
ACHIEVING ROI FROM ENTERPRISE COMMUNICATIONS – A REVOLUTIONARY APPROACH

01 / INTRODUCTION

PURPOSE OF THIS DOCUMENT

Organizations across all industries, from financial services to the public sector, need to be able to demonstrate significant return on investment (ROI) for the money spent on technology solutions. In many cases, this ROI is derived from achieving competitive advantage in a market or from increased revenue or cost savings outcomes. This document is intended to provide a summary overview of how Thunderhead customers have achieved truly revolutionary ROI as a result of streamlining their communications processes through the implementation of the Thunderhead Enterprise Communications platform.

This document is sourced from numerous Thunderhead case studies and customer success stories and is intended to provide you with a meaningful guide to identifying real sources of return and benefits to assist in planning for Thunderhead projects.

There are a number of different dimensions to ROI, comprising both strategic and operational spheres as well as stakeholder interests, and often spanning multiple time scales. The alignment of the objectives of any project under consideration to the strategic goals and direction of an organization is clearly the most critical element for a project's immediate and long-term success. Accomplishing this alignment will ultimately deliver the greatest perceived value to the enterprise and to its stakeholders.

Where possible, actual quotes and documented metrics have been provided. These quotes and metrics are sourced directly from Thunderhead customers and are intended to validate the information provided in each section of the document. In many cases, these quotes and metrics also appear in more detailed Thunderhead case study documents that are available from the Thunderhead corporate Web site at www.thunderhead.com.



MEASURING ROI

Traditionally, return on investment, or ROI, is a strict financial measurement that is based on hard-dollar cost savings or revenue increases resulting from the implementation of a specific technology.

However, it is our experience that, while strict financial measurements for technology projects are highly desirable, they are often difficult to derive or accurately measure. Additionally, it is often the case with Thunderhead customers that, while ROI plays a significant role in technology decisions, it is often a non-ROI-based benefit that actually drives a project decision. As a result, determining return on investment is a highly tailored exercise unique to each organization that involves mapping specific corporate objectives and desired outcomes to projected benefits from discrete software and service investments.

Therefore, in the following sections of this document, we have identified a number of discrete benefits that have resulted from the implementation of Thunderhead-based solutions. It is not our intent to provide a prescriptive formula for determining ROI from Thunderhead projects, but rather to provide a broad range of opportunities for return, from which one could selectively construct an ROI analysis in support of a bespoke Thunderhead implementation. Thunderhead benefits typically fall into one of four different categories:

- Cost savings that result from direct cost reductions, e.g. headcount reductions.
 - Increases in top-line revenue performance, e.g. increases in sales, customer retention, or revenue per customer.
 - Reductions in operational risk, resulting from increased visibility and control over corporate communications
 - Additional, resultant benefits which may not be able to be directly measured in terms of revenue impact or cost reduction, but are – nonetheless – critical organizational benefits, e.g. increased customer satisfaction, etc. These additional benefits can, in fact, be contributors to additional revenue results or cost savings outcomes.
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THUNDERHEAD ROI OPPORTUNITIES: AN EXECUTIVE CHECKLIST

The following chart contains a summary of the ROI opportunities that will be discussed throughout this document. In many cases, we have included representative metrics or outcomes to help you understand the significant impact that the Thunderhead platform can have upon your enterprise communications processes. At Thunderhead, we are constantly working with our customers to better understand how they are using our technology and what results they are achieving. We encourage you to contact us directly to further discuss any of the ROI opportunities identified below and to learn of our latest customer metrics and outcomes.

CATEGORY	ROI OPPORTUNITY	METRICS AND OUTCOMES
Cost Reductions	Improved efficiency in creating and maintaining document templates	Thunderhead customers typically realize a 50% improvement in template authoring and management processes.
	Reduced customer service costs	Thunderhead customers typically experience a 12-15% increase in customer service/call center productivity.
	Improved automation of document-intensive business processes	Thunderhead customers have reduced per-transaction process cycle times by as much as 77% and have experienced increases in back-office productivity of up to 50%.
	Reduced costs and time frames for implementation and lower total cost of ownership	Thunderhead implementations typically are 40% faster and require less professional service support than those of other document generation technologies.
	Reduced expenses from managing and delivering print-based communications	Thunderhead customers employ multi-channel customer communication strategies, reducing postage and eliminating paper-handling costs.
Revenue Enhancement	Increased results and revenues from superior go-to-market execution (cross-sell/up-sell)	Thunderhead produces more highly personalized, contextual and timely documents and correspondence across all communications channels, resulting in superior response and revenue results.
	Accelerated time-to-market for promotions, offerings, and new products and services	Thunderhead customers have realized step changes in time-to-market for new products and services, typically reducing time frames from weeks or even months, to a few short days.
Risk Mitigation	Enhanced visibility and control across corporate communications, ensuring superior quality, compliance, and brand equity	The vast majority of Thunderhead customers operate in highly regulated industries, where Thunderhead allows them to respond rapidly, confidently, and inexpensively to new regulatory and market pressures.
	Reduced operational risk	15 of the G16 global derivatives dealer institutions depend on Thunderhead to issue OTC Derivative Trade Confirmations, and daily execute trades of literally billions of dollars on the Thunderhead platform.
Customer Satisfaction	Enhanced customer satisfaction and loyalty, resulting in superior retention and customer lifetime value	In the financial services sector, a 5% increase in customer retention produces more than a 25% increase in profit, and repeat customers spend, on average, 67% more.

