



Cisco Expo
2010

Innovation in Financial Services



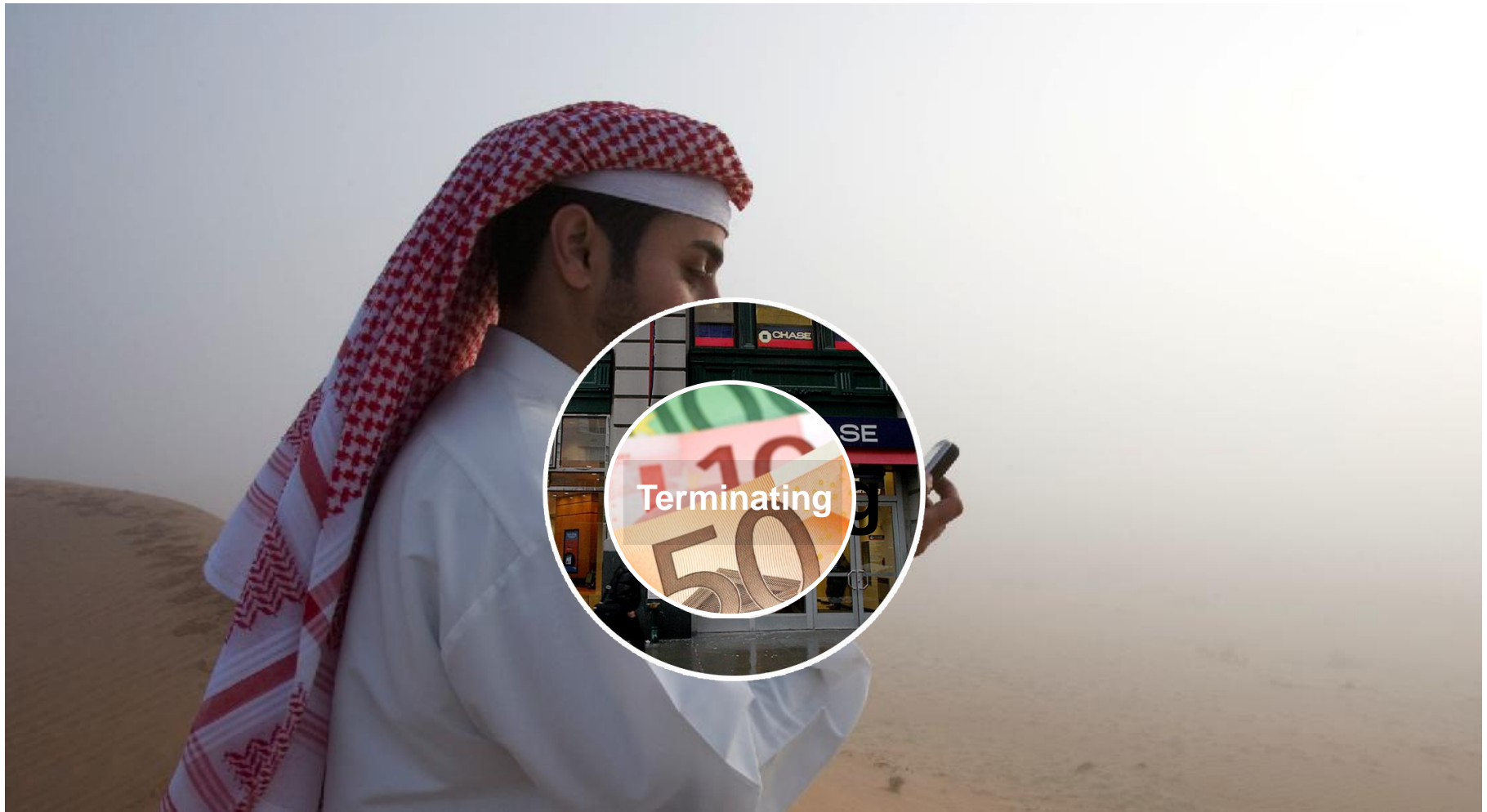
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Director FSI

Challenges



Market Change in Financial Services



What our Customers Say

What the Business needs:

