



Driving Competitive Advantage with Comprehensive Customer Information Management

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***RBC Financial Group
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Royal Bank of Canada Corporate Profile

- Royal Bank of Canada (TSX/NYSE: RY) is Canada's largest bank & one of North America's leading diversified financial services companies
- Employs over 63,000 people*
- More than 14 million personal, business, and public sector clients*
- Market capitalization of \$73.7+ billion (\$CDN)*
- Offices in North America and over 30 countries around the world
- Named to the "Global 100 Most Sustainable Corporations In The World"
- Canada's Most Respected Corporation for the fourth year in a row*
- RBC rated most valuable brand in Canada, and in Top 100 Most Powerful Brands in the world *

* June 2007

Customer Info Management Timeline

Pre 1997 - Focus on strong data management capabilities, develop client profitability model, early segmentation & sales management

1997- 00 Complete CRM gap analysis & form CRM Program Office, to implement "Quick Wins" and built CRM framework to generate revenue/ results "as you go"...

Post 1999 - Organize around the segments - adopt CRM as a "way of doing business"... then next generation CRM based on "enterprise view of clients"

Up to 1996

1997/1998

1999/2000

2001-2007

Real Time operational client information

Client and account information available internally online

Client profitability model and segmentation

New sales routines and processes

RBC Banking "Do not Solicit" capability

Implemented industry leading Marketing data mart

Re-designed sales and service desktop supporting new sales routines

New and more precise client value model

Life Stage Segmentation and Potential

First client strategies and automated leads to the desktop

Automated decisions

Retention management

Client risk/collection management

Campaign management automation

e-Offers via On-line Banking

Enterprise client data warehouse

Business Markets data mart integrated in data warehouse

Contact centre queuing based on client value

Pricing based on client value

Client Preference and Choice – enterprise consent and solicitation management

Enhanced enterprise profitability

Enhanced enterprise segmentation approach

Information Management contributes to RBC's Strategic Priorities & Other Initiatives...

Support analytics modelling, segmentation, client value measurements

- Improved client value calculation, analysis & reporting
- Analysis and modelling to provide deep client insight in order to strengthen client relationships and increase customer value

Support client decisioning & execution

- Improved precision of client decisioning for marketing, service and operational initiatives
- Improved efficiency of campaign execution.

Support performance management

- Scorecards, dashboards, trending reports
- Marketing reporting
- Full suite of product MIS capabilities

Data governance and productivity enhancements

- Data stewardship, governance and security
- Concentrating on elimination of redundant data
- Streamlining & automating processes in order to reduce support & maintenance costs
- Increased consistency and ease of access to data