02 / REDUCING OPERATIONAL COSTS

“The tools are now in place to further streamline the creation and management of document templates. When contacting the customer via the post or online, Intelligent Finance will be sure to generate a single (and accurate) document, in whatever data format, from one template. This results in savings of time and money and provides a clear audit trail, should a query arise.”

Intelligent Finance

EFFICIENT DOCUMENT CREATION AND MANAGEMENT

Perhaps the most direct and measurable benefit of the Thunderhead platform is a dramatic increase in the overall efficiency of document creation and management. The Thunderhead solution was specifically designed to provide the business user with true, “hands on” control over template authoring and maintenance.

In many cases, the Thunderhead platform is selected to replace an existing document generation solution that has proven either incapable of scaling to growing organizational demands or simply too difficult to use and maintain. Often, these existing solutions are home-grown systems based on Microsoft Word or are early, first- or second-generation document generation platforms. These first- and second-generation document generation solutions are typically mainframe-based, print-centric solutions that simply do not offer the broad flexibility, inter operability, and inherent multi-channel capabilities of a next-generation solution like Thunderhead.

In-house developed solutions and first- and second-generation document generation systems simply do not offer Thunderhead’s unique business user control. As a result, these solutions are often highly dependent on dedicated IT resources for even the most routine maintenance of document templates. These inefficiencies present tremendous opportunities for cost savings with Thunderhead.

In fact, Thunderhead customers typically experience an immediate cost reduction of over 70% resulting from improved efficiency in the processes by which document templates are created and maintained. These cost savings are usually realized in the reallocation of IT resources away from tasks and activities related to the management of document templates.

Another very practical aspect of reducing operational costs associated with template creation and management is the dramatic reduction in the number of document templates that is commonly achievable with the Thunderhead platform. Many customers, who historically used Microsoft Word templates for document automation found that, over the years, they accumulated literally thousands, and in some cases, tens-of-thousands of document templates, all of which required routine maintenance and upkeep. In the case of ICAT, changes in terms for a single coverage offering often required subsequent changes of more than 70 different Microsoft Word templates.

With Thunderhead’s dynamic templating capabilities, business users can incorporate complex business rules and assembly logic that will allow a single Thunderhead template to generate a broad range of documents. Additionally, because each Thunderhead template is inherently capable of producing output for virtually any delivery channel, a single template can be used to generate print, PDF, email, HTML, and even SMS or XML output. Both of these capabilities dramatically reduce the number of templates that Thunderhead customers are required to manage and maintain. In fact, most Thunderhead customers find that they can reduce the number of templates they have to manage by a factor of ten, and in many cases, even by a factor of 100. Fewer templates to maintain results in fewer changes, less work, greater efficiency and substantial costs savings to the organization.

Actual customer outcomes

- At Intelligent Finance, the development time required for creating and testing new document templates has been cut by 50% with the implementation of Thunderhead.
- At First Assist, Thunderhead's business user control is enabling 50% of FirstAssist's budget for IT-based documentation professionals to be reallocated to alternative business activities.
- At International Catastrophe Insurance Managers (ICAT), 95% of the IT resources once needed to create and maintain document templates are now free to pursue other critical activities – many of which are now simplified thanks to open, standards-based access to the business rules captured and managed in Thunderhead.
- At Saga Insurance, the IT department has been liberated from performing routine document changes and updates, decreasing the time spent on these tasks by 25%. IT resources, measured in both time and money, have been redeployed to more strategic projects.
- Origen Financial estimates they achieved a 30% reduction in work for staff who are involved in creating and maintaining loan documentation.
- Working with Thunderhead, BUPA was able to reduce the number of document templates in production from 522 down to only 45, a greater than 91% reduction in templates under management.
- And, as a result of linking Thunderhead to the group's mainframe system, Alliance & Leicester was able to bring its previously outsourced loan-statement generation in-house, reducing overall operational costs and complexity

REDUCTIONS IN CUSTOMER SERVICE COSTS

Later in this document, we will discuss some of the dramatic benefits that result from improved customer service, satisfaction, loyalty and retention. However, in this section, we will focus solely on direct cost reductions in customer service activities that result from the deployment of the Thunderhead platform.

One of the very real, and measurable, benefits that Thunderhead customers are realizing is a reduction in costs in their customer service activities. These cost reductions usually result from:

- Broader utilization of multi-channel communications, reducing printing costs and directing customers to lower-cost, online channels and resources for inquiries and issue resolution.
- More proactive delivery of timely, accurate information to customers, resulting in fewer inquiries and customer service interactions.
- Greater automation, efficiency and accuracy in generating customer communications, including both printed correspondence and electronic communications, such as email. Thunderhead customers often able to reduce call center staffing by up to 12–15% as the result of productivity gains in generating customer correspondence.

“The advantage we have with Thunderhead is that we can devolve responsibility for document design and production to our business users. This makes us more efficient, removes resource bottlenecks and allows IT staff to concentrate on their core tasks.”

First Assist

“With Thunderhead, we can deliver a service to our Hispanic customers that is tailored to their needs and supported with consistent and personalized communications across all points of interaction with Origen – from contracts and letters to call centers.”

Origen Financial

Thunderhead’s inherent multi-channel output capabilities enable organizations to communicate with customers via the most effective and efficient delivery channel. Leading organizations are now making use of email, HTML (via customer service portals), and even SMS messaging as immediate and cost-effective means of communicating with customers. Beyond embracing customers’ preferred communication channels, these organizations are also embracing customer language preferences, delivering vital information to customers in their native language to increase comprehension and reduce downstream service requirements. The result is greater efficiency and effectiveness in customer communications, which – in turn – provide significant direct cost savings in customer service activities.