- Reduce Operational Cost
- Increase Sales
- Improve Gross Margin through better productivity

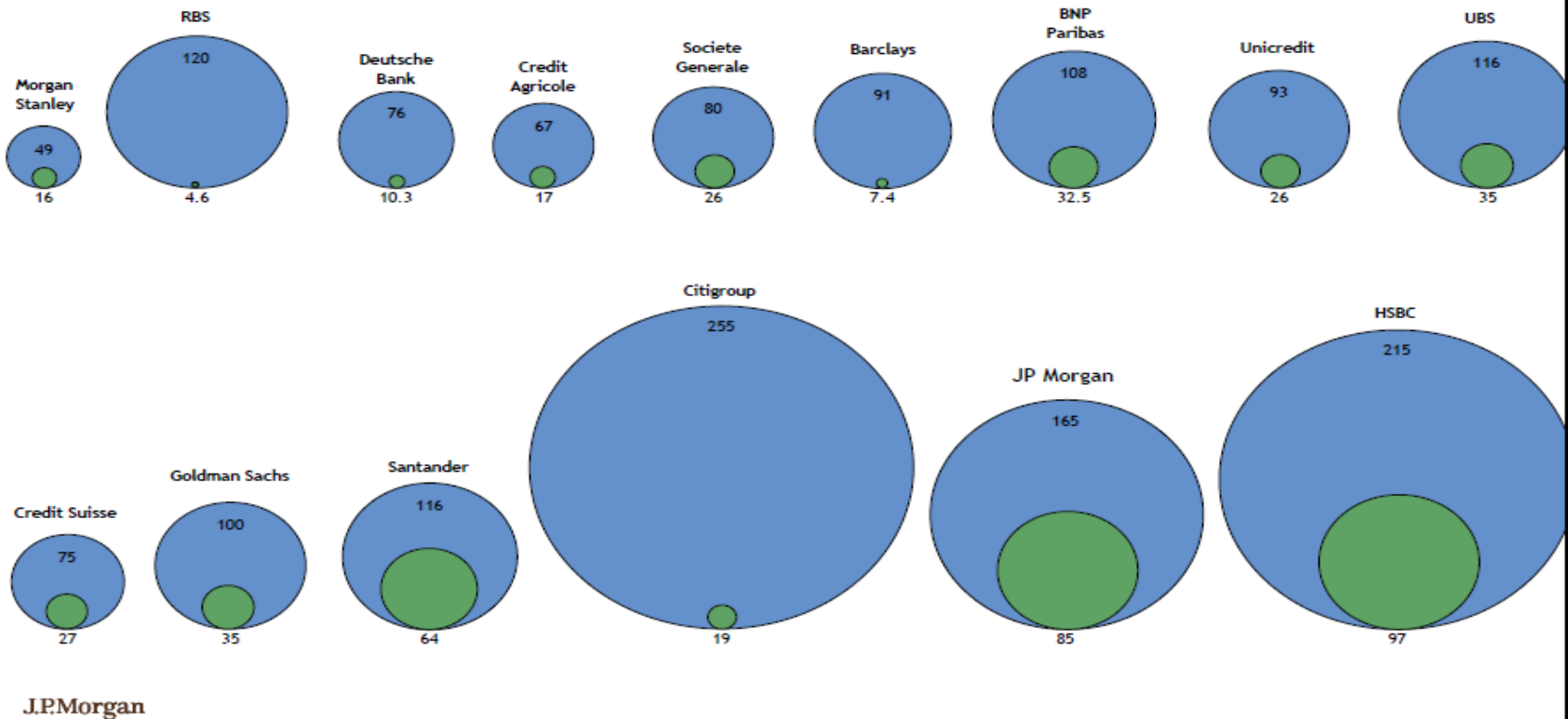
What our customers are saying:

- Move from Capex to Opex
- Reduce IT complexity (Complexity = Cost)
- apps, infrastructure
- Help us add value
- Work with us as we transform / continue to provide innovation

The World has changed....

