customer life cycle changes each line of business in the following ways:
 - The installed base of active customers becomes larger since customers are churning at a slower rate.

- The revenues increase as a function of the increase in the installed base.
- The monthly product cost increases because the installed base of products increases.
- Customer profitability (and thus the profitability of the bank) increases as most of the 'per customer' profits are made in the latter part of the customer life cycle (this 'profitable' period is being extended). The 'new customer acquisition' costs are covered in the first part of the life cycle.

Up-selling opportunities have not been included in this example. This refers to the greater ability of the agents to present products from other lines of business to their customers thus increasing the revenue per customer.

Assumptions and Profile of the Bank's Contact Centers for each Line of Business

Data Supporting Contact Center Productivity Increases

Date Model Starts	<input type="text" value="Jan-02"/>		
Date Solution goes into Production	<input type="text" value="Apr-02"/>		
Agent Information	Credit Card	Retail Banking	Commercial
Agent Compensation per Hour	<input type="text" value="\$ 14.00"/>	<input type="text" value="\$ 16.00"/>	<input type="text" value="\$ 18.00"/>
Call Information			
Number of Calls per Month	<input type="text" value="480,000"/>	<input type="text" value="520,000"/>	<input type="text" value="120,000"/>
Average Call Duration (minutes)	<input type="text" value="4.00"/>	<input type="text" value="5.00"/>	<input type="text" value="10.00"/>
Average Post Call Wrap-Up (minutes)	<input type="text" value="1.00"/>	<input type="text" value="1.00"/>	<input type="text" value="2.00"/>
Percent of the Time Agents do Call Wrap-Up	<input type="text" value="50.0%"/>	<input type="text" value="50.0%"/>	<input type="text" value="80.0%"/>
Average Call Duration When Call is Transferred	<input type="text" value="3.00"/>	<input type="text" value="3.00"/>	<input type="text" value="4.00"/>

Impact of Having a View of Inter-Departmental Information available to Agents

Information helps shorten a call			
Percent of the time that a Call is shortened due to the information	<input type="text" value="5.0%"/>	<input type="text" value="5.0%"/>	<input type="text" value="10.0%"/>
Amount of time (minutes) that the call is shortened	<input type="text" value="0.50"/>	<input type="text" value="0.50"/>	<input type="text" value="2.00"/>
Information reduces transfers			
Percent of the time that a Call is transferred	<input type="text" value="3.0%"/>	<input type="text" value="5.0%"/>	<input type="text" value="5.0%"/>
Percent Call transfer that will be prevented with CRM	<input type="text" value="1.5%"/>	<input type="text" value="3.0%"/>	<input type="text" value="3.0%"/>
Percent Call transfers after CRM Implementation	<input type="text" value="1.5%"/>	<input type="text" value="2.0%"/>	<input type="text" value="2.0%"/>
During a call transfer, do Agents remain in queue	<input type="text" value="Yes"/>	<input type="text" value="No"/>	<input type="text" value="Yes"/>
Information prevents call-backs			
Percent of calls which are inbound or outbound callbacks	<input type="text" value="3.0%"/>	<input type="text" value="5.0%"/>	<input type="text" value="10.0%"/>
Percent of callbacks that will be prevented with CRM	<input type="text" value="1.5%"/>	<input type="text" value="2.0%"/>	<input type="text" value="5.0%"/>
Percent of callbacks after CRM Implementation	<input type="text" value="1.5%"/>	<input type="text" value="3.0%"/>	<input type="text" value="5.0%"/>

Summary of Credit Card Business Line Revenue and Product Costs

Data Entry for Credit Card Revenue and Product Cost Components

Date Model Starts

Date CRM Solution goes into Production

Revenue Components

Number of Customers at Start

Annual Growth Rate in Customer Base

Average Customer Life Cycle, in Months

Average Customer Life Cycle after CRM implementation

Ongoing Revenue per Month

Transaction Income to Bank

Average Credit Card Purchases per Month

Percent of Average Transactions to Bank

Monthly Revenue per Account

Percent Interest Income to Bank

Average Credit Card Balance per Month

Percent annual interest income to Bank (compounded monthly)

