Evaluation Guide

Client Servicing Performance Blueprint

Information Management

Cognos. software

Building client advocacy and retention through better client servicing

The world is getting wealthier. The number of individuals worldwide with $1 million or greater in financial assets grew six percent from 2006 to 2007 and is forecast to rise 7.7 percent annually through 2012 (*Merrill Lynch World Wealth Report*, 2008).

This is unquestionably good news for wealth managers. The question, however, is how to provide the service that these clients require–that is, how to retain and build client relationships. On that front, the news is not all good; in fact, it is largely bad for the industry.

Tower Group reports that "today's investors are much more sophisticated … forcing firms to improve their client/advisor relationship strategies and the quality and value of the information they deliver." In 2008, Tower Group expects client reporting and analytics to be a top-ten technology initiative that enables firms to improve the client experience: "Firms that operate their own wealth management platform will enhance client reporting solutions to better illustrate to clients the performance of their portfolio and the progress of their retirement plan strategy."

Client servicing is more difficult than it may appear on the surface. As illustrated in Figure 1, the successful advisory firm must integrate all areas of the business, including product, service delivery, operational structure, and external factors (*Merrill Lynch World Wealth Report*, 2008).

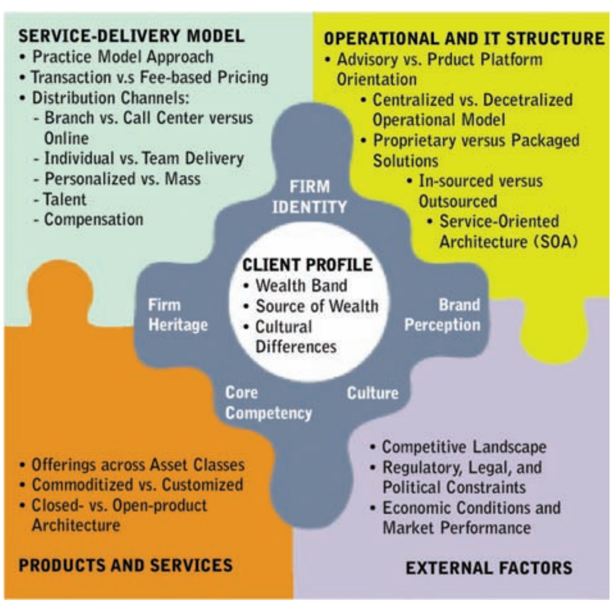


Figure 1 (from Merrill Lynch World Wealth Report, 2008)

IBM Cognos solutions understand the importance of providing technologies that can address client service–across products, services, and operational-process models.

By using the *IBM Cognos® Client Servicing Blueprint*, companies can

- Improve customer service, satisfaction, and profitability by providing timely, comprehensive end-user customer reporting
- Deliver client statements through multiple delivery mechanisms
- Reduce operational expenses through client-servicing process monitoring, reporting, analysis, and forecasting
- Improve customer segmentation and customer-segment management
- Enhance cross-selling capabilities with a more complete and accessible view of the customer

The IBM Cognos Client Servicing Blueprint

IBM Cognos Performance Blueprints are pre-defined data, process, and policy models that help organizations speed their software deployments and drive faster return on investment. The *IBM Cognos Client Servicing Blueprint* helps financial institutions increase customer satisfaction and service for their clients.

Key IBM Cognos 8 Business Intelligence capabilities

In addition to the benefits specific to the *IBM Cognos Client Servicing Blueprint*, IBM Cognos 8 Business Intelligence integrates with your hardware, middleware, portal, databases, and operating systems and offers many capabilities, such as

- **Reporting:** Increase efficiency with a single, adaptive authoring environment for a full range of visually appealing and interesting reports.
- **Analysis:** Explore and analyze large volumes of data with fast and predictable response times. You will have access to a broad range of analytical capabilities, ensuring business users have access to trusted information that includes data and report lineage and a variety of data sources.
- **Scorecarding:** Link initiatives to strategy with metrics and strategy maps.
- **Dashboards:** Deliver information from different sources in a single visual report. Dynamic and interactive dashboarding allows transparent, timely access to organizational data, and rich visualization capabilities allow anyone to leverage and interact with critical data in a form that makes the most sense for them.
- **Integration:** Use seamlessly with Microsoft® Excel® and other end user tools. You can continue to work with your everyday tools and take advantage of the greater robustness of BI-sourced data.
- **Mobility:** Access reports from a wide range of environments, ranging from BlackBerry to Microsoft Excel and the Web.