Banks: Market Cap

- Market Value as of January 20th 2009, \$Bn
- Market Value as of Q2 2007, \$Bn



While JPMorgan considers this information to be reliable, we cannot guarantee its accuracy or completeness

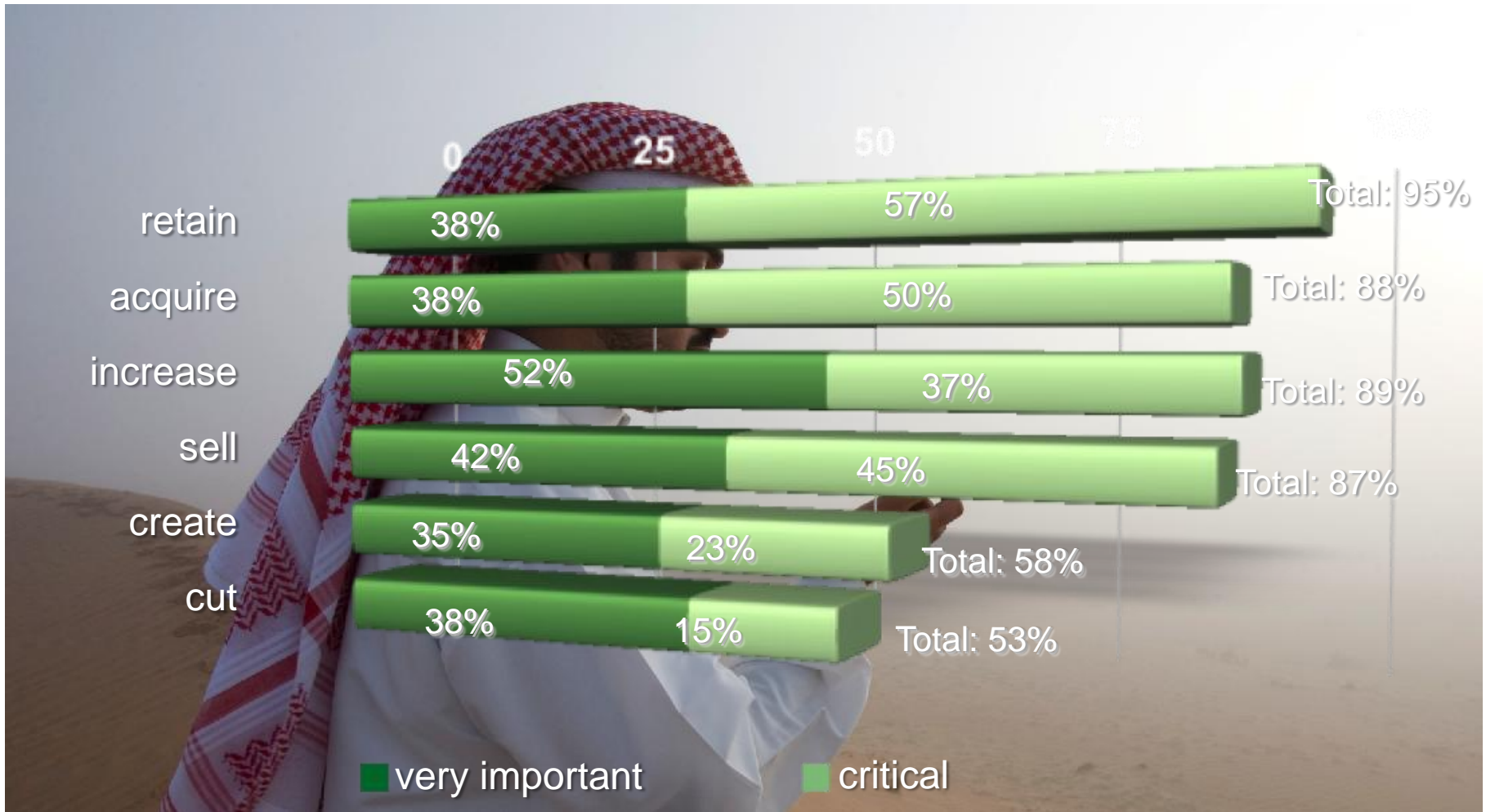
Source: Bloomberg, Jan 20th 2009

Empowering Business Transformation