Another, often hidden, benefit of the Thunderhead platform is the out-of-the-box integration with leading Enterprise Content Management solutions, such as IBM, FileNet, and EMC Documentum. While Thunderhead automates the generation of critical documentation and correspondence, this information can also be automatically archived for immediate access in future customer service interactions. With other in-house solutions and previous document generation solutions, this was a highly manual and costly process, involving either the manual import and categorization of electronic documents or the scanning and indexing of print documents, post production.

As a result of this integration with ECM systems, customer services representatives can “see what the customers see,” electronically viewing the same statement, policy or item of correspondence that the customer is referencing during the call. This immediate access to information leads to “one and done” customer service interactions, where issues and inquiries are resolved in a single call without requiring additional, cost-intensive follow-up interactions.

Actual customer outcomes

- At Alliance & Leicester, customer service agents are now able to do more ‘one-touch’ customer query resolution, as they have all the required tools and access to the relevant information for the customer via the Web-based interface. The improved fluidity of information within the bank means not only is the customer better informed, but Alliance & Leicester has also realized a reduction in the number of repeat calls to customer service to check on status of query, and a general reduction in call center traffic.
- Approximately 23% of Origen Financial’s business currently comes from the Hispanic market. However, while Origen could address this market using its Spanish-speaking call center services, the supporting loan documentation was only provided only in English. Thunderhead enabled Origen to easily deliver the content of its templates in different languages, ensuring complete consistency of communication, improving the customer experience, and reducing call center traffic related to document inquiries.

AUTOMATING DOCUMENT-INTENSIVE BUSINESS PROCESSES

Business processes in Financial Services and Insurance companies are often particularly “document-intensive.” What this means is that these business processes are often initiated by a document (e.g. a loan application) and they often conclude with the creation of another document or set of documentation (e.g. an insurance policy).

While many Thunderhead customers have made substantial investments in automating these document-intensive business processes utilizing technologies such as Business Process Management, they often struggle to achieve meaningful process efficiency in generating transactional documentation and in composing various customer communications throughout the life cycle of a business process. These process inefficiencies represent significant opportunities to the organization for cost savings and, as discussed later in this document, opportunities to improve customer communications for superior customer service and enhanced revenue generation.

Many Thunderhead customers find that, while they may have deployed in-house systems or even older document generation technologies to better automate document creation and delivery, they still experience an unacceptably high level of ad-hoc and manual processing across a broad range of their documents.

In fact, many customers find that some of their document types may require that more than 50% of output to be manually treated.

This high level of manual intervention causes problems across the business because of increased document generation costs, resource requirements to make the changes, elapsed time to produce documents and the associated issues with loss of control and compliance when making manual changes.

Again, because of Thunderhead’s robust business rules and logic, and intuitive, business user-centric design, Thunderhead customers can significantly reduce the level of manual intervention and ad-hoc document creation required in the conduct of critical business processes. Simply put, Thunderhead allows organizations to automatically generate a broader, more complex range of business communications which, in turn, increases the level of automation achievable, reducing dependency and costs on manual processes and intervention.

The above being said, Thunderhead also recognizes that many organizations engage in a broad range of ad-hoc processes in the conduct of their business. We understand that not every document or item of correspondence can, in fact, be fully automated. It is for this reason that Thunderhead has purposefully designed its Correspondence Framework and Review Framework applications.

“The implementation of Thunderhead has improved template management, enabled greater business control and transparency of the processes, and has increased automation through data integration with host/legacy banking systems. Thunderhead ensures that all outbound customer communications are high quality, consistent and current.”

Alliance & Leicester Commercial Bank



Fig. 01

Alliance & Leicester accomplished a 77% improvement in loan processing times with Thunderhead

“The decision to select Thunderhead was primarily strategic. The open standards architecture will enable us to very quickly and easily roll the product out across all departments, making it a true enterprise communication solution.”

Alliance & Leicester
Commercial Bank

With its Correspondence Framework, Thunderhead extends the automation and control of its core platform to the user desktop. Commonly deployed in call centers and customer contact centers, Correspond NOW allows organizations to gain significant efficiency in producing ad-hoc communications (i.e. letters and customer correspondence). Correspond NOW allows customer service representatives (CSRs) to select and automatically populate an item of correspondence, often through integration with a Customer Relationship Management (CRM) solution. The Correspond NOW then allows the CSR to easily and rapidly modify the letter (or email) to enhance personalization while, at the same time, enforcing control over critical content, formatting and corporate brand guidelines.

Many Thunderhead customers find that they can accomplish dramatic increases in call center efficiency by automating the process by which ad-hoc correspondence is generated. In fact, our customers often find that their CSRs are as much as 100% more efficient in generating letters and correspondence. We have seen this translate to a 12–15% efficiency gain in overall call center operations. Further, they find that their resultant customers communications are more highly personalized, compliant, and consistent leading to downstream benefits in increased customer satisfaction and loyalty.

Thunderhead is also the only vendor in the document generation market to offer an advanced exception-management environment for addressing documents and correspondence that simply cannot be fully automated. Thunderhead Review NOW enables customers to effectively and efficiently manage exception documentation and correspondence, post production, without requiring costly overhead and manual intervention.

Thunderhead’s underlying business rules framework enables our platform to automatically identify (document) exceptions where straight-through processing is either unachievable or even undesirable. This virtually eliminates the need for costly manual processes for reviewing and identifying exception documentation.