Monthly Revenue per Account

Total Monthly Revenue per Credit Card

Annual Fee

Total Ongoing Customer Revenue per Month

Cost Components

New Customer Acquisition Cost

Annual Account Maintenance Costs

Summary of Retail Banking Revenues and Product Costs

Retail Banking Revenue and Product Cost Components

Date Model Starts
Date CRM Solution goes into Production

Customer Profile

Number of Customers
Annual Growth Rate in Customer Base
Average Customer Life Cycle, in Months
Average Customer Life Cycle after CRM implementation

Revenue Components

Percent Interest Income to Bank
Average Account Balance per Month
Percent Interest income to Bank
Monthly Revenue per Account

Loan Income
Average Loan Balance per Month per Customer
Percent Interest income to Bank
Monthly Revenue per Account

Monthly Fees

Total Ongoing Revenue per Month

Cost Components

New Customer Acquisition Cost

Annual Account Maintenance Costs

Summary of Commercial Banking Revenues and Product Costs

Commercial Banking Revenue and Product Cost Components

Date Model Starts

Date CRM Solution goes into Production

Customer Profile

Number of Customers	<input type="text" value="80,000"/>
Annual Growth Rate in Customer Base	<input type="text" value="10.0%"/>
Average Customer Life Cycle, in Months	<input type="text" value="36.0"/>
Average Customer Life Cycle after CRM implementation	<input type="text" value="40.0"/>

Revenue Components

Percent Interest Income to Bank	
Average Account Balance per Month	<input type="text" value="\$15,000.00"/>
Percent Interest income to Bank	<input type="text" value="2.00%"/>
Monthly Revenue per Account	<input type="text" value="\$ 25.00"/>

Loan Income	
Average Loan Balance per Month per Customer	<input type="text" value="\$ 5,000.00"/>
Percent Interest income to Bank	<input type="text" value="2.00%"/>
Monthly Revenue per Account	<input type="text" value="\$ 8.33"/>

Monthly Fees

Total Ongoing Revenue per Month

Cost Components

New Customer Acquisition Cost

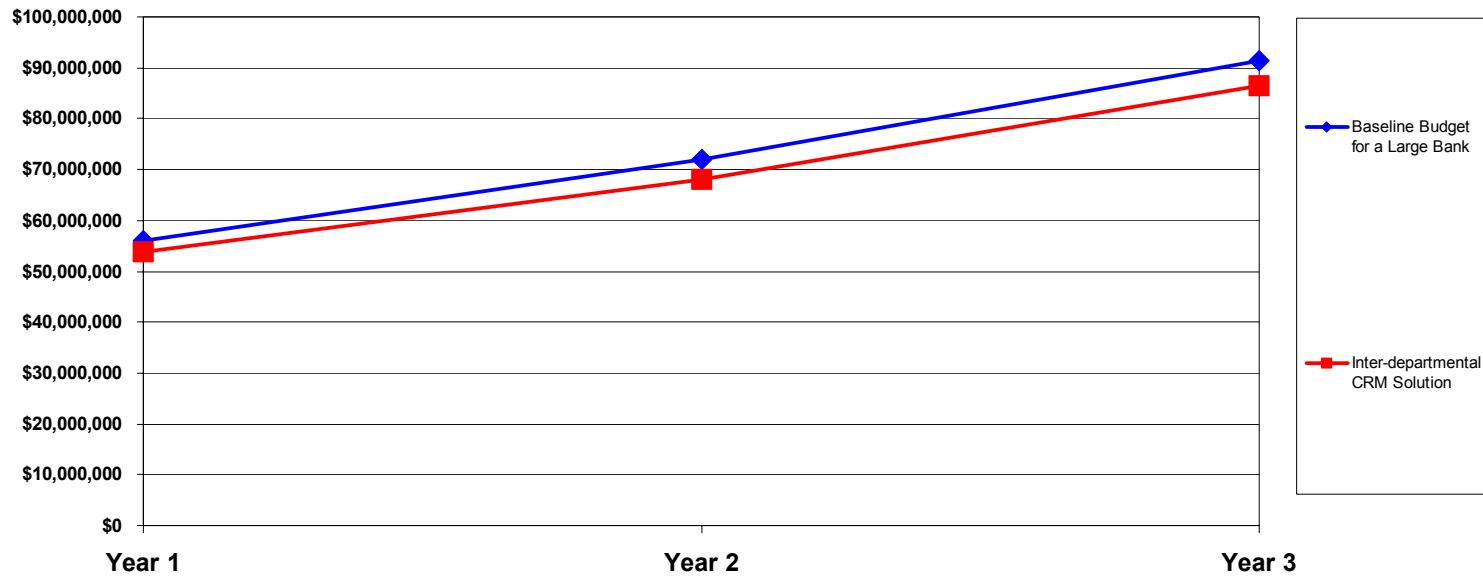
Annual Account Maintenance Costs

Contact Center Impact: Annual Operating Budget for the Three Bank Divisions - Credit Card, Retail and Commercial

This budget comparison shows the pre- and post-CRM contact center budget. The productivity improvements are from the interdepartmental CRM features. There is a material impact on the cost side of the bank's major lines of business.