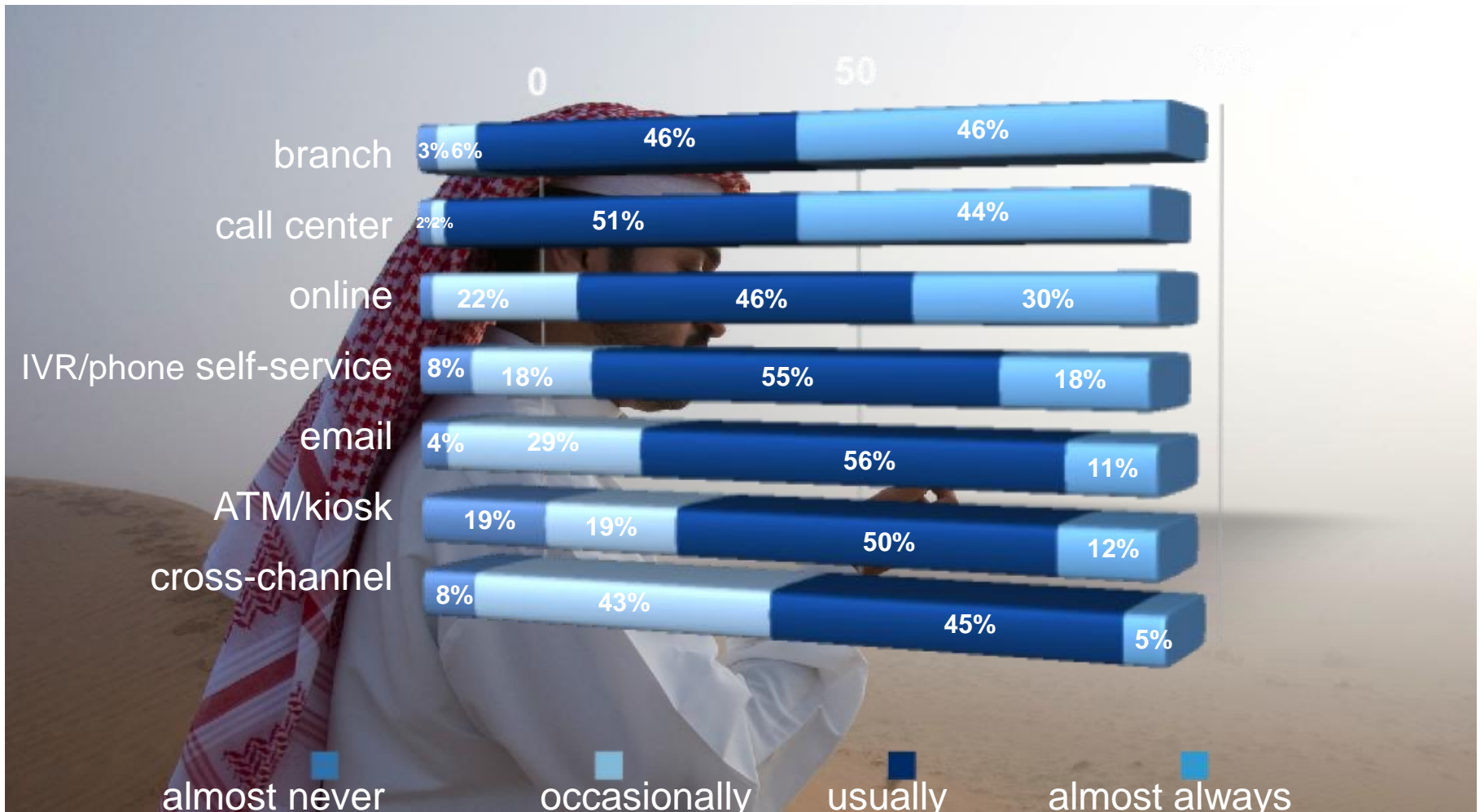
Transaction to Interaction

Follow the Money....



Source: Forrester Research, *Trends Retail Financial Services*, February, ; IBSG FS Customer Analysis,

But Customers want...



Source: Forrester Research, *Retail Financial Services*,

Customer Experience Matters...