Once exception transactions have been identified, these documents can then be automatically passed off to any BPEL-compliant Business Process Management (BPM) or workflow solution for subsequent review and revision. Thunderhead Review NOW allows these post production documents to be accessed and edited – maintaining Thunderhead’s trademark control over the document authoring process – before the documents are returned to the production workflow for output and delivery.

Thunderhead’s exception management capabilities can further streamline document production processes, bringing greater automation and control to activities that have traditionally been highly manual and therefore costly and inefficient.

Actual customer outcomes

- Since implementing Thunderhead, Alliance & Leicester has reduced the loan processing time from six-to-seven days to one-to-two days.
- At Nomura, Thunderhead's implementation immediately enabled Nomura to build back office capacity and handle increased volumes of trade confirmations, boosting productivity in the back office function by 50%.
- Furthermore, Nomura needed a solution that would support broader organizational targets relating to straight through processing (STP). While Thunderhead's solution can automate the majority of trade confirmations, a proportion will always demand manual intervention and review. Thunderhead's exception handling capability allows Nomura's Derivatives Operations Group to define rules for non-STP to route documents through the approval process using existing workflow applications.
- ICAT also utilizes Thunderhead's automated exception handling capabilities, allowing policies to be quickly and easily retrieved from batch processes, adjusted, then re inserted into the production stream – this capability is critical for handling manuscript endorsements or “spoiled policies.”

LOWER TOTAL COST OF OWNERSHIP AND FASTER IMPLEMENTATION

Another opportunity for return that is often overlooked in comparing different document generation solutions is the downstream costs for both deploying and maintaining the application.

With Thunderhead, customers typically find that they can move from selection to initial deployment and production in just a few short months. In some cases, Thunderhead customers have deployed initial solutions in as little time as three weeks. The more rapid the deployment, the sooner customers begin realizing return. A difference of weeks or even months in deployment can literally make the difference in whether a project meets corporate guidelines for ROI and is approved or is overturned for higher return activities.

When compared with other document generation solutions, where deployments are extremely resource- and time-intensive, Thunderhead's initial cost savings can be significant, both in terms of external, professional service costs and internal IT staff time and productivity.

At Thunderhead, we encourage organizations to consider the total cost of ownership of their solution, not just the original purchase price of the software. As more and more organizations have begun to look at document generation as an enterprise platform for automating customer, channel and even employee communications, the downstream costs of deploying document generation technologies across the business can be literally cost prohibitive.

In contrast, we have specifically engineered the Thunderhead platform to be readily deployed, both departmentally and across the enterprise. Our strict adherence to open standards and modern, XML-based architecture enables customers to not only rapidly deploy their first implementations, but also to readily scale the Thunderhead solution as an enterprise service for document generation and enterprise business communications.

“Thunderhead has effectively updated and future-proofed our technical document infrastructure. Our output data is now 100% XML, meaning that we will never be locked into a proprietary print delivery system.”

Saga Insurance

“We were anxious to get going on Thunderhead because we were already falling behind [with the legacy system]. We are very, very pleased with all of the support, the quick implementation.”

ICAT

Thunderhead Review NOW and Correspond NOW are Web-based applications which, unlike Microsoft Word templates, can be instantly deployed to literally thousands of business users. The Business Content Studio can be learned in a single day, empowering business users, not IT professionals, to begin working with Thunderhead technology to implement document templates in mere days instead of months or weeks. And, Thunderhead customers typically find that our professional service costs are less than half of those of our competitors.

So, in calculating ROI, Thunderhead customers often find that the initial total cost basis for the Thunderhead solution is significantly lower than that of competitors. Additionally, as the technology is repeatedly rolled out across other departments and business units, the total cost savings of the solution compound.

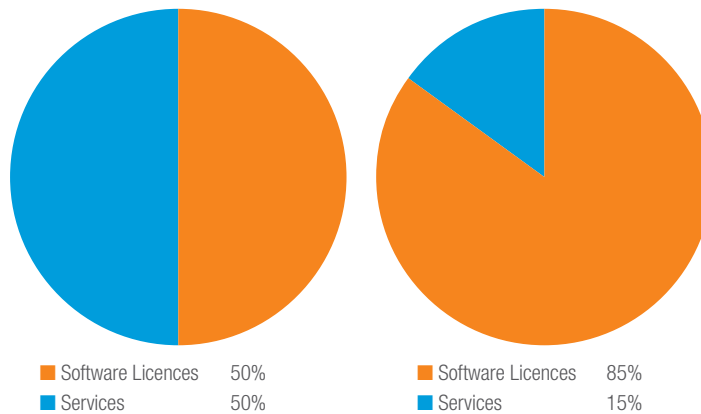


Fig. 02

Thunderhead is focused on delivering high-value, business-centric software solutions that reduce the need for corresponding services and the associated costs

Finally, another key consideration for total cost of ownership is the cost of deploying system upgrades and new product releases. Because of Thunderhead’s aforementioned adherence to open standards, our customers are never “locked in” to proprietary technologies or scripting languages.

At its core, Thunderhead is an XML-based solution. Therefore, regardless of future innovations and updates to the architecture, customers are virtually guaranteed that the underlying document components, business rules and templates that they have labored to create, can be readily deployed and reused across future product updates. Just ask anyone who has lived through the release of a new, non-compatible version of a product how time-consuming and expensive the upgrade process can be.

Actual customer outcomes

- Nomura went from a standing start in November 2004 with procurement, testing, template design and implementation to full operation – all taking place within four months. Furthermore, the implementation was achieved under budget.
- At Origen Financial, the implementation of Thunderhead was completed in just three months, from initial decision to full “go-live,” and since then, the effect on Origen’s business has been significant.
- Amazingly, at ICAT, the Thunderhead application was operational only two weeks after the installation started.