Annual Capital Budget Comparison

	Year 1	Year 2	Year 3	Total
Baseline Budget for a Large Bank	\$55,919,932	\$71,907,155	\$91,484,598	\$219,311,686
Inter-departmental CRM Solution	\$53,713,857	\$68,125,538	\$86,475,372	\$208,314,767



Contact Center Impact: Detailed Assumptions

The analysis of the impact of the inter-departmental CRM on the Bank's customer contact centers assumes the following:

- Each division has its own customer contact center handling mostly incoming calls. The call volume and typical tasks accomplished in a call are shown later in this document.
- Credit Card Agents make \$14.00 per hour, Retail Banking agents make \$16.00 per hour and Commercial Banking agents make \$18.00 per hour.
- Supervisors in the credit card division make \$22.00 per hour, in Retail \$24.00 per hour, and in Commercial \$26.00 per hour. The ratio of Supervisors to Agents is 10 to 1 in the Credit Card and Retail divisions, and 8 to 1 in the Commercial division.
- Managers make \$28.00 per hour. There is 1 Manager for every 6 Supervisors.
- Analysis costs include an allocation for office space, telecommunications services, ACDs, and PCs. Other contact center technologies have not been included, but the analysis can be easily updated to include other technologies.
- There are no fixed overhead personnel assigned in this model (upper management, trainers, analysts, marketing and sales personnel).
- For the products (credit cards, retail accounts and commercial accounts), a simple new customer acquisition cost is used as well as a monthly account maintenance cost. These are detailed later in this document. They can be adjusted to equal the actual numbers used by the bank. It is assumed that these costs include the overhead, marketing, and service fees associated with offering these services.
- The revenue details for each line of business are also detailed later in this document and can be adjusted to equal actuals.
- All systems are depreciated using a five-year, straight-line depreciation method.

Contact Center Impact: Baseline (Before Implementation) Operations Budget

Three-Year Quarterly Capital Budget

(\$000's)

Total Budget

	Q1FY02	Q2FY02	Q3FY02	Q4FY02	Year 1	Q1FY03	Q2FY03	Q3FY03	Q4FY03	Year 2	Q1FY04	Q2FY04	Q3FY04	Q4FY04	Year 3
Empl Expenses															
Employee Comp	6,865	7,331	7,921	8,461	30,578	9,036	9,650	10,308	11,010	40,004	11,761	12,564	13,422	14,330	52,077
Emp Ben, tax	2,156	2,304	2,477	2,653	9,589	2,830	3,019	3,222	3,438	12,509	3,669	3,915	4,179	4,460	16,223
Misc, Training	244	110	144	137	636	144	152	161	169	627	179	188	199	192	758
Total	9,265	9,746	10,541	11,250	40,803	12,010	12,822	13,690	14,617	53,139	15,608	16,668	17,800	18,983	69,058
External Labor															
Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outsourced Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Labor	9,265	9,746	10,541	11,250	40,803	12,010	12,822	13,690	14,617	53,139	15,608	16,668	17,800	18,983	69,058
Equip, Sftw & Mntc	772	830	857	902	3,362	943	1,002	1,045	1,099	4,088	1,180	1,230	916	992	4,318
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecom Services	996	1,055	1,115	1,179	4,345	1,246	1,317	1,394	1,472	5,430	1,558	1,647	1,743	1,841	6,788
Offices/Occupancy	1,801	1,803	1,805	1,953	7,363	2,247	2,250	2,253	2,438	9,188	2,806	2,809	2,812	2,816	11,244
Marketing Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel/Entertainment	10	11	12	14	47	14	15	16	17	62	18	19	20	21	77
Misc Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	12,845	13,444	14,332	15,298	55,920	16,461	17,406	18,397	19,643	71,907	21,170	22,372	23,290	24,652	91,485

