

A Franchise Enhancement Opportunity

Service-Based Cross-Selling

A Strategic Cross-Selling Approach

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In recent years, successful customer service-based cross-selling strategies, aligned to meet the underlying challenges of cross-selling when properly executed, have proven to be significant sources of increased customer franchise value.

Introduction - A Strategic Cross-Selling Approach

From our perspective, cross-selling is really all about adding value to the customer relationship. The challenge lies in designing a scalable cross-selling approach that provides an economically viable and relationship-relevant context, for customer consideration of a value-added proposition addressing an immediate need or opportunity.

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Service-Based Cross-Selling

...A strategic opportunity to turn a relationship servicing cost center into a relationship enhancement profit center directly enhancing and monetizing relationship value.....



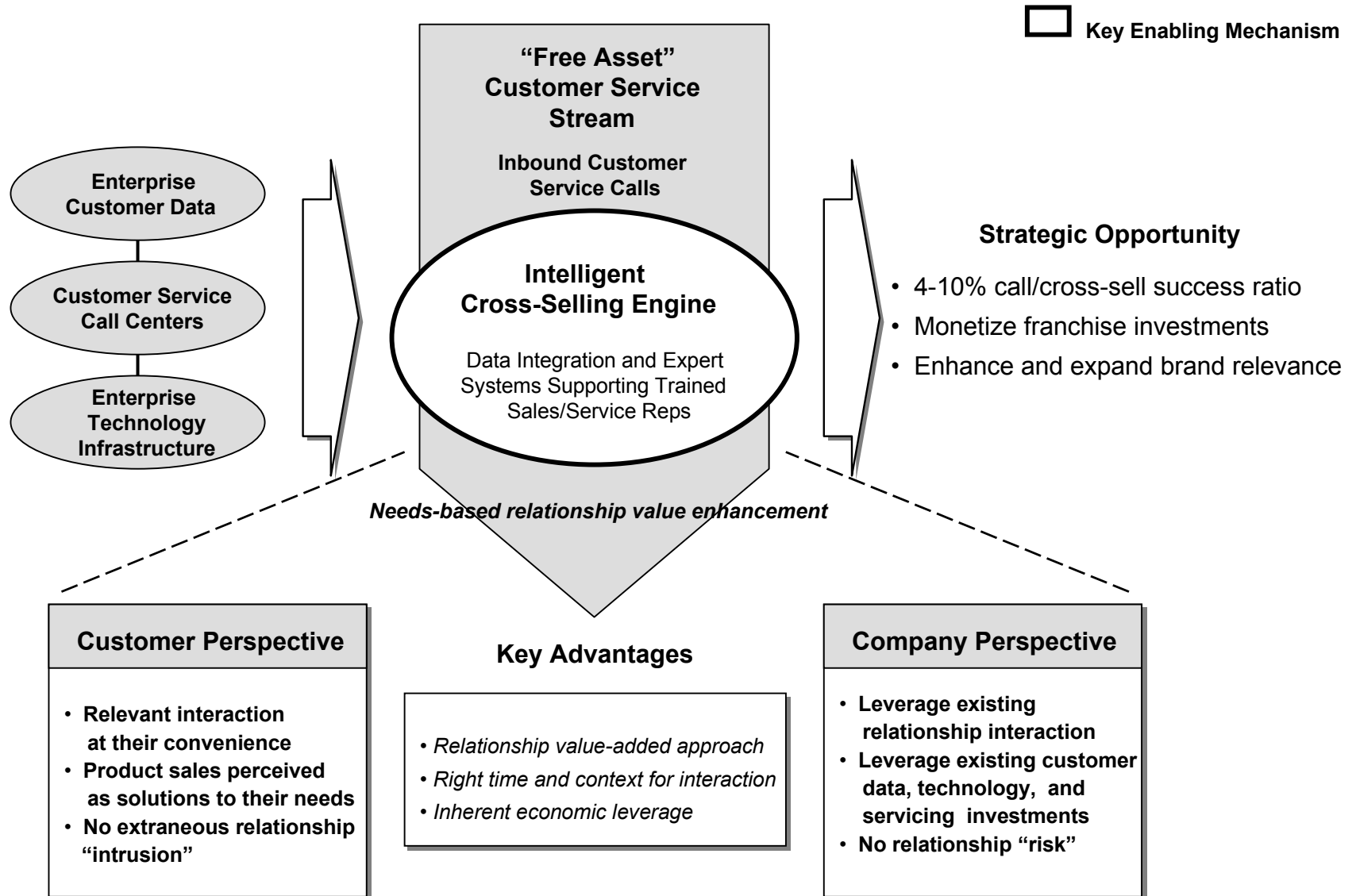
...Aligned to the Key Principles of Successful Strategic Cross-Selling....