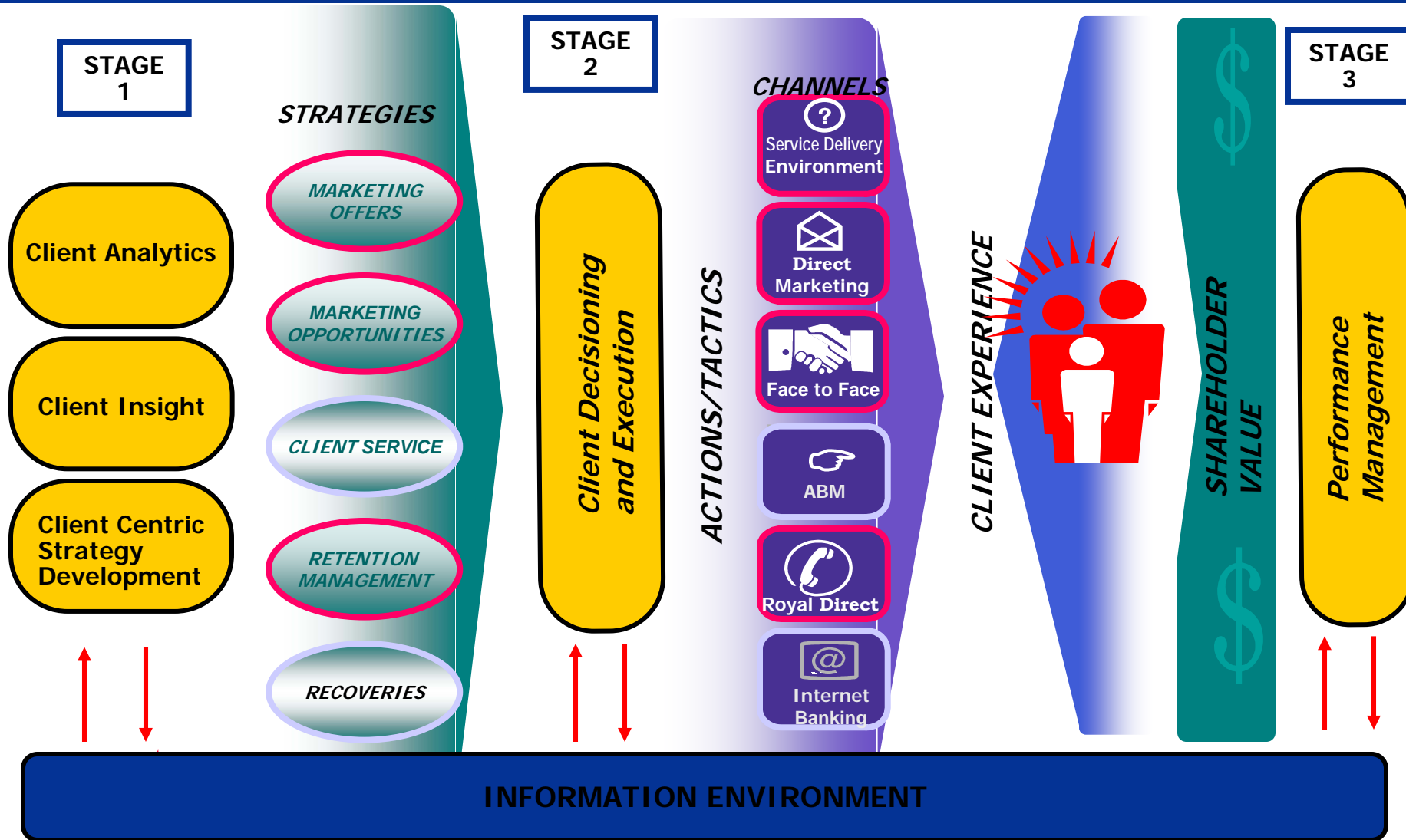
Contributes to the following Strategic Priorities

- *Revenue Growth in Canada*
- *Superior Client Experience*
- *Cost Management & Risk Mitigation*
- *Cross Platform Leverage*