The *IBM Cognos Client Servicing Blueprint* includes three key components:

- Wealth Manager Dashboard
- Statement reporting
- Self-service and extranet capabilities

Wealth Manager Dashboard

The Wealth Manager Dashboard, shown in Figure 2, allows wealth managers to see–at a glance–their assets under management, their most important accounts, and current market news and information. The dashboard will display account-specific information for a client when you click on the name of any client in the wealth manager's book of business. The dashboard can also serve as the launching point for other areas of the *Blueprint*.

Statement reporting

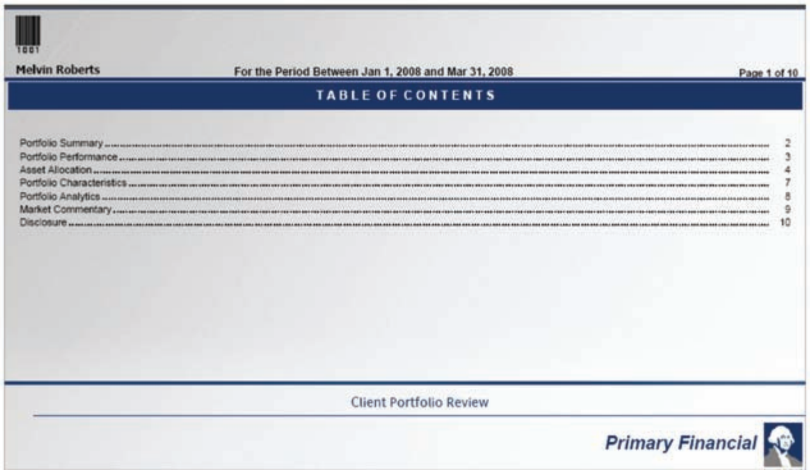
The Statement Reporting component of the *Blueprint* allows both wealth managers and clients to review detailed statement information with pixel-perfect formatting. The benefits of Statement Reporting include

- Easy report creation
- Pixel-perfect formatting and graphics
- Dynamic content based on client's portfolio characteristics
- Table of contents and dynamic page numbering
- Multiple output formats
- Auditing and usage tracking

Key components of the statement include the Table of Contents, Portfolio Summary, Portfolio Performance, Asset Allocation, Portfolio Analytics, and Portfolio Characteristics.

Table of Contents

The *IBM Cognos Client Servicing Blueprint* features a dynamic Table of Contents (Figure 3), which allows the advisor to customize the Client Statement as needed.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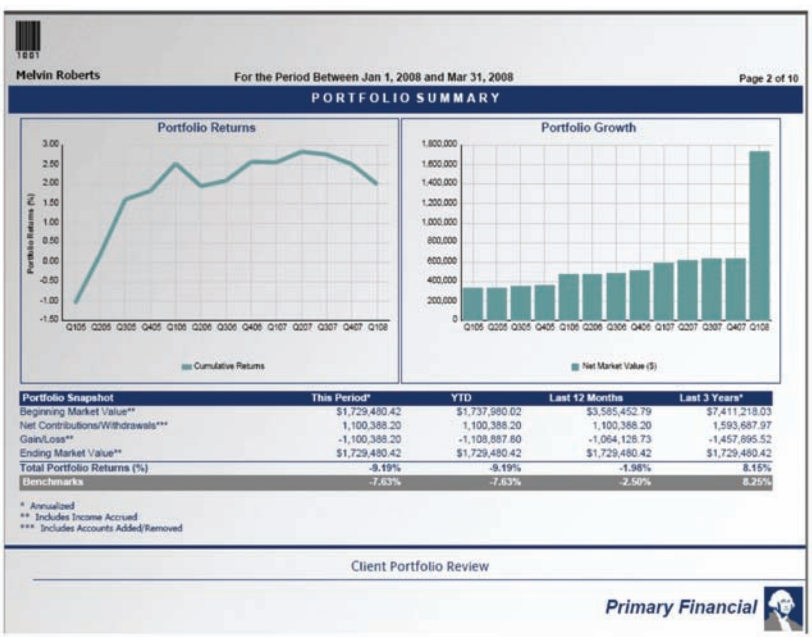
Primary Financial