- **Relationship value-added approach**
- **Right time and context for interaction**
- **Inherent economic leverage**

** Meridian Strategy Group principals were early pioneers of this strategic cross-selling approach several years ago. As a significant source of both business growth and brand enhancement, this approach has gained widespread attention and is quickly becoming an integral part of customer maximization strategies in many leading financial services organizations.*

The Service-Based, Intelligent Cross-Selling Engine strategy leverages a “free asset”, the inbound customer servicing stream, with customer knowledge, and trained, systems-supported service representatives, to offer a range of proactive value-added solutions to identified client needs.

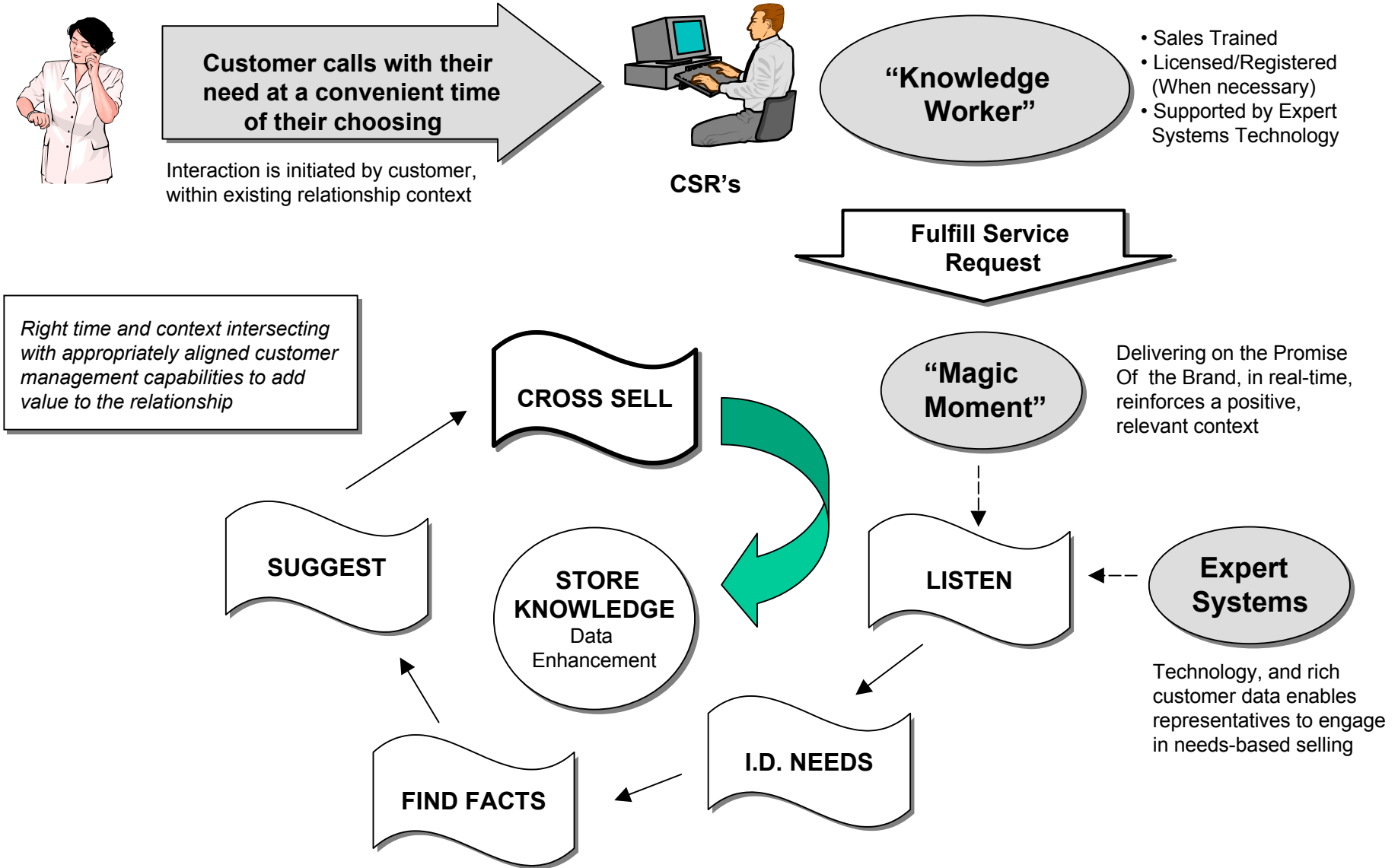
Intelligent Cross-Selling Engine Strategic Overview