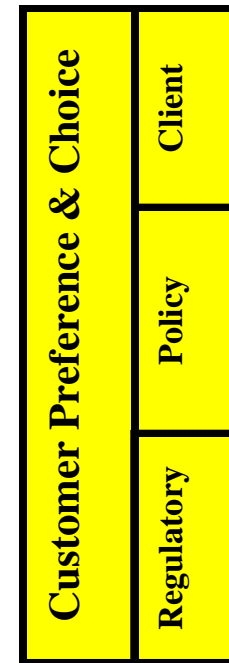
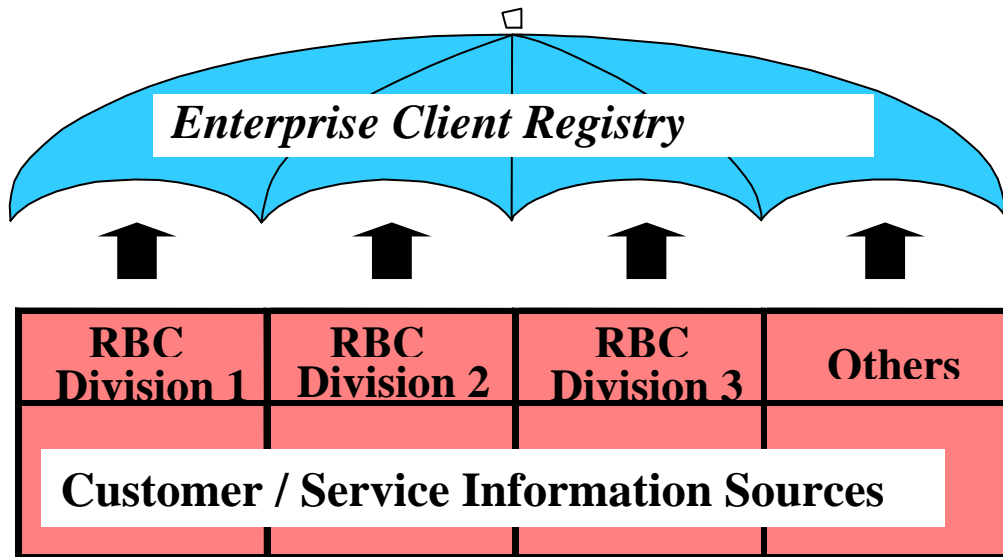
&

Enables Transformational Initiatives

Customer Management Operating Model



Enterprise Client Registry - Business Model CRM across channels, and across enterprise



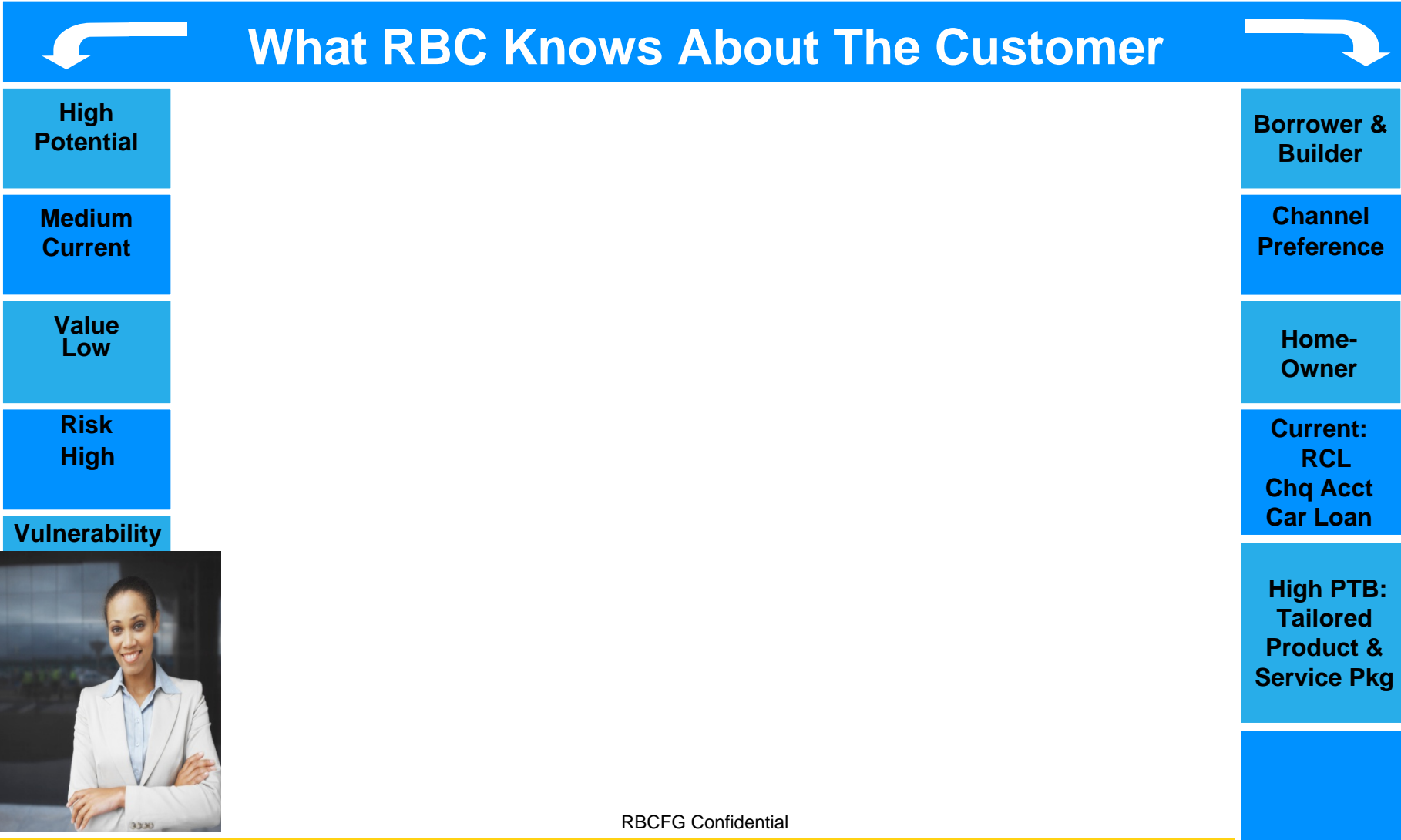
Successful data and info integration is critical to fully realize enterprise benefit & value