SUPERIOR HANDLING OF PRINT COMMUNICATIONS

As a final cost-savings opportunity, it is important to consider the impact of Thunderhead technology upon the often costly creation and downstream handling of print communications.

Perhaps the most dramatic opportunity for ROI results from the transitioning of traditional print communications to less costly, more immediate online channels. Many Thunderhead customers have begun to embrace a broader range of communications channels, often utilizing emails, Web content, and even SMS messaging to avoid both more expensive print- and voice-based communications and corresponding costs for postage, telephone charges, etc. This multi-channel approach has the added benefit of often corresponding to customers’ preferred channels for communication, especially among younger demographics who are commonly more email- and Web-savvy consumers.

Thunderhead’s advanced output processing capabilities also allow customers to take greater advantage of bulk postal rates and discounts. Thunderhead’s output processing capabilities allow for batch communications to be properly sorted, bar-coded and prepped for bulk mailings. This can result in cost savings through the avoidance of manual sorting activities and through reduced postage costs.

Thunderhead’s bar-coding capabilities can also streamline downstream document handling activities, allowing Thunderhead clients to automate how they receive and process returned documents from their constituents. Further, Thunderhead’s ability to simultaneously output both print and electronic versions of documentation allows customers to put in place tighter controls over critical business processes where manual document comparisons may previously have been required (as was the case with Origen Financial, immediately following).

Actual customer outcomes

- The integrated Thunderhead solution allows Origen to immediately assess whether the contract in hand (the one executed by the customer) matches the contract of record (the one indicated by the loan origination system). Once the signed documents have been received back from the customer, they are scanned back into FileNet P8 Content Manager and, via 3D bar-code recognition, the original contract of record is retrieved from the FileNet P8 repository. If the contract in hand does not match the contract of record, then Origen immediately launches an exception process to resolve the discrepancy.

“The new Thunderhead / FileNet system has transformed the customer service at Alliance & Leicester Commercial Bank. Now all documents are stored electronically, the paper mountain that previously existed has been removed.”

Alliance & Leicester
Commercial Bank

03 / IMPROVING TOP-LINE RESULTS

“Intelligent Finance has turned a regulatory necessity into an opportunity. Through Thunderhead, Intelligent Finance has developed an industry-leading online engagement with mortgage customers.”

Intelligent Finance

IMPROVING GO-TO-MARKET EXECUTION

Revenue results from the proper execution of an organization's go-to-market strategies. In many cases, Thunderhead customers have actually found that their existing communication approaches and document generation technologies actually interfere or even conflict with their defined go-to-market strategies.

Cumbersome, difficult-to-use in-house systems or first- and second-generation document composition solutions often cause organizations to simply stop executing on their go-to-market strategies. Typically, automated communications are restricted to print channels. Often, marketing messaging is outdated or inaccurate and cross- and up-sell activities have become ineffective. Printed communications are also slow. They require time for delivery, allowing competitors the opportunity to more rapidly service customers and close business.

With Thunderhead's trademark business user control, management of document templates is placed in the hands of business users and marketing professionals.

Compelling messaging, programs and offers can be readily updated by the very people who create them. New products can be immediately put into production and, with Thunderhead's multi-channel delivery capabilities, can be instantaneously delivered to target customers.

Additionally, with Thunderhead's white-labelling capabilities, partner channels can be more readily and effectively serviced. New marketing programs can be immediately rolled out to channel partners as well as direct customers. New products and services can be instantaneously delivered, downstream, to partner organizations as well as agents and brokers for more personalized delivery.

The bottom line is that Thunderhead customers are able to distribute email and print campaigns that are highly personalized according to the audience and therefore yield greater results and revenue outcomes.

Actual customer outcomes

■ With 90% of customers preferring to use direct channels to apply for a loan, speed of communication is a key element to help convert an offer into a loan agreement. Alliance & Leicester now uses Thunderhead to rapidly generate loan offer documents over multiple channels, including as SMS and email.

■ ICAT also sees significant improvement in its ability to service both agents – who have the power to recommend either ICAT's products or those of other insurers -- and end customers. Naturally, ICAT's growth objectives depend on the goodwill of both of these important audiences.

■ Thunderhead helps Saga Services to develop a one-to-one relationship with insurance customers. Automating and personalizing communications provides high levels of customer service and reduces lead times by 25%.

■ Origen Financial is also leveraging Thunderhead’s white-labeling capabilities to deliver private-labeled services (separately branded and tailored loan products) to clients such as lending correspondents and manufactured-housing communities who do not currently have their own financing arm.

■ White-labeling capabilities for partners and brokers has allowed FirstAssist to enhance and differentiate their product offerings, yielding greater revenue results from their indirect channels.

SPEEDING TIME-TO-MARKET

As mentioned in the previous section of this document, Thunderhead delivers significant improvements in time-to-market for new products and services as well as for compelling marketing messaging, programs and offers.

Many of Thunderhead’s customers compete in highly commoditized Financial Services and Insurance markets, where new products and services are readily reproduced by competitors. As a result, the only sustainable competitive advantage for these organizations is in being consistently quicker to market with new offerings.

As noted above, Thunderhead’s business user control allows organizations to dramatically streamline the process for authoring and approving new document templates. This, in turn, allows these organizations to more rapidly bring new products and services to market. Further, these organizations can take advantage of more immediate delivery channels to place these products in the hands of target audiences and customers. And, because these products are timelier and more highly personalized, this translates to greater revenue results.