The Intelligent Cross-Selling Engine strategy is a relationship value enhancement approach that engages a needs-based selling process through a knowledge worker supported by expert systems, leveraging the “Magic Moment” of customer interaction within the existing relationship context.

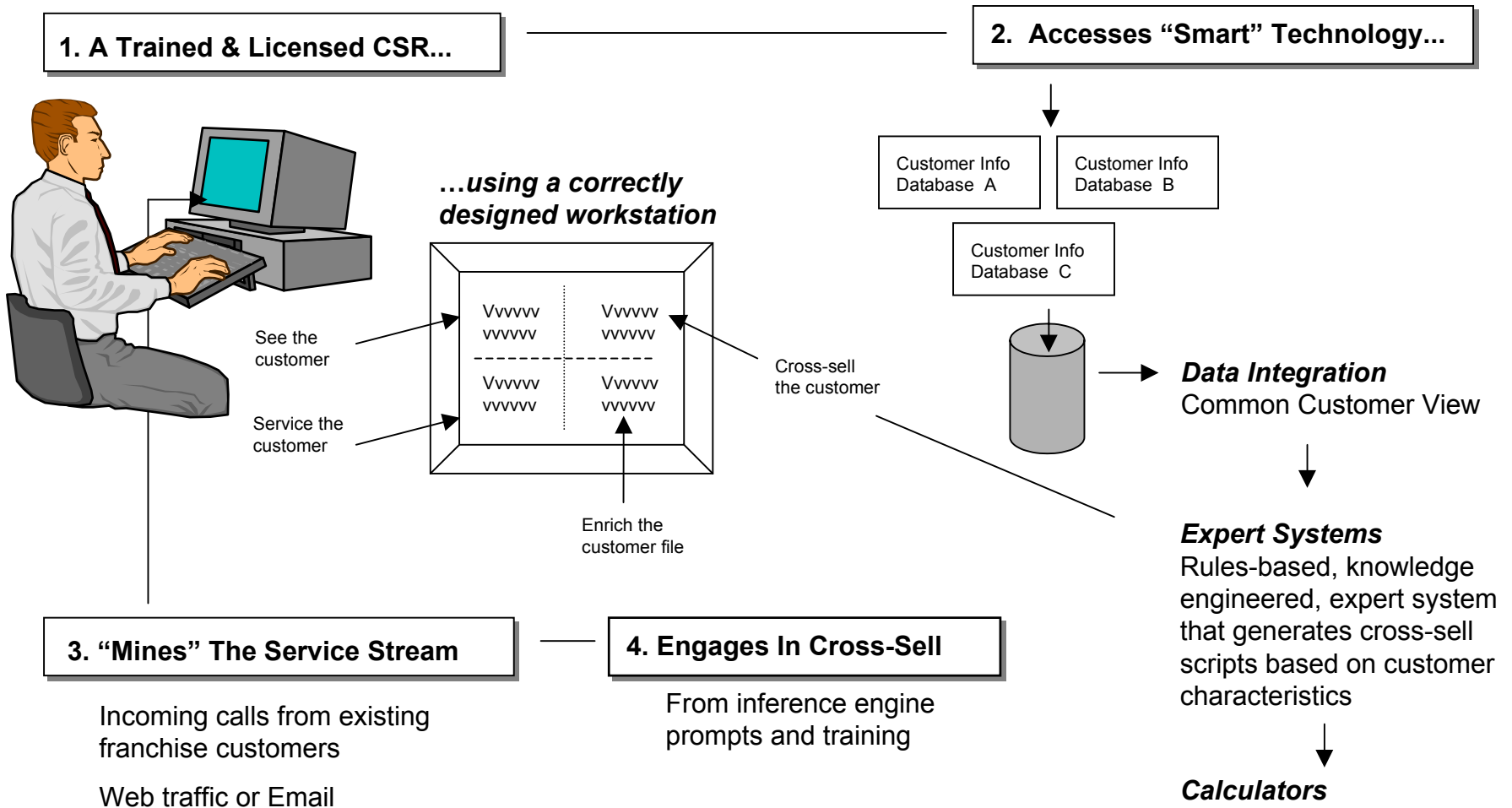
Service-Based Cross-Selling Context Overview