Core uses to date –

- Client profiling, “shared client” analytics & metrics
- Market research
- Performance management reports – i.e. scorecard
- Client value measurement – enterprise and divisional
- Campaign management & decisioning – client exclusions

RBCFG Confidential

Developing personalized strategies



Developing personalized strategies

Action To Take and To Measure

Targeted Marketing Offer

① While Viewing Account Transactions on Internet, Browses Service Package Offer

Looks interesting, I'll investigate further when I have more time.

RBC understands my needs.

• Reduce Vulnerability

Tailored Retention Activity

② Royal Direct Contacts Client For Customer Care Call

RBC cares about me, I am not just a number.

• Reduce Vulnerability

Individualized Courtesy Overdraft

③ RBC Pays Cheque by Extending a \$750 Courtesy Overdraft

RBC appreciates my business.

- Improve Efficiency
- Increase Profits
- Reduce Vulnerability

Effective Sales Practices

④ Client Goes To Branch, Personal Banker Aware of Internet Offer and Sells the Service Package

RBC is dependable. I trust RBC.

- Increase Profits
- Reduce Vulnerability



Courtesy Overdraft Limit – Client management across channels (ATM)

Courtesy overdraft limit (COL)

- Overdraft facility for personal customers
- Limit set at customer-level, reflects customer's entire relationship with RBC
- Applied to primary chequing/ savings accounts

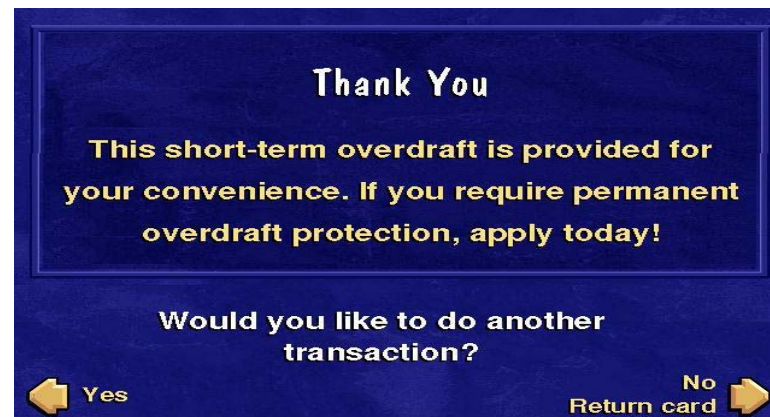
Eligibility for COL

- RBC customer for at least 90 days
- Current low credit risk score
- Made deposit in previous month

Scenario: Client wants to withdraw \$100. However, has only \$43.52 available in account.