Even small amendments to documents, such as the introduction of required regulatory content or cross-selling messaging, can take days or even weeks to execute with other document generation solutions. These delays can result in significant operational costs and can negatively affect time-to-market, consequently reducing the organization’s ability to respond to regulatory changes and market pressures.

Accelerate in time-to-market with Thunderhead can be, quite simply, dramatic. Thunderhead customers, as documented below, have realized step changes in their time-to-market for new products and services, the most dramatic case being the elimination of a nine-month delay in new product introduction at Origen Financial.

“In such a competitive market, it is vital that Alliance & Leicester is able to communicate with its customers in a way that is both contextually relevant and personalized. What’s more, the use of SMS gives us the added advantage of being able to convert more loan agreements in a shorter time frame.”

Alliance & Leicester

“Documentation historically presented a challenge to the speed of new product development and launch. Thunderhead has enabled Origen to streamline the entire process dramatically, supporting the launch of new products and services that will drive the next stage of Origen’s growth.”

Origen Financial

Actual customer outcomes

■ At Saga Insurance, Thunderhead has reduced the lead-time for creating a new document application by 25%. Therefore, Saga can react faster to market developments and offer new products and services to customers immediately.

■ At Intelligent Finance, while Thunderhead enables cross-functional collaboration in the template development stage, the solution’s ability to deliver content control, audit and compliance significantly streamlines the testing process. Therefore, as loan documentation is constantly reviewed and enhanced, product maintenance and new product development is far simpler and faster using Thunderhead.

Intelligent Finance have seen their elapsed time to create a new document go from 30-40 days to 2-3 days. This is because the business users are in control of the document generation process and do not need to go through a cycle of IT development and testing. This ten-fold decrease in elapsed time to market for a new/changed document is common across our customers and has an associated business case in terms of faster time to market and more immediate compliance to new regulatory changes.

■ At Origen Financial, on average, 30 to 40% of the time required to implement new loan products within Origen was spent on preparing and producing required documentation. Every step of the process – from finding the correct document through to review, editing and testing – began with a request to IT support.

Origen’s document maintenance backlog has been virtually eliminated, with changes to documents now requiring two or three days as compared with the nine months previously required before the implementation of Thunderhead. This new-found agility has transformed how the sales and marketing teams plan and launch new products.

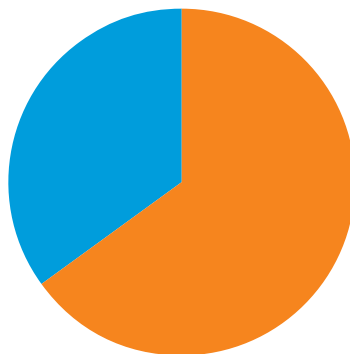


Fig. 03

At Origen Financial, 30 to 40% of the time required to bring a new product to market resulted from document design and development.

04 / OTHER CRITICAL OUTCOMES

In this section, we will explore a number of additional benefits and outcomes that have resulted from Thunderhead implementations. Generally, these are benefits and outcomes that are difficult to specifically measure as an opportunity for return on investment in terms of direct cost savings or enhanced revenue outcomes. However, as you will no doubt see, many of these results have delivered significant, measurable benefit to our customers' organizations in terms of increased customer satisfaction and loyalty, improved compliance, and reduced operational risk.

ENHANCED CUSTOMER SATISFACTION AND LOYALTY

At different points throughout this document, you have learned about Thunderhead's role in helping organizations to improve their ability to provide highly personalized and cost-effective customer communications through multiple delivery channels. This Thunderhead capability often translates to direct cost reductions in customer service activities.

This Thunderhead capability also translates to substantial increases in customer satisfaction and loyalty. Many organizations are beginning to realize the very real role that documents and multi-channel communications play in their ability to deliver truly differentiated service to their customers.

As we have noted previously, many Thunderhead customers compete in commoditized Financial Services markets where the timely and effective delivery of products and services is critical to their ability to attract and, perhaps even more importantly, retain profitable customer relationships. In fact, the latest industry metrics indicate that acquiring a new customer costs 5 to 10 times more than retaining one – in the financial services sector, a 5% increase in customer retention produces more than a 25% increase in profit, and repeat customers spend, on average, 67% more.

“The ability for documents to be personalized and delivered across various platforms is a feature that should not be underestimated. Customers that consistently receive correspondence that is completely relevant to them are more likely to stay loyal to their mortgage provider, and their satisfaction levels will be higher than those who do not.”

Intelligent Finance

“Saga customer loyalty is high. With Thunderhead, we can build on this customer loyalty by being able to treat every one of our customers as an individual.”

Saga Insurance

Thunderhead documents and correspondence are composed utilizing detailed customer and transactional information from Customer Relationship Management (CRM) systems and from back-office business applications such as core banking systems and trading platforms as well as loan origination, claims processing, and policy administration solutions. Thunderhead’s underlying rules and logic framework allows this information to be assembled into various communications that are:

Highly Personalized – Thunderhead’s rules framework and assembly logic allows communications to be highly personalized, enabling organizations to take full advantage of the detailed customer knowledge that they have invested in developing and to consistently leverage this knowledge in each and every customer communication. Over time, organizations that use Thunderhead can deliver more personalized, more meaningful communications to their customers, improving their 1:1 customer relationships to increase satisfaction and retention.

Contextual – Another benefit of Thunderhead’s highly intelligent rules framework is Thunderhead’s ability to craft highly contextual communications. Context is a product of understanding what information is being delivered to a customer in the form of a document (e.g. a statement) or an item of correspondence and then inserting additional content, perhaps in the form of important customer notices, cross-sell and up-sell offers, or marketing information that is likely to elicit an appropriate and positive customer response.