Figure 3

Portfolio Summary

The **Portfolio Summary**, shown in Figure 4, provides overall performance information, including portfolio returns, portfolio growth over time, and benchmark comparisons.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PORTFOLIO SUMMARY

Portfolio Snapshot	This Period*	YTD	Last 12 Months	Last 3 Years*
Beginning Market Value**	$1,729,480.42	$1,737,980.02	$3,585,452.79	$7,411,218.03
Net Contributions/Withdrawals***	1,100,388.20	1,100,388.20	1,100,388.20	1,593,687.97
Gain/Loss**	-1,100,388.20	-1,108,887.80	-1,064,128.73	-1,457,895.52
Ending Market Value**	$1,729,480.42	$1,729,480.42	$1,729,480.42	$1,729,480.42
Total Portfolio Returns (%)	-9.19%	-9.19%	-1.98%	8.15%
Benchmarks	-7.63%	-7.63%	-2.50%	8.25%

* Annualized
** Includes Income Accrued
*** Includes Accounts Added/Removed

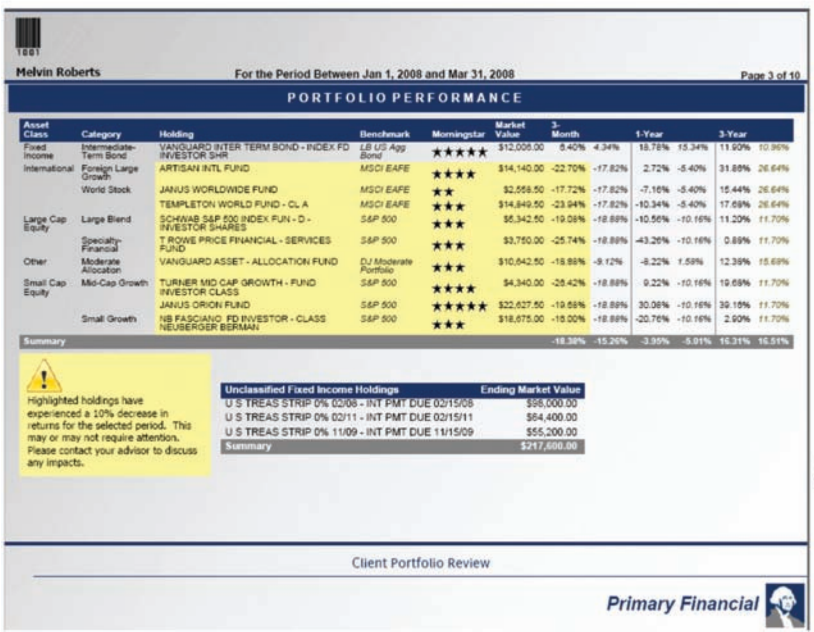
Client Portfolio Review

Primary Financial

Figure 4

Portfolio Performance

Shown in Figure 5, the **Portfolio Performance** section displays detailed information on performance over time, holding by holding. This section also provides asset category and benchmark information, allowing the reader to quickly determine which holdings are outperforming and underperforming relative to their peer groups.