At the backend, client has been decisioned for COL. Hence, is allowed to overdraw and prompted to acknowledge the \$5 handling fee to continue with withdrawal.

Note that once the client acknowledged the fee, the fee will not be reversed.



Sales Platform – Relationship Value Pricing

Sales Platform File Profiles Organizer Applications Tools Help

Organizer Find Client TEST, A-040

Overview Glance **Opportunities and Offers** Relationship Value Preference & Choice Accounts Contacts Services Strategy

Type:
 Registered Guaranteed Investment Certificate
 Personal Loans
 Non-Registered Guaranteed Investment Certificate
 Residential Mortgages

Current Date: March 15, 2005

Balances

Terms	Up to \$9,999.99 [%]	\$10,000 to \$24,999.99 [%]	\$25,000 to \$49,999.99 [%]	\$50,000 to \$99,999.99 [%]	\$100,000 to \$249,999.99 [%]	\$250,000 and up [%]
Less than 3 months	0.00	0.00	0.05	0.10	0.25	0.25
3 months to 1 year less a day	0.00	0.00	0.10	0.20	0.35	0.35
1 year (including Cashable)	0.20	0.20	0.30	0.30	0.35	0.35
Greater than 1 year to 2 years	0.20	0.20	0.30	0.30	0.35	0.35
2 years and 1 day to 4 years	0.20	0.20	0.30	0.30	0.35	0.35
More than 4 years	0.20	0.25	0.30	0.30	0.35	0.35

Proposed

Total Investments:

Total Loans:

Total Mortgages:

Calculate Reset

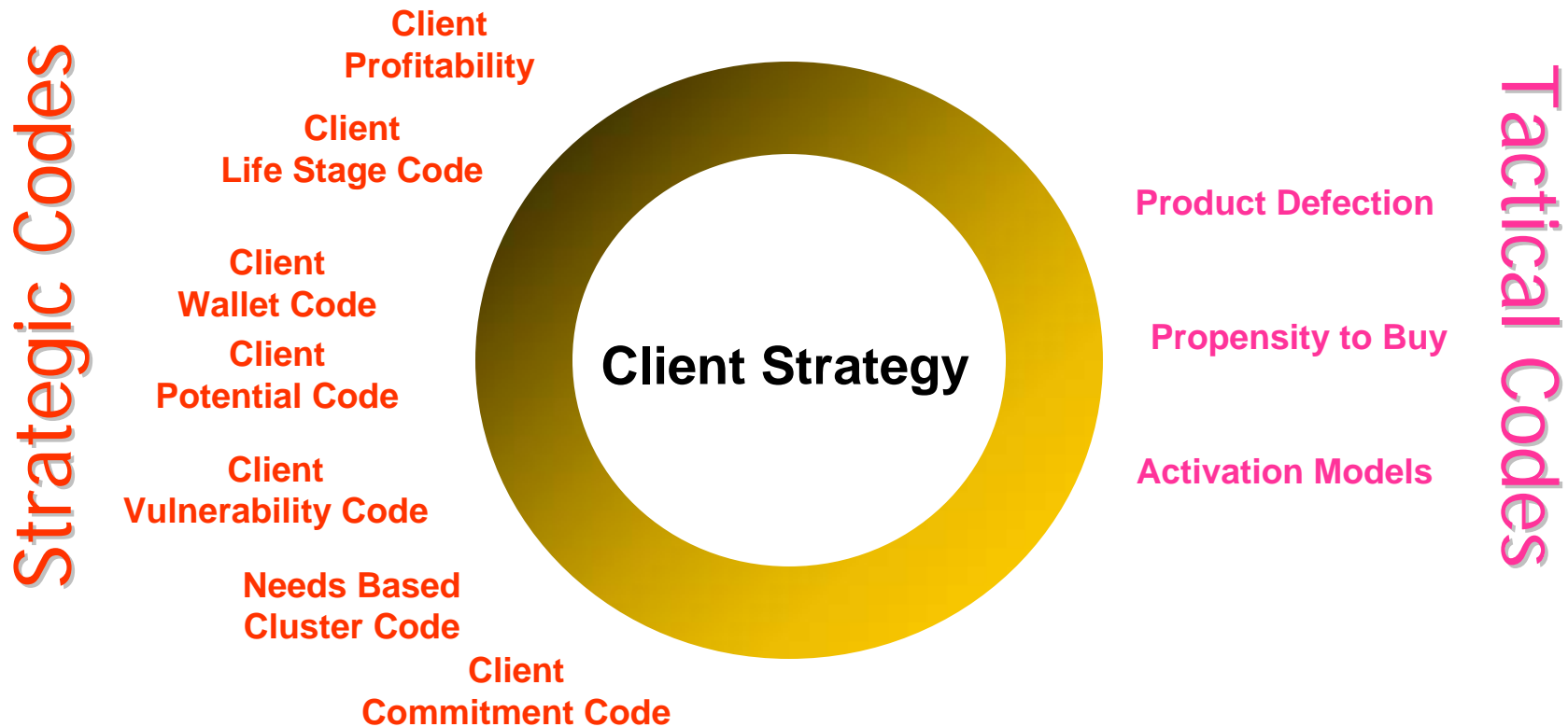
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Lessons for Building Customer Information Management

