

xchange Client Success Story

Fidelity Personal Investments

Investment Firm Shrinks Cycle Time and Boosts Productivity

"A typical \$1 billion company could increase profits by \$150 million by achieving top performance in CRM."

- Accenture (formerly Andersen Consulting)

The Business Challenge

In late 1999, Fidelity Personal Investments (FPI) reaffirmed a commitment to its customer relationship management (CRM) strategy as a way to retain profitable customers and boost return on investment (ROI). Already a successful marketer with sophisticated communications channels in place, FPI was looking to stay ahead of the competition by streamlining its marketing process, resulting in smaller lists on a more timely basis. Integrating an automated campaign management component capable of helping the firm market more efficiently to individual investors (particularly through the Web) was key to reaching that goal.

Specifically, FPI wanted to:

- Empower non-technical business users to develop, execute and monitor campaigns
- Move increased list pull activity from technical resources programmers
- Easily and inexpensively run automated trigger campaigns
- Reduce campaign cycle time to improve relevance to the FPI customer
- Boost flexibility so sponsors can amend list requirements closer to the execution date
- Leverage its investment in other CRM technology

Life Without an Automated Campaign Management Tool

Though FPI's marketing efforts were considered successful without automated campaign management, the actual process relied heavily on technical resources and took a very long time. It routinely took between two and four months for a request to cycle through the queue and for request-



Measurable Benefits

By integrating Xchange Campaign™ into its CRM strategy, Fidelity Personal Investments has achieved the following:

- The List Management Group nearly doubled campaign list production in one year
- Individual List Project Managers (LPMs), the non-technical campaign end users, each created about 22 additional Xchange Campaign initiatives, while decreasing the number of non-Xchange Campaign initiatives with which they were involved



- LPMs can now get marketing lists out in a more timely manner, shrinking waiting time from months to about 12 days for a from-scratch Xchange Campaign list
- LPMs can easily create and schedule weekly and daily trigger campaigns



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ed lists of customer segments to be delivered to the lettershop or phone center. Campaign sponsors, such as Vice President of Marketing Neil Stanton, first had to submit a request to the ad hoc programming group that was technically focused and in high demand. Next, the sponsor had to wait for an ad hoc programmer to be assigned to the project and for the campaign to be designed and ultimately executed. After the completion of the campaign, the code was rarely reused. If sponsors wanted to run the campaign again in the future, they had to begin the process anew.

This process had several serious drawbacks. For example, sponsors were rarely able to alter the list once it had been requested - even if business realities had changed since the request was initiated. That meant sponsors might end up with an inappropriate list that no longer reflected their marketing objectives. In the rare cases when sponsors felt so compelled by changing business needs that they *had* to revise the list, they risked incurring the wrath of both the ad hoc programmers and other sponsors waiting in the queue.

"I tried not to request changes, but often I found I simply had to," said Stanton. "I truly felt bad because I knew I was upsetting the entire process and possibly even delaying other sponsors from getting their campaigns executed on time. But, I didn't think I had a choice."

Information stored in FPI's data warehouse was time consuming to access; by the time it was retrieved, the information was often old or the business environment had changed.

Additional obstacles included the ad hoc programming queue itself and the fact that code was created for one-time use. Because of the time between campaigns and the custom analysis on each one, programmers often found themselves having to code new solutions to problems that had been solved a few months prior.

"Because campaigns took so long to complete, sponsors often took great pains to request only the most basic, simple campaigns because they were the quickest," continued Stanton. "More sophisticated campaigns, though likely more beneficial to the company's overall marketing goals, simply took too long and required too many resources."

The Solution: Xchange Campaign™ Decreases Cycle Time and Enhances Responsiveness

As part of the company's 360-degree, closed-loop CRM strategy, FPI implemented Xchange Campaign™ (previously called VALEX™) in November 1999 to provide automated campaign management capabilities. Xchange Campaign helps users measure customer value, develop communications strategies, manage cross-channel interactions and capture and measure communications effectiveness. By integrating robust customer intelligence and customer interaction functionality, Xchange Campaign helps FPI identify customer opportunities that drive profitable growth, personalize customer communications, deliver consistent customer experiences across all interaction channels (including the Web); and it measures the effectiveness of these strategies across the enterprise.

Over the past year, Xchange Campaign has helped FPI streamline its marketing efforts for greater effectiveness. Using the campaign management tool, FPI decreased cycle times by enabling non-technical users to develop and run campaigns and boosted productivity of

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non-technical users (List Project Managers, or LPMs) by enabling them to complete more campaigns without IT assistance. The software increased the total number of campaigns the company ran.

Moreover, Xchange Campaign enables FPI to record every single customer interaction and makes that information available for future campaigns. Reusable code saves both time and money, and it helps FPI respond more quickly to its sponsors. Because Xchange Campaign allows non-programmers to create campaigns, the company's SQL programmers have time to tackle more analytical and complex tasks, as well as produce reusable programs.

Thanks to the company's new data mart, which FPI built in order to use Xchange Campaign, FPI is also able to provide sponsors with more useful information. Though creating the data mart required significant effort, it has allowed FPI to better transform *data* into *information* - a value-add appreciated by the company's sponsors.