Contact Center Impact: Scenario (After Implementation) Budget

Three-Year Quarterly Capital Budget

(\$000's)

Total Budget

	Q1FY02	Q2FY02	Q3FY02	Q4FY02	Year 1	Q1FY03	Q2FY03	Q3FY03	Q4FY03	Year 2	Q1FY04	Q2FY04	Q3FY04	Q4FY04	Year 3
Empl Expenses															
Employee Comp	6,876	6,927	7,481	7,989	29,273	8,530	9,108	9,726	10,386	37,749	11,092	11,847	12,654	13,508	49,102
Emp Ben, tax	2,156	2,181	2,339	2,504	9,180	2,671	2,849	3,039	3,243	11,802	3,460	3,691	3,939	4,204	15,294
Misc, Training	244	110	141	134	630	141	149	156	165	611	173	182	192	186	733
Total	9,276	9,218	9,961	10,627	39,082	11,342	12,105	12,921	13,793	50,162	14,725	15,721	16,785	17,897	65,129
External Labor															
Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outsourced Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Labor	9,276	9,218	9,961	10,627	39,082	11,342	12,105	12,921	13,793	50,162	14,725	15,721	16,785	17,897	65,129
Equip, Sftw & Mntc	915	838	887	919	3,560	961	1,006	1,065	1,107	4,139	1,162	1,244	916	979	4,301
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecom Services	996	988	1,049	1,109	4,143	1,172	1,239	1,310	1,386	5,107	1,464	1,549	1,637	1,733	6,382
Offices/Occupancy	1,699	1,700	1,702	1,841	6,943	2,118	2,120	2,122	2,297	8,657	2,643	2,646	2,649	2,652	10,589
Marketing Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel/Entertainment	10	11	12	13	47	14	15	16	16	61	17	18	19	20	75
Misc Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	12,897	12,755	13,612	14,511	53,774	15,607	16,485	17,434	18,599	68,126	20,011	21,177	22,007	23,281	86,475

Impact Based Only on Contact Center Cost Savings

This chart shows the ROI for the CRM solution based only on the cost savings in the Contact Centers. The CRM investment is justified solely on the cost savings even though the most important benefits are the revenue and profitability increases to the Bank.

Return on System Investment (ROI)

	Headcount Comparison											
	Q1FY02	Q2FY02	Q3FY02	Q4FY02	Q1FY03	Q2FY03	Q3FY03	Q4FY03	Q1FY04	Q2FY04	Q3FY04	Q4FY04
Baseline Total Employees	772	817	866	918	970	1,025	1,083	1,145	1,210	1,279	1,352	1,429
Scenario Total Employees	772	770	817	865	914	965	1,020	1,078	1,139	1,204	1,273	1,345
Personnel Reduction	0	46	50	53	56	59	63	67	71	75	79	84

System TCO, including Investment, Expenses and Operations Personnel Costs

Total	\$815,133	\$99,594	\$85,799	\$85,939	\$86,985	\$88,052	\$89,039	\$90,347	\$91,376	\$92,629	\$93,905	\$94,794
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Summary Financial Results (\$000's)

Baseline Budget	\$13,296	\$13,701	\$14,397	\$15,369	\$16,475	\$17,524	\$18,477	\$19,671	\$21,449	\$22,455	\$23,703	\$25,165
Scenario Budget	\$13,943	\$12,317	\$13,866	\$14,488	\$15,640	\$16,470	\$17,517	\$18,598	\$20,062	\$21,422	\$22,383	\$23,713
Savings	(\$648)	\$1,384	\$530	\$882	\$835	\$1,055	\$961	\$1,073	\$1,387	\$1,033	\$1,320	\$1,452
Cumulative Savings	(\$648)	\$736	\$1,267	\$2,148	\$2,983	\$4,038	\$4,998	\$6,072	\$7,459	\$8,492	\$9,812	\$11,264

Annual Cash Budget Comparison

	Year 1	Year 2	Year 3
Baseline Budget for a Large Bank	\$56,762,551	\$72,147,736	\$92,773,028
Inter-departmental CRM Solution	\$54,614,190	\$68,224,483	\$87,580,196
Annual Cashflow Savings due to System Implementation	\$2,148,361	\$3,923,253	\$5,192,832
System Investment	\$1,086,464	\$354,423	\$372,705
Return on Investment for CRM Caller Profile Solutions System Implementation	198%	421%	621%

NOTE: For ROI Analyses a Cash Budget is used. The annual and other budget figures differ from others in this document since this is a cash-based budget, and the others are operating budgets where investments are capitalized.