□ Key Enabling Components



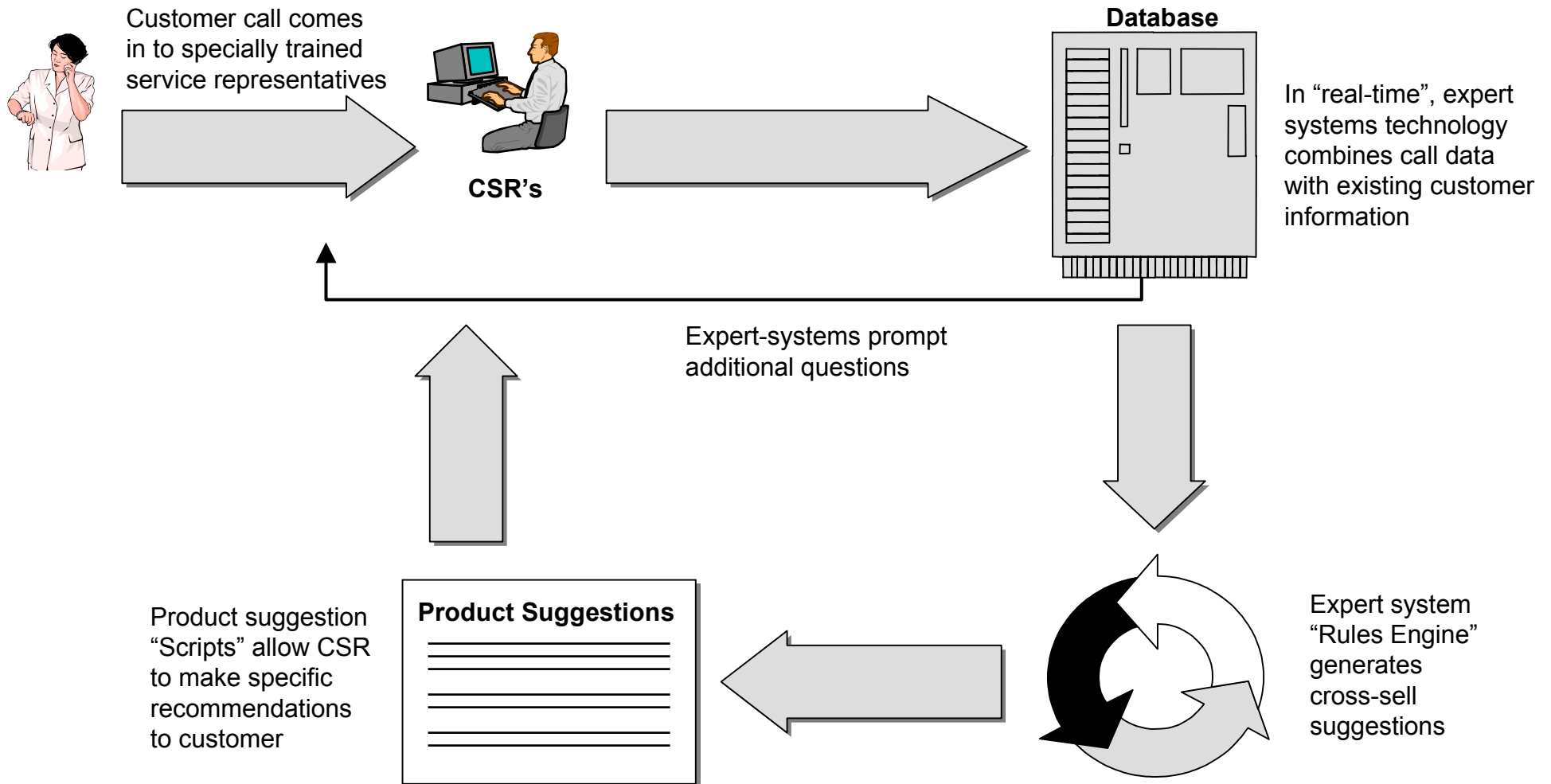
The Intelligent Cross-Selling Engine approach allows a customer service representative to do what a professional sales person would do, with training and systems support.