Timely – Thunderhead’s ability to automate the customer communication process enables organizations to respond more rapidly to customer inquiries. Regardless of whether an organization is producing routine, batch communications, automated real-time responses to customer inquiries or ad-hoc correspondence in a call center environment, it is critical that this information be delivered in a timely and responsive fashion. Our customers typically find that not only does Thunderhead allow them to be more responsive and timely in communicating with customers, Thunderhead also makes it easier for them to communicate more frequently with customers, which – in turn – translates to improved satisfaction and loyalty.

Accurate – Finally, Thunderhead allows organizations to exercise an unparalleled level of control over all of their customer communications. This is especially true with ad-hoc communications where many of our customers have employed in-house solutions utilizing Microsoft Word templates and have historically struggled to ensure consistent quality and accuracy in their customer correspondence. Thunderhead Correspond NOW replaces these Word-based solutions with a purpose-built solution that delivers consistency, quality, and compliance at the desktop.

Customers have consistently noted the above four characteristics of Thunderhead communications as being critical to delivering high levels of service to their customers. Communications that are highly personalized, contextual, timely and accurate will result in higher levels of customer satisfaction, which translates to increased customer loyalty and improved customer retention, enhancing customer profitability and reducing the need for and costs of new customer acquisition.

Actual customer outcomes

- Intelligent Finance's use of Thunderhead means that its customers enjoy a personalized service. Previous systems were unable to deliver this level of high-volume personalization or multi-channel reach. Now Thunderhead delivers one standardized content platform for HTML, PDF and PostScript.
- Saga customers receive clearer, more relevant communications.

ENSURING CONTROL, COMPLIANCE, AND BRAND EQUITY

Enhancing compliance and increasing control over business communications are two of the leading decision drivers for our customers in the selection of the Thunderhead platform. The ability for an organization to not only enforce, but also demonstrate compliance with a particular regulatory mandate has become an increasingly high priority into today's highly regulated Financial Services marketplace. Additionally, the ability to respond to current and future compliance mandates in a timely and cost-effective manner has also become increasingly important.

However, regulatory compliance is really only one aspect of a larger issue that surrounds corporate communications of all types. Simply put, organizations need to have control over and absolute confidence in the information they are producing and sharing with customers, partners, employees and other constituents. This level of control includes:

Regulatory compliance – Ensuring that required statements, terms, conditions and disclosures are included in documents, contracts and other corporate communications.

Tenders and offers – Controlling communication content to make certain that inappropriate offers and guarantees are neither issued nor implied. Also, providing granular control over promotions and marketing content to ensure that program dates are not exceeded.

Brand requirements and guidelines – Enforcing brand guidelines and imposing consistent formatting in all outbound communications, both automated and ad-hoc.

Industry standards – Structuring electronic communications and messaging to rigorously comply with established industry standards and guidelines.

Quality – Eliminating common grammatical and formatting mistakes that plague customer communications, especially one-off, ad-hoc communications.

Auditability and tracking – Providing granular visibility into document and correspondence content for a given period, date or time. Enabling organizations to demonstrate compliance, validate promotions, offers and adherence to various guidelines and requirements.

As the result of internal research, FirstAssist estimated that a “significant number” of the 6,000 customer letters generated each month by call center staff contained errors – mostly minor grammatical mistakes or formatting flaws.

“Maintaining the integrity and customer appeal of our online sales process was a key driver. A key regulatory requirement was for the customer to approve a quotation before the credit reference, required to open an account, could take place. The Thunderhead system made it easy for us to display the quotation online with the KFI in HTML or PDF form.”

Intelligent Finance

The content and compliance management capabilities provided by Thunderhead significantly reduces compliance costs, and enable both automated and ad-hoc communications to be undertaken with absolute confidence.

As discussed previously, Thunderhead’s business user control allows Thunderhead customers to rapidly deploy changes to critical communications content without requiring a lengthy, back-and-forth review and approval cycle involving IT staff and the corresponding costs. Further, Thunderhead’s dynamic templating capabilities dramatically reduce the number of document templates that need to be changed, making it easier for organizations to ensure that all of their communications are compliant and again reducing the cost of compliance. And finally, Thunderhead’s unique notion of shared content, which allows common document elements to be shared between Thunderhead templates, ensures that common content – including disclaimers, disclosures and terms and conditions – can be created or modified once and deployed across a large number of document templates, again with reduced costs and absolute confidence.

Thunderhead also provides comprehensive audit and tracking capabilities. For shared content, Thunderhead users can readily determine in which template or templates a disclosure, disclaimer, or T&C is used and which templates will be affected by changes or additions. Thunderhead also supports scheduled deployment for content elements, allowing promotions and offers to be inserted for scheduled periods of time and then retired once the promotion period has passed. Finally, with Thunderhead’s comprehensive versioning capabilities, organizations can easily determine which document template was in use on a certain date or time, allowing Thunderhead customers to clearly demonstrate compliance with regulatory guidelines and mandates.

Nearly all of Thunderhead’s customers are subject to regulation and compliance mandates and through numerous deployments in Financial Services, Insurance and Government, Thunderhead has proven to be an ideal platform for addressing regulatory requirements in corporate communications. Thunderhead customers typically find that mandated regulatory changes to their communications can be deployed in hours, if not minutes, and that they enjoy a new level of confidence in and control over all of their business communications.