- Strong executive sponsorship is key
- Articulate business vision for relationships and client experience goals (from client view!) and capabilities assessment – people, process, information and technology, to develop and maintain roadmap. Info and technology should support business vision and people/ process (not the other way around!)
- Analytics, segmentation, modeling and metrics evolve over time, and the combination of research and analytics creates greater and more actionable consumer insights and should direct new information needs
- Centralized information, modeling and analytics can accelerate learning and can be leveraged between businesses, however cross functional teams - executive and working teams – are fundamental to organization/ culture changes needed to cross internal divisions & develop enterprise solutions
- Centralized information management business team, supporting data stewardship, governance and development funding is key for effective maintenance, however subject matter expertise and business information needs must be a shared responsibility and required for organizational credibility

THANK YOU !

Client Strategy Framework



Manage customer value REAP- Retention, Efficiency, Acquisition, & Penetration

Template for Marketing Executive Dashboard, and/or Customer Management Performance

REAP Target Table. Figures NOW (Yr 0) vs.Target (Yr1)									
	Retention				Efficiency		Acquisition	Penetration	
Decile	Attrition %		Commitment %		Cost To Serve		% of customers acquired	SOW %	
	Now	Target	Now	Target	Now	Target		Now	Target
1	3	2.5	85	98	£300	£400	20%	50%	60%
2	5	3.5	85	98	£250	£350	20%	40%	60%
3	5	3	85	97	£250	£350	20%	30%	55%
4	8	5.5	85	95	£250	£300	10%	30%	50%
5	10	8	85	90	£250	£300	10%	30%	30%
6	15	15	85	88	£250	£200	5%	30%	25%
7	26	30	85	88	£250	£100	5%	30%	25%
8	25	30	85	86	£250	£100	5%	30%	25%
9	28	35	85	85	£250	£50	3%	30%	10%
10	40	48	85	85	£250	£50	2%	30%	10%
Benefits YEAR1	18% increase in revenue				-9% reduction in costs		Incremental 6% increase in revenue	Incremental 2% increase in revenue	
Benefits YEAR 2	24% increase in revenue (vs. Yr 0)				-4% reduction in costs		Incremental 6% increase in revenue	Incremental 2% increase in revenue	

Source: QCI