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PORTFOLIO PERFORMANCE

Asset Class	Category	Holding	Benchmark	Morningstar	Market Value	3-Month		1-Year		3-Year	
Fixed Income	Intermediate-Term Bond	VANGUARD INTER TERM BOND - INDEX FD INVESTOR SHR	LB US Agg Bond	★★★★★	$12,006.00	6.40%	4.34%	18.78%	15.34%	11.90%	10.96%
International	Foreign Large Growth	ARTISAN INTL FUND	MSCI EAFE	★★★★	$14,140.00	-22.70%	-17.82%	2.72%	-5.40%	31.86%	26.64%
	World Stock	JANUS WORLDWIDE FUND	MSCI EAFE	★★	$2,558.50	-17.72%	-17.82%	-7.16%	-5.40%	15.44%	26.64%
		TEMPLETON WORLD FUND - CL A	MSCI EAFE	★★★	$14,849.50	-23.94%	-17.82%	-10.34%	-5.40%	17.69%	26.64%
Large Cap Equity	Large Blend	SCHWAB S&P 500 INDEX FUN - D - INVESTOR SHARES	S&P 500	★★★	$6,342.50	-19.08%	-18.88%	-10.56%	-10.16%	11.20%	11.70%
	Specialty-Financial	T ROWE PRICE FINANCIAL - SERVICES FUND	S&P 500	★★★	$3,750.00	-25.74%	-18.88%	-43.26%	-10.16%	0.89%	11.70%
Other	Moderate Allocation	VANGUARD ASSET - ALLOCATION FUND	DJ Moderate Portfolio	★★★	$10,642.50	-18.88%	-9.12%	-8.22%	1.59%	12.39%	15.69%
Small Cap Equity	Mid-Cap Growth	TURNER MID CAP GROWTH - FUND INVESTOR CLASS	S&P 500	★★★★	$4,340.00	-26.42%	-18.88%	9.22%	-10.16%	19.69%	11.70%
		JANUS ORION FUND	S&P 500	★★★★★	$22,627.50	-19.68%	-18.88%	30.08%	-10.16%	39.16%	11.70%
	Small Growth	NB FASCIANO FD INVESTOR - CLASS NEUBERGER BERMAN	S&P 500	★★★	$18,675.00	-16.00%	-18.88%	-20.76%	-10.16%	2.90%	11.70%
Summary						-18.38%	-15.26%	-3.95%	-5.01%	16.31%	16.51%

Highlighted holdings have experienced a 10% decrease in returns for the selected period. This may or may not require attention. Please contact your advisor to discuss any impacts.

Unclassified Fixed Income Holdings	Ending Market Value
U S TREAS STRIP 0% 02/08 - INT PMT DUE 02/15/08	$98,000.00
U S TREAS STRIP 0% 02/11 - INT PMT DUE 02/15/11	$64,400.00
U S TREAS STRIP 0% 11/09 - INT PMT DUE 11/15/09	$55,200.00
Summary	$217,600.00