System Investment, Systems Integration, Maintenance and Operations Personnel Expense Details

The follow table details the costs associated with the CRM solution across the three lines of business.

Individual System Budget

(\$000's)

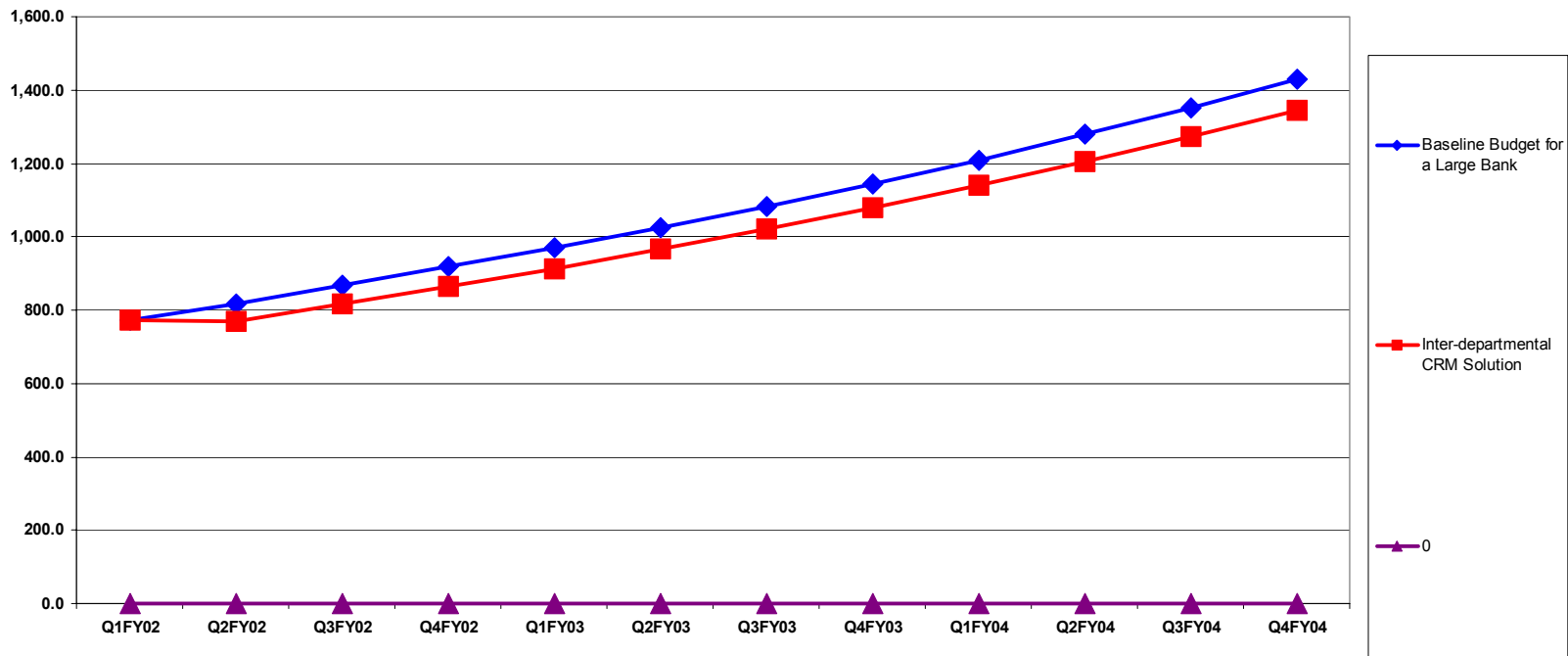
	CRM Caller Profile Solutions					Inter-Departmental CRM									
Cash Flow Budget:	Q1FY02	Q2FY02	Q3FY02	Q4FY02	Year 1	Q1FY03	Q2FY03	Q3FY03	Q4FY03	Year 2	Q1FY04	Q2FY04	Q3FY04	Q4FY04	Year 3
System Purchase:															
Cash Investment	678.8	-	4.6	4.7	688.1	5.0	5.3	5.5	6.0	21.8	6.2	6.6	7.0	7.4	27.2
Loan:															
Down Payment:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease/License	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Start-up Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal S/I Expense	60.0	30.0	-	-	90.0	-	-	-	-	-	-	-	-	-	-
External S/I Expense	60.0	-	-	-	60.0	-	-	-	-	-	-	-	-	-	-
Chargeback/Assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance	-	20.4	30.7	30.9	81.9	31.1	31.3	31.6	31.9	125.9	32.1	32.4	32.7	33.1	130.3
Total Cash Outflow	798.8	50.4	35.3	35.6	920.0	36.1	36.6	37.1	37.9	147.7	38.3	39.0	39.7	40.5	157.5
Capital Budget															
System Purchase:															
Depreciation	22.6	33.9	34.1	34.3	125.0	34.6	34.8	35.1	35.4	139.9	35.7	36.0	36.4	36.7	144.8
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease/License	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Start-up Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal S/I Expense	60.0	30.0	-	-	90.0	-	-	-	-	-	-	-	-	-	-
External S/I Expense	60.0	-	-	-	60.0	-	-	-	-	-	-	-	-	-	-
Chargeback/Assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Expense	-	20.4	30.7	30.9	81.9	31.1	31.3	31.6	31.9	125.9	32.1	32.4	32.7	33.1	130.3
Total Expenses	142.6	84.3	64.8	65.2	356.9	65.7	66.2	66.7	67.2	265.8	67.8	68.4	69.1	69.8	275.2
Operations Personnel	16.3	49.2	50.5	50.3	166.4	50.9	51.4	51.9	52.5	206.7	53.0	53.6	54.2	54.3	215.2
TOTAL Cost of Ownership															
Cash Budget	815.1	99.6	85.8	85.9	1,086.5	87.0	88.1	89.0	90.3	354.4	91.4	92.6	93.9	94.8	372.7
Capital Budget	158.9	133.5	115.3	115.6	523.3	116.6	117.6	118.6	119.7	472.5	120.9	122.1	123.3	124.1	490.3
TOTAL Three-Year Budget															
Cash Budget	\$	1,813.6													
Capital Budget	\$	1,486.2													