Actual customer outcomes

■ Alliance & Leicester, along with the financial services industry in general, had to comply with new regulations governing documentation content set out by the Financial Services Authority (FSA) and the revised Consumer Credit Act (CCA). The CCA reforms required significant content changes in all of its credit agreements within the loan document templates to be completed no later than May 31, 2005. Again, with Thunderhead, Alliance & Leicester was able to readily and inexpensively comply with these new regulations from the FSA..

■ Nomura needed to avoid issues faced by other investment banks, where demand has outstripped the internal operational capacity to process trades in accordance with International Swaps and Derivatives Association (ISDA) guidelines. Using Thunderhead has delivered a uniform look and feel to Nomura equity derivative confirmations and eliminated the volume sensitivity that had developed with Nomura's previous system.

■ A&L Commercial Bank selected Thunderhead because it best fulfilled its technology requirements of an easy to use communication generation system that ensures consistency and traceability.

REDUCED OPERATIONAL RISK

Among Thunderhead first customers were a number of large investment banking organizations. In fact, today, 15 of the G16 global derivatives dealer institutions utilize the Thunderhead platform to produce trade confirmations for their over-the-counter (OTC) derivatives trade transactions. These OTC derivatives transactions, both electronic and paper-based, comprise literally billions of dollars a day. These leading banks trust Thunderhead for their successful execution.

Thunderhead truly does understand the very real implications of reducing operational risk. Unconfirmed, or outstanding trade transactions can represent inordinate risk to an Investment Bank and Thunderhead plays a very real role in confirming and settling significant financial transactions on a daily basis.

In Investment Banking, Thunderhead automates and accelerates the production of OTC derivative trade confirmation documentation. Thunderhead also ensures that these confirmations can be output in compliance with the DTCC DerivSERV guidelines for electronic clearing and settlement. As a result, Thunderhead customers can readily produce both paper-based and electronic trade confirmations, speeding the clearing and settlement process and reducing operational risk for our Investment Banking customers.

The implementation of Thunderhead is expected to deliver a tenfold return on Intelligent Finance's initial investment over the next five years and enables Intelligent Finance to be fully-compliant with all the FSA regulations surrounding mortgage sales.

However, Thunderhead's ability to reduce operational risk isn't just limited to Investment Banking. As discussed above, Thunderhead's content and compliance management capabilities also enable organizations to control their communication content and rapidly and cost-effectively respond to regulatory requirements. These capabilities can significantly reduce operational risk by avoiding or eliminating:

- Fines and penalties resulting from non-compliance
- Financial repercussions from expired or outdated tenders, promotions and offers or from unintended commitments or guarantees
- Litigation resulting from inaccurate, outdated or unsolicited communications
- Added costs resulting from electronic communications or messaging that do not comply with established industry standards
- And, decreases in customer satisfaction and retention that result from inaccurate, untimely or poorly crafted customer communications.

All of the above represent significant operational risk to modern corporations or government institutions. In many cases, outbound communications lie at the very core of this operational risk and the Thunderhead solution is uniquely positioned to help reduce and defray this risk.

Actual customer outcomes

- In addition to enabling the maintenance of a full audit trail allowing ongoing compliance with financial regulations, the implementation enabled a reduction in risk exposure. Ultimately, Thunderhead enabled Nomura's staff to focus on higher-value activities with the confidence of knowing that the documents they generated would be produced swiftly and correctly. An unexpected by-product has been the centralization of critical trade confirmation contract knowledge, which has reduced Nomura's exposure to the risk should key individuals leave the organization.

05 / CONCLUSIONS

Thunderhead, which is, today, in use at many of the world's leading Financial Services organizations – including Deutsche Bank, Morgan Stanley, Prudential, UBS, and many others – provides customers with a true solution for effectively and efficiently managing business communications across the enterprise.

The Thunderhead solution fundamentally simplifies how customers create and maintain their business communications, bringing unparalleled cost savings and business efficiency.

Thunderhead also enables deeper personalization, broader context, and improved timeliness and accuracy for all corporate communications, delivering superior results and revenue impact from outbound communications and greatly enhancing customer satisfaction and loyalty.

Further, Thunderhead addresses core operational and compliance issues, reducing risk and providing comprehensive control over the complete spectrum of corporate communications, including batch, real-time and ad-hoc documents and correspondence and spanning both print and electronic delivery channels.

Finally, these capabilities are delivered on an enterprise-class platform that is wholly based on industry open standards, enabling rapid and cost-effective implementation, reducing the cost basis for Thunderhead projects and generating return much more quickly than in-house developed solutions or other conventional document generation solutions.

As we noted at the beginning of this document, identifying opportunities for ROI truly is an activity that is unique to each and every organization and implementation. However, we believe – with Thunderhead's broad capabilities to drive cost savings, improve revenue outcomes, and mitigate risk and compliance concerns – you will discover enormous opportunities for return in implementing the Thunderhead platform to better automate and control your corporate communications.

“The deployment of Thunderhead was a key enabler of our compliance with the FSA mortgage regulations. Thunderhead enabled us not just to meet the deadline, but also to ensure that our online sales process was better than before. We look forward to exploiting the platform's rich functionality to reduce our operational costs, improve our document consistency and quality, and be even more responsive to our customers' needs.”

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ABOUT THUNDERHEAD

Thunderhead changes the way companies engage with their customers, enabling measurement and learning from every interaction to drive greater loyalty and profitability. Our innovative business user-driven software, Thunderhead NOW, delivers new levels of personalization, context and compliance with true multi-channel capability – the right information, to the right person, at the right time, in the right format. Founded in 2001, Thunderhead now has insurance, retail banking, government and capital market customers on three continents. They optimize their customer engagement – we help them make every communication count.



THUNDERHEAD®
Make every communication count

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