Expert-Systems Enabled CSR "Knowledge Worker"



The Intelligent Cross-Selling Engine's needs-based selling process is made actionable by expert systems, leveraging and enhancing existing customer information databases and customer management infrastructure.

The Technology-Aided Cross-Selling Process

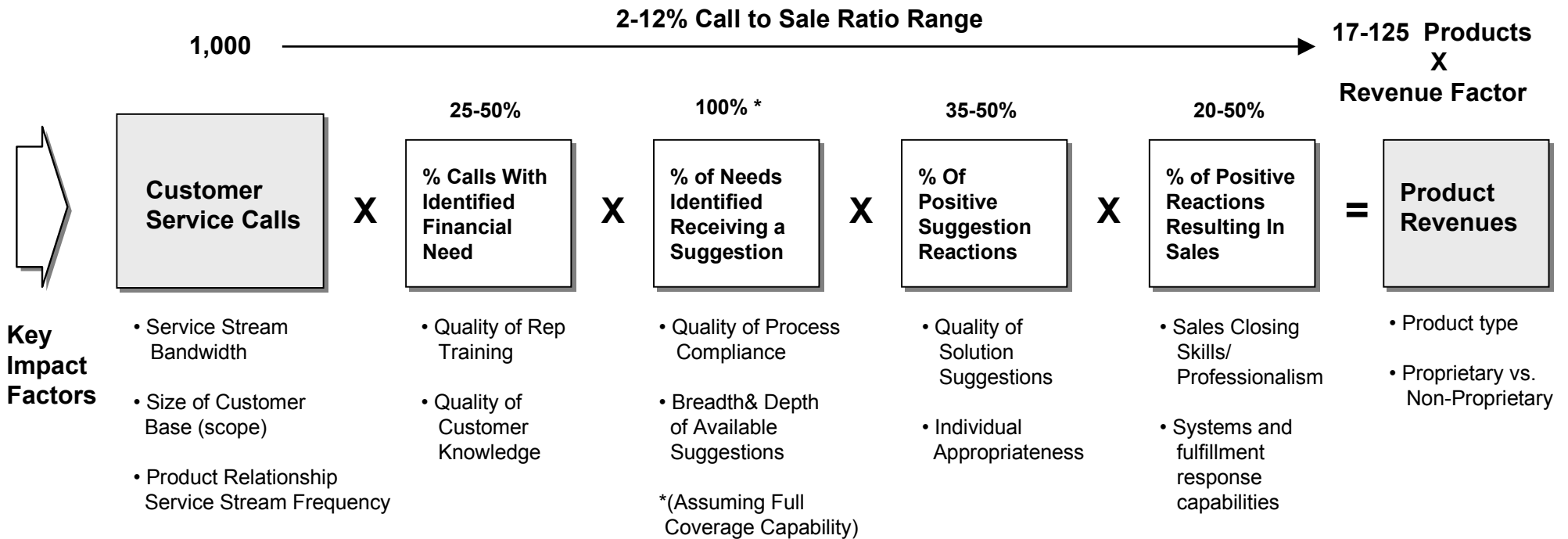


Custom tailoring this strategy and applying best practices will maximize cross-selling efficiency, thus maximizing the opportunity to leverage the service stream in building significantly deeper and more valuable customer relationships.