Contact Center Impact: Headcount Comparison for the three divisions of the Bank

This Full Time Equivalent Agent Headcount comparison shows the pre- and post- CRM Contact Center staffing for Agents, Supervisors, and Operations Personnel. Variable personnel headcount (agents and supervisors) is reduced approximately 6%.

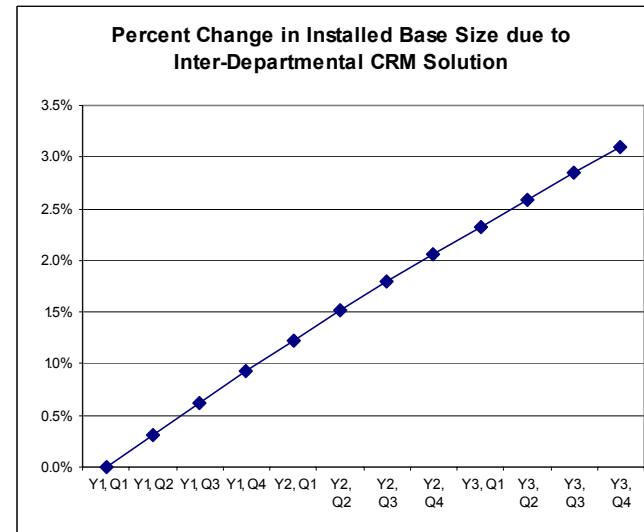
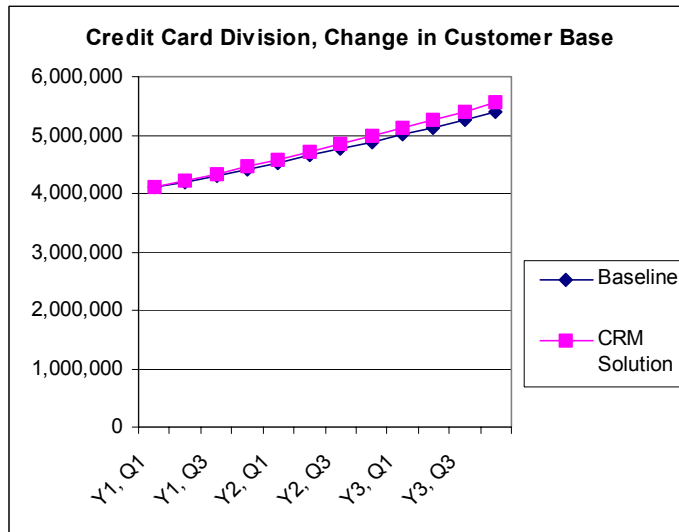
Total Average Quarterly Headcount