- Increasing expectations
- Innovating on the customer experience
- Consistent processes

Customer experience is
an end-to-end supply chain

Solutions

- Virtual Expert
- Digital Media
- Sales Acceleration
- Virtual Treasury



Virtual Expert

- Specialist expertise availability without leaving the branch
- Connection through phone, web collaboration or video
- Reduces revenue leakage and increases cross-sell ratio
- Drives sales of higher margin/complex products (insurance, investments etc)
- Improved banker close ratio
- Increases specialist utilisation
- Increased margins



Smart customer interaction delivers cost effective “quality of conversation” to drive sales revenue growth

Optimized Customer Interaction enables Virtual Product Experts in the branches



1 Customer request outside Personal Banker's expertise



2 Personal Banker selects the "Expert" menu on the IP phone and presses corresponding "Mortgage" button



3 Call routed to the relevant specialist skill queue; next available specialist initiates phone call or video call to the PB's desktop



4 Specialist assists Personal Banker in making the sale; documents printed and signed by customer locally

Virtual Expert Example: European Banks



The NovaExperts service provides opportunity to communicate with a special consultant, and to jointly design a program tailored to suit customer housing, investment and insurance needs

In a specially configured space in branches, customers use advanced videoconferencing technology to connect to the NovaExperts service

Danske Bank



- In-branch access to experts via video calls, especially at **minimally staffed greenfield branches**
- Customers assigned a video-based Relationship Manager
- Early pilots indicate an increase of conversion rate of **25%**



Virtual Expert - Mortgage Example

Potential for Significant Incremental Revenues

An “Outside-In” Benefit Calculation for LATAM Bank
Business Assumptions

- # of Bank Branches: 500
- # of Bankers: 3 per Branch
- % of Sales Revenue ‘leaked’’: 10%
- Mortgage Sales / Banker / Month: 8
- Average Mortgage Amount: US \$50K
- Mortgage profitability: 3.5%

1) Monthly “Leakage” per Banker

Monthly Mortgages Sold per Banker	X	Revenue per Mortgage Sale	X	% of Revenue Leakage	=	Monthly Mortgage Revenue Leakage per Banker
8		\$1,750		10%		\$1,400

2) Monthly Revenue Captured By Virtual Sales Experts

Monthly Mortgage Revenue Leakage per Banker	X	Total # of Bankers	X	Closing Ratio of VSE's	=	Total Monthly Revenue Captured By VSE's
\$1,400		1500		25%		\$525,000

3) Yearly Benefit

Total Monthly Revenue Captured By VSE's	X	Months	=	Yearly Revenue Opportunity
\$525,000		12		\$6,300,000

USD \$6.£M
(not inclusive of additional labor costs)

Branch Media Management

Pain Points

- Long queues with no entertainment/information
- Unclear where to go in the branch for speedy service
- Poor product placement and unavailable or uninspiring content
- Uninformed staff and reliance on follow-up communications
- Lack of community relevance/personalization

Digital Signage

Benefits

- More inviting environment with entertainment and information while in line
- Directional information that can change dynamically
- Dynamic and compelling product information
- Better trained staff
- Targeted and relevant local content and communications in the branch



Maximum Benefit when Aligned with Branch Business Initiatives
(Product Introductions, Demographic Segmentation, Community Building, etc.)

Rich Media Communications also improves overall operational execution

Key Drivers for Better Executive and Corporate Communications in Financial Services

1. Fostering consistent corporate culture

Improving the timeliness and reach of communications to geographically distributed branch network

2. Regulatory and compliance adherence

Improved adherence through faster and more accurate communications

3. Accelerated Mergers and Acquisitions

Faster integration of business units and uniformity of process and procedures



The Importance of Visual Interaction A Person Remembers...