Intelligent Cross-Selling Engine Efficiency

Intelligent Cross-Selling Engine Efficiency Drivers

Hypothetical 1000 service call stream



Source: Meridian Strategy Group

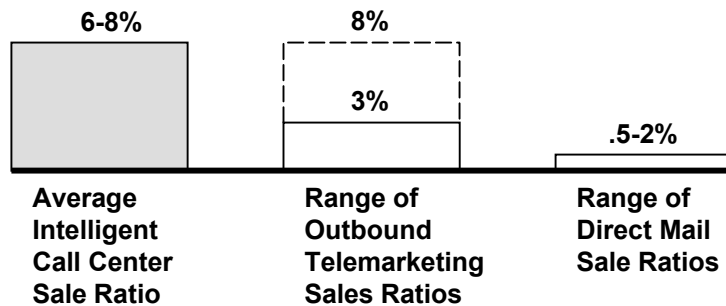
The Intelligent Cross-Selling Engine strategy provides demonstrably superior economic leverage. By leveraging the existing customer service interaction with intelligent value-enhancement capabilities, product sales ratios and acquisition expense ratios are far superior to the historical industry experience.

Inherent Economic Leverage For World-Class Economics

“Free” customer contacts within the right context, plus intelligent systems, equal world-class client acquisition efficiency