	Q1FY02	Q2FY02	Q3FY02	Q4FY02	Q1FY03	Q2FY03	Q3FY03	Q4FY03	Q1FY04	Q2FY04	Q3FY04	Q4FY04
Baseline Budget for a Large Bank	772.1	816.6	866.5	917.6	969.7	1,024.9	1,083.2	1,144.8	1,210.1	1,279.1	1,352.1	1,429.3
Inter-departmental CRM Solution	772.1	770.4	816.5	864.6	913.6	965.4	1,020.1	1,078.1	1,139.4	1,204.2	1,272.8	1,345.4
0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



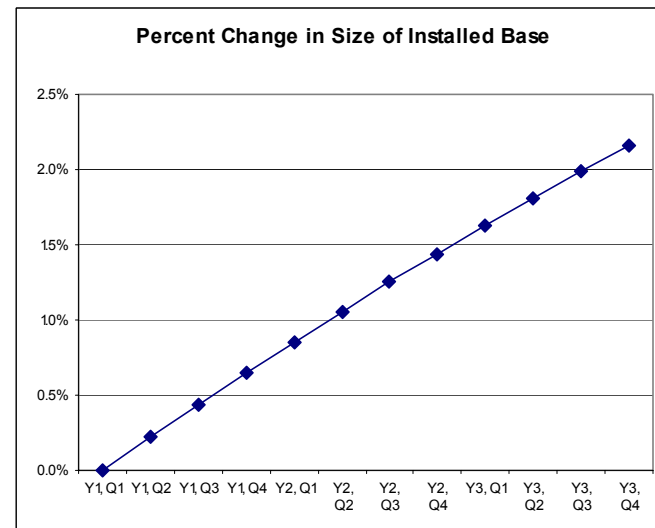
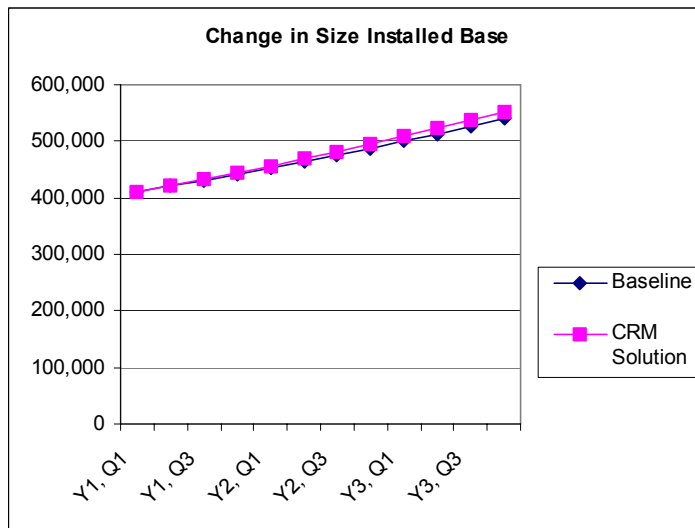
Business Unit Impact: Change in the Installed Base of the Credit Card Product Line

These charts compare the installed base of customers in the credit card division before and after the CRM solution is installed. This increase is due to an increased customer life cycle of 1 month from an average of 30 months to 31 months.



