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A Fresh Approach to Capitalizing on the Global Wealth Opportunity

Client Needs Discovery: A Powerful Tool to Improve Your Results

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Industry Overview: Latent Value Requires A Change Agenda

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Elements of Transformation

Manage my investments	**Customer Expectations**	Manage my wealth (individual) Manage retirement program as a strategic asset (institution)
Buy disparate tools	**Technology Deployment**	Redesign your business processes & embed them in your technology
Competitive differentiation anchored around product	**Competitive Differentiation**	Create differentiation through an enhanced client experience
Manage financial & Operational risk	**Risk Management**	Manage increasing brand & enterprise risk, heightened by greater public scrutiny
Transaction-based & Silo'd	**Business Model**	Build an integrated wealth system that institutionalizes the client relationship

Global WM, a Growth Business with Shifting Demographics Driving Changing Demands

New Wealth Mindset

- Viewing Wealth in New Ways
  - I see wealth as an enabler of a better life
  - Give me objective advice not just products
  - I want to direct, but do it for me
  - Dissatisfied with current expert/service models
- Seek Advisors with New Answers
  - Holistic advice
  - Single relationship quarterback
  - Complete solution, not just products
  - Simple, consolidated reporting

The traditional models don't meet these new needs

Unmet Needs Create Tremendous Opportunity

Desire for a Single Trusted Advisor

- 70% want to go to one institution for all needed specialists and services (up from 59% in 2000) (NFO)
- 83% expect their advisor to understand their total financial picture (Spectrem Group)

Unhappy With Current Options

- 10% drop in HNW holding 60%+ of assets with one provider 2001 to 2003 (TNS Intersearch 2003)
- Only 59% "satisfied" with their financial advisor (Spectrem Group)
- 43% are considering switching advisors: 31% did not change because of lack of viable alternatives (Spectrem Group)

What does this mean to the P&L?

Strategic Imperatives

Grow Revenue
- Differentiate via client experience
- Strengthen client acquisition processes
- Broaden share of wallet

Manage Cost And Risk
- Institutionalize consistent relationship model
- Streamline fragmented processes
- Monitor and control risk (compliance & enterprise)

Leverage Resources
- Focus capital on client facing activities
- Participate in shared innovation expenditures

Quick Poll Results

Most important factor in customer satisfaction?

- 70% said client relationship
- 5% said investment expertise

Biggest reason clients leave

- 75% reported poor client service greatest factor for clients leaving

Biggest challenges

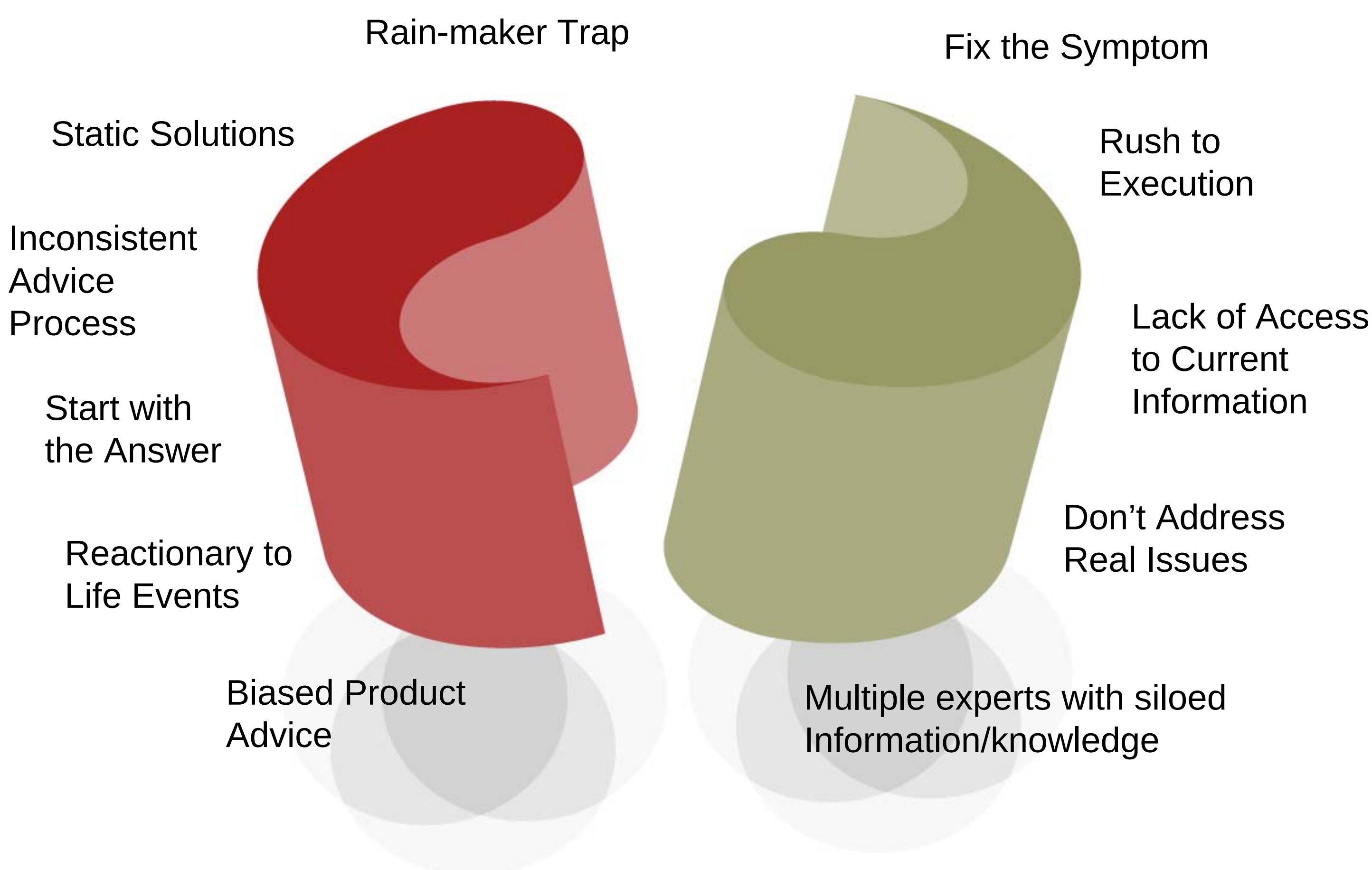
- 42% said technology was biggest challenge in operationalizing client process

Grow Revenue

Manage cost and risk

Leverage resources

Current Financial Services Model is Broken



Have You Experienced Any of These Issues?

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Transforming to Win: Working with Partners

Discovery Transformation Recommendations

- People and processes
  - Holistic process
  - Carefully selected wealth advisors
- Creative tools and experiences
  - Easy to use
  - Focused on engaging the client
- Segmentation
  - Enabling the adviser
  - Empowering the process
- Facilitation techniques
  - People skills
  - Communication skills
- Proper environment
  - Private
  - Relaxing

Questions to ask yourself

- *Employees*
  - Do they have the right attributes?
  - Do your hiring, training, and compensation processes support the creation of holistic wealth advisors across your entire company?
- *Client processes*
  - Have you charted the process from lead generation to mature, continuing relationships?
  - Do you use creative tools and methods to intimately know each client?
  - Does your market segmentation accurately tailor offerings to your clients' needs?
- *Tools*
  - Do you use creative, interesting tools and techniques to quickly develop an intimate knowledge of each client?
- *Market Segmentation*
  - Does your segmentation help you tailor your offering to your clients' needs or does it box them into a pre-defined set of products?

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