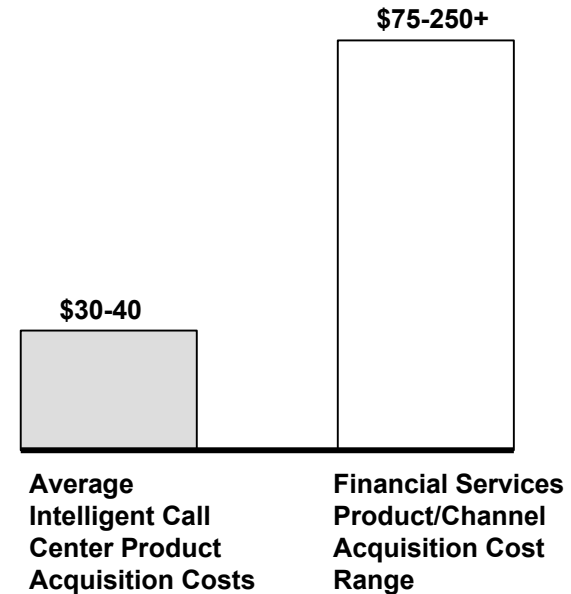
Average Sale Ratio

Intelligent Service Engine vs. Direct Marketing



Average Product Acquisition Cost

Intelligent Service Engine vs. Industry Averages



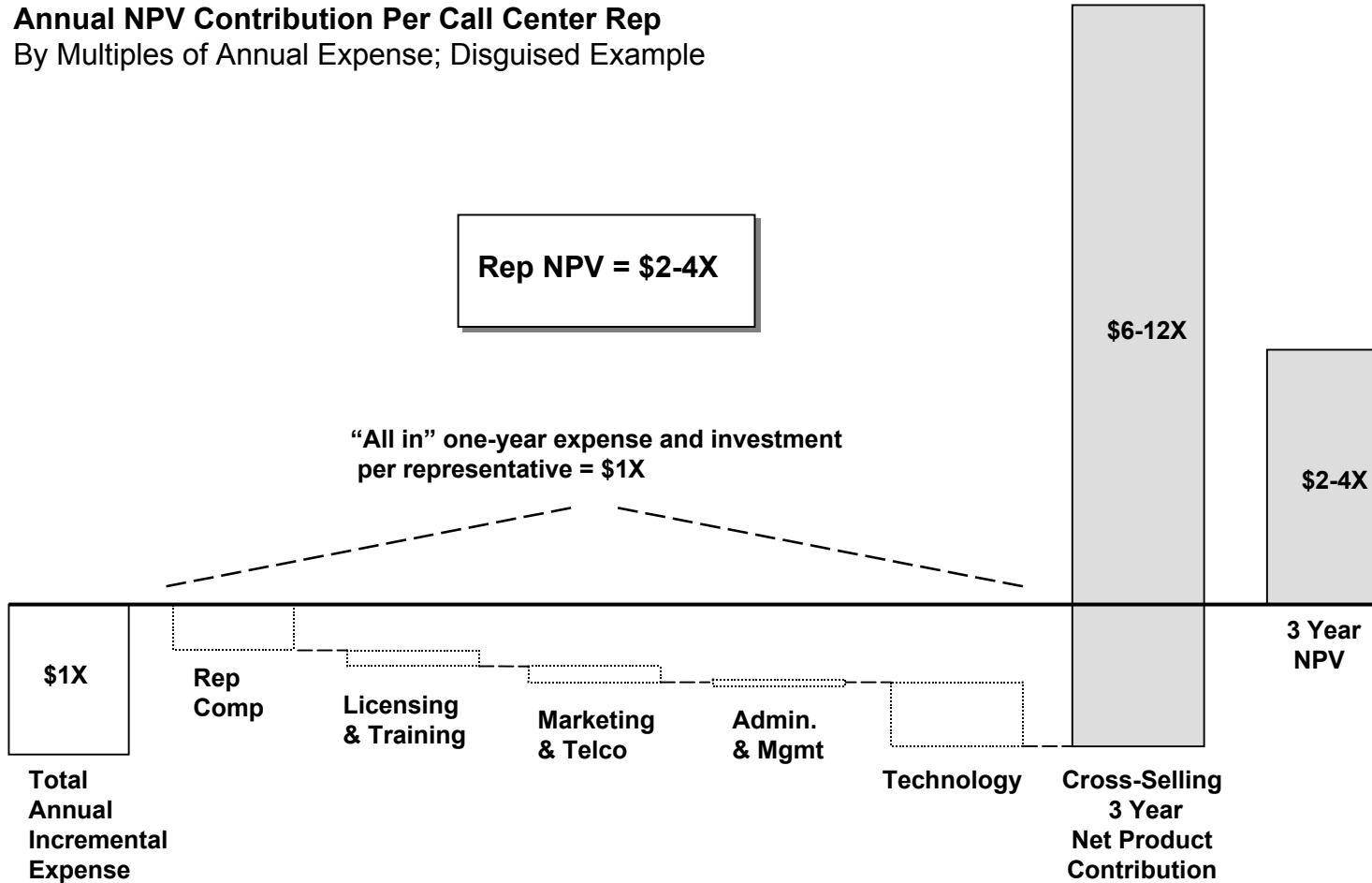
Source: Meridian Strategy Group

The economic dynamics of this strategic cross-selling approach are highly favorable, with each cross-selling service representative having a three year NPV of between two and four times annual incremental expense, representing a tremendous return on investment.

Intelligent Cross-Selling Engine Economic Value

Illustrative

Annual NPV Contribution Per Call Center Rep
By Multiples of Annual Expense; Disguised Example



Source: Meridian Strategy Group

Service-Based Strategic Cross-Selling Implementation

Meridian Strategy Group principals bring extensive service-based strategic cross-selling design and execution experience to our clients, offering a range of strategic development services to help clients successfully implement and optimize this strategic cross-selling approach.

Meridian Strategy Group Support Services Include:

- *Enterprise opportunity and strategic fit assessments*
- *Enterprise operational capabilities assessments*
- *Enterprise technology assessments*
- *Tailored strategic and operational designs*
- *Key enabling component development*
- *Comprehensive implementation plans*
- *Pilot design and testing*
- *Change Management planning and support*
- *Overall project management and roll-out support*