20%
of What
They Hear



30%
of What
They See



70%
of What
They See
and Hear

Importance of Visual Traffic*

- 30% of brain's cortex devoted to vision, 8% for touch and 3% for hearing
- More than 60% of communication is non-verbal
- **52% of video advertisements lead to a response**

Banker Sales Acceleration

Accelerate Peer-to-Peer Interactions and Training to Build Front-line Skills to Generate Top-line Growth

- Combines content management and Unified Communications technologies
- Shortens time-to-competency through bandwidth-efficient delivery of knowledge assets
- Enables best practice sharing through social networking
- Accelerates on-boarding and reduces staff turnover
- New product launches in days rather than weeks accelerating time to volume
- More reactive to market opportunities



Banker Sales Acceleration example: Training new banker hires



1 New hire reviews knowledge alerts and training curriculum on the bank's learning management system (LMS) portal

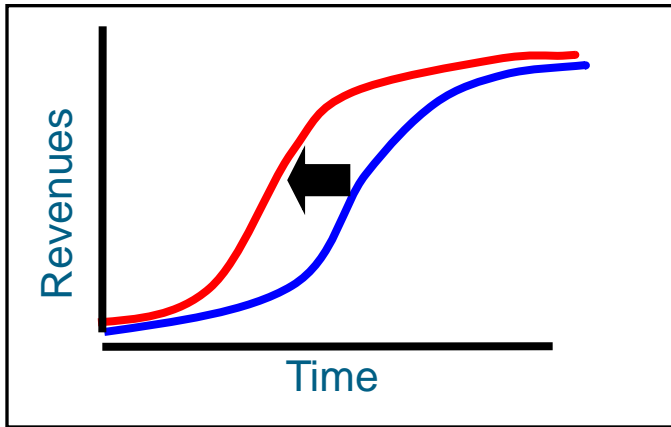
2

- New hire clicks URL in the LMS portal to auto-launch content
- If training is live, new hire selects IM, phone, or email for questions
- If not, VOD stored on local content engine is launched
- Course begins

3

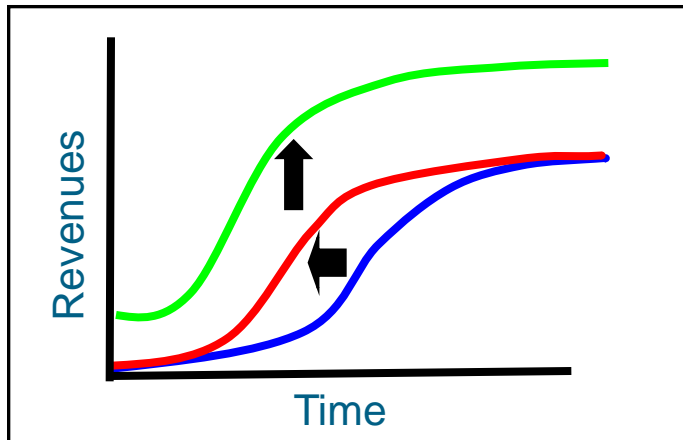
- LMS prompts for brief optional online survey
- New hire takes online test of course knowledge
- Results saved in LMS

Highlights of Economic Impact



Ramp up new bankers faster

- Accelerates banker ramp up to steady-state annual sales (from blue to red line)
- Reduces costs and revenue downtime by keeping bankers in the branch



Launch new products faster

- Accelerates product ramp-up to annual sales forecast (blue to red line)
- Improves personal sales production
- Increases annual capacity for product launches (red to green line)

Virtual Treasury

Enabling corporate specialists to spend more time in client engagements, increasing revenue, without incurring additional costs.

Enhanced communications enable faster agreement & stakeholder decisions



Virtual Treasury

Business Benefits

Unwinding the complexity of products, services & new instruments

Accelerate execution & decision making

Real time management of corporate portfolio

Enhance relationships through Value-added Services

Management across multiple treasury entities

Competitive brand differentiation & improve sales capability

Facilitation of complex transactions (M&A)

Reduce internal travel costs



The Virtual Treasury Landscape

Your “window” to your Corporate Customers



Summary

Enabling Business Value

Increase Sales:

- Virtual Business Expert
- Branch Media Management
- Banker Sales Acceleration

Improve Gross Margin/ Operational Efficiency:

- Banker Personal Productivity
- Branch Media Management
- Virtual Business Expert
- Banker Sales Acceleration

Reduce Operational Cost:

- Digital Surveillance
- Branch voice recording
- Data Centre 3.0
- TelePresence

Conclusion

“Vision without action is merely a dream. Action without vision is just passing time. Vision with action can change the world.”



Nelson Mandela
President of
South Africa
1994-1999



CISCO