Xchange Campaign also provides FPI with sophisticated customer segmentation capabilities. Segment Manager, a fully integrated component of Xchange Campaign, enables FPI to further refine a campaign by defining and working with the specific segment populations the company wants to target. FPI can partition the contact group based on sponsor-defined dimensions, reduce the number of individuals in a contact group by setting limits on segments and save information including all defined limits for future use.

These capabilities help FPI remain competitive with other financial services firms also looking to attract and retain profitable customers. According to the GartnerGroup, more than 90 percent of large U.S. banks will use customer segmentation analysis by 2005 to support customer-facing activities, such as cross-sell prompts and personalized messages.¹ Companies without these types of sophisticated techniques will have difficulty competing. The GartnerGroup predicts that through 2005, 70 percent of marketing departments at retail banks that rely solely on traditional marketing methods will not only fail to acquire and retain profitable customers, but will actually cross-sell products that decrease a customer's profitability.²

Cost-Effective Trigger Campaigns

Xchange Campaign also helped FPI leverage its investment in other CRM technologies. FPI's trigger engine, for instance, is completely integrated with Xchange Campaign, enabling LPMs to create and schedule low-cost weekly and daily trigger campaigns as part of FPI's CRM initiative. These recurring campaigns incorporate triggers that respond to customer behavior and timed events.

For example, FPI can run a trigger campaign that involves tracking customers' address changes on a weekly basis. By coordinating with Xchange Campaign, the trigger engine automatically sends an email or postcard to the relocating customer promoting relevant services such as roll-over accounts or inquiring whether the customer needs assistance with any move-related investing issues. Because the entire process is automated, costs for trigger campaigns are minimal. Because they are targeted and timely, past results show that triggers are more likely to be effective. As a result, the company, which did not run these types of campaigns prior to implementing Xchange Campaign, expects to aggressively pursue trigger campaigns in 2001.

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¹ "Banks: Get Customer Data to Touchpoints for CRM Support," June 30, 2000.

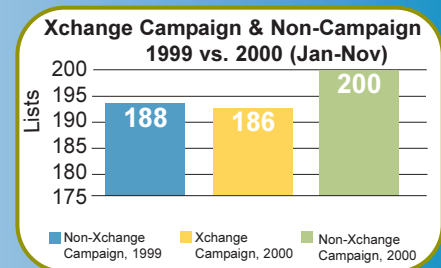
² "Retail Bank Marketing: From Revenue to Profit," September 26, 2000.

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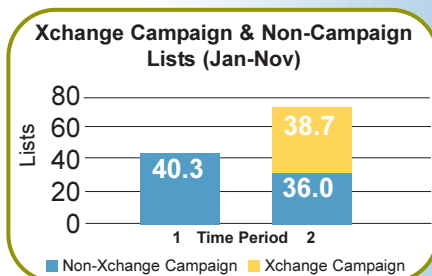
Results

Since implementing Xchange Campaign, FPI has achieved significant measurable results. The following is a comparison of metrics related to the campaigns/lists created between January - November 1999 (Period 1) and January - November 2000 (Period 2).

Using Xchange Campaign, the List Management Group has been able to nearly double campaign list production in one year. In Period 1, LPMs developed 188 non-Xchange Campaign lists/campaigns - all through ad hoc programmers. In Period 2, with Xchange Campaign firmly in place, the LPMs created another 200 non-Xchange Campaign lists/campaigns -- but the LPMs also produced 186 Xchange Campaign-based lists/campaigns, as noted in the following chart. The number of Xchange Campaign-based initiatives will increase in the next period while non-Xchange Campaign initiatives will remain static. (See chart to right.)



Xchange Campaign has also allowed individual LPMs to generate an additional 36 Xchange Campaign initiatives each, on average, and reduce the number of non-Xchange Campaign initiatives they were responsible for. (See chart below.)



Xchange Campaign has significantly enabled LPMs to deliver marketing lists in a more timely manner. In pre-Xchange Campaign days, lists that went into the ad hoc queue were often scheduled months into the future. With the expansive responsibilities placed on ad hoc programmers, these long waiting periods were inevitable. Today, LPMs can complete a requested list and distribute it to the delivery channel in about 12 days.

Working Quicker, Smarter

Since Xchange Campaign's launch in late 1999, FPI has been able to close the loop on its CRM strategy and build a more effective marketing process. Xchange Campaign has contributed greatly to FPI's marketing success by helping the company focus more closely on specific customer segments. Presently, the company is testing its entire CRM system, including Xchange Campaign, as a way to confirm the effectiveness of FPI's CRM infrastructure and further expand its conversation with customers.

About Xchange, Inc.

Xchange, Inc., helps companies focus their resources on customers who represent the best long-term profitability. Xchange delivers results by instilling a profit-focused discipline in the organization, coordinating all touch points and creating a personalized dialogue with the most valuable customers. These solutions are impacting the bottom line at approximately 275 client sites worldwide. For more information, visit <http://www.xchange.com>.

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