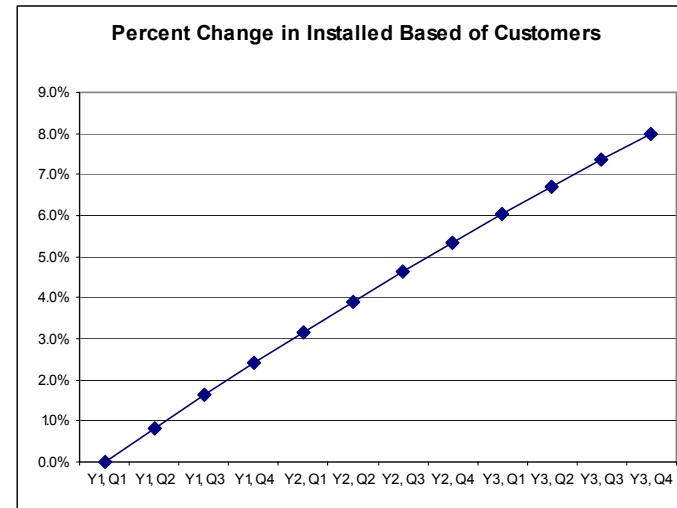
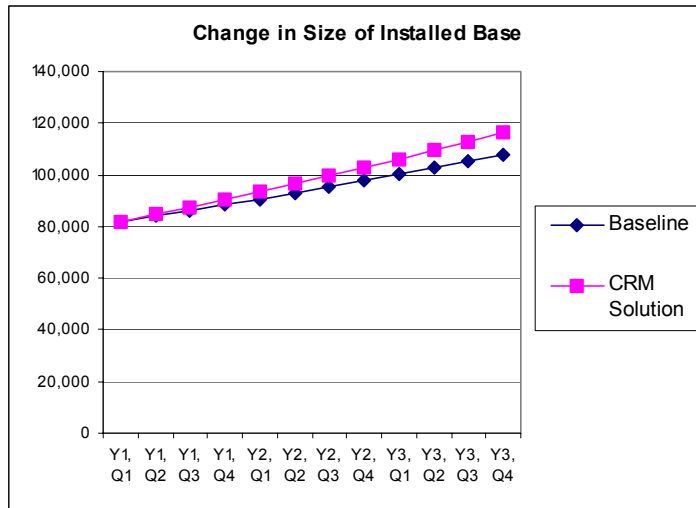
Business Unit Impact: Change in the Installed Base of the Retail Banking Product Line

These charts compare the installed base of customers in the retail banking division before and after the CRM Solution is installed. This increase is due to an increased customer life cycle of 1 month from an average of 36 months to 37 months.



Business Unit Impact: Change in the Installed Base of the Commercial Banking Product Line

These charts compare the installed base of customers in the commercial banking division before and after the CRM Solution is installed. This increase is due to an increased customer life cycle of 4 months from an average of 36 months to 40 months.



Details of the Process Model

Activity 1: Credit Card Support Calls

Task Number	Task Name
1	Caller in Queue, no Agent
2	Agent takes call
3	Agent Takes Call & Transfers
4	Agent with Caller in Queue
5	Agent Handles Callback
6	Wrap Up Time

Seconds to Accomplish the Task	
Before	After
30	30
240	238.5
180	180
30	30
240	238.5
60	60

Percent of Activity Volume Task is Done	
Before	After
102.0%	98.7%
94.0%	91.0%
3.0%	1.5%
3.0%	1.5%
3.0%	1.5%
50.0%	48.4%

Activity Volume:
Monthly Volume at Start of Plan:
Annual Growth Rate:

Number of Calls arriving at Credit Card Contact Center
500,000
10%

Activity 2: Retail Contacts		Seconds to Accomplish the Task		Percent of Activity Volume Task is Done	
Task Number	Task Name	Before	After	Before	After
1	Caller in Queue	30	30	102.0%	98.7%
2	Agent takes call	300	298.5	94.0%	91.0%
3	Agent Takes Call & Transfers	180	180	3.0%	1.5%
4	Agent with Caller in Queue	0	0	3.0%	1.5%
5	Agent Handles Callback	300	298.5	3.0%	1.5%
6	Wrap-Up Time	60	60	50.0%	48.4%

Activity Volume:	Number of Calls arriving at Retail Contact Center
Monthly Volume at Start of Plan:	250,000
Annual Growth Rate:	10%

Activity 3: Commercial Calls

Task Number	Task Name
1	Caller in Queue
2	Agent takes call
3	Agent Takes Call & Transfers
4	Agent Handles Callback
5	
6	

Seconds to Accomplish the Task	
Before	After
30	30
600	588
240	240
30	30
600	588
120	120

Percent of Activity Volume Task is Done	
Before	After
102.0%	98.7%
94.0%	91.0%
3.0%	1.5%
3.0%	1.5%
3.0%	1.5%
50.0%	48.4%

Activity Volume:
Monthly Volume at Start of Plan:
Annual Growth Rate:

Number of Calls arriving at Commercial Contact Center
 50,000
 10%