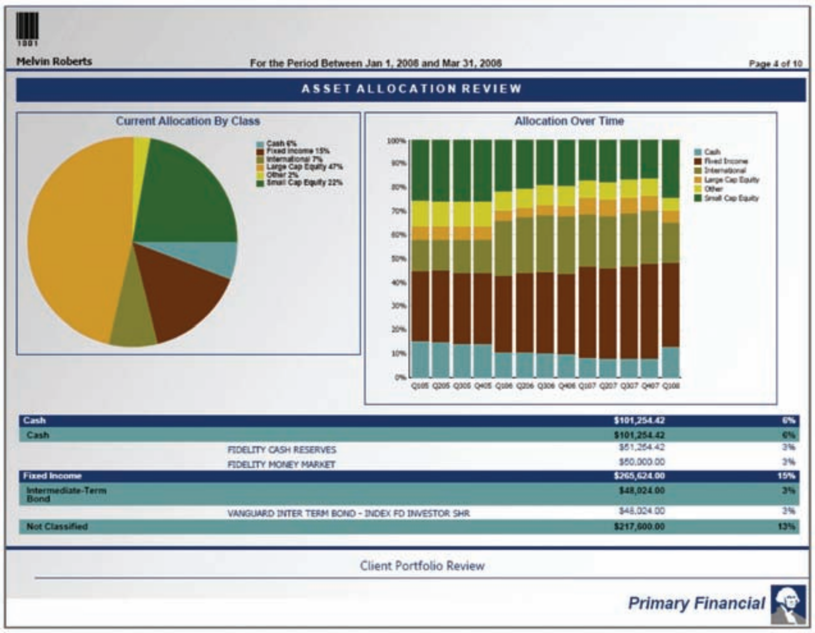
Client Portfolio Review

Primary Financial

Figure 5

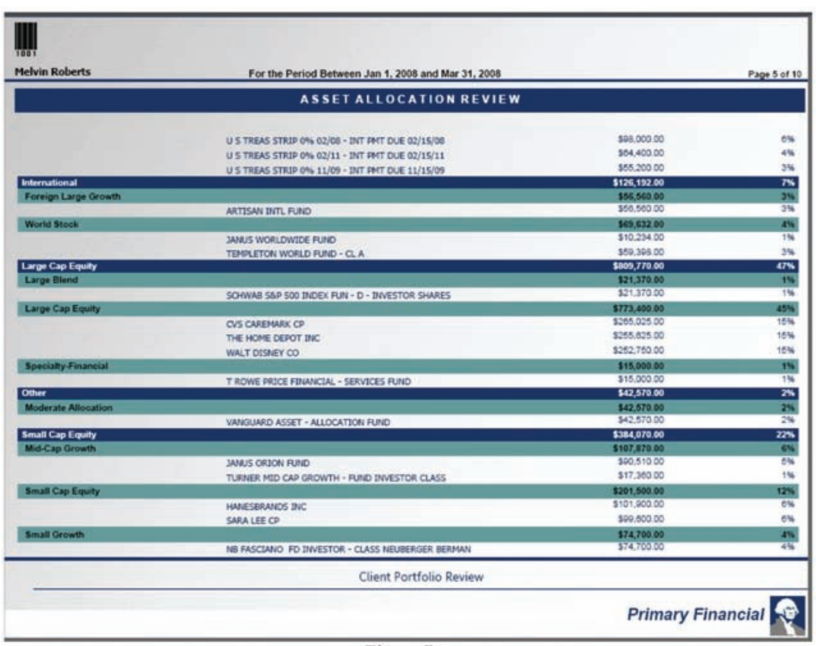
Asset Allocation

The **Asset Allocation** section of the statement (Figures 6 and 7) gives clients key information about current asset allocation by security class, the asset makeup of the portfolio over time, and detailed information on each specific holding.



Cash		$101,254.42	6%
Cash		$101,254.42	6%
	FIDELITY CASH RESERVES	$51,254.42	3%
	FIDELITY MONEY MARKET	$50,000.00	3%
Fixed Income		$265,624.00	15%
Intermediate-Term Bond		$48,024.00	3%
	VANGUARD INTER TERM BOND - INDEX FD INVESTOR SHR	$48,024.00	3%
Not Classified		$217,600.00	13%

Figure 6



	U S TREAS STRIP 0% 02/08 - INT PMT DUE 02/15/08	$98,000.00	6%
	U S TREAS STRIP 0% 02/11 - INT PMT DUE 02/15/11	$64,400.00	4%
	U S TREAS STRIP 0% 11/09 - INT PMT DUE 11/15/09	$55,200.00	3%
International		$126,192.00	7%
Foreign Large Growth		$56,560.00	3%
	ARTISAN INTL FUND	$56,560.00	3%
World Stock		$69,632.00	4%
	JANUS WORLDWIDE FUND	$10,234.00	1%
	TEMPLETON WORLD FUND - CL A	$59,398.00	3%
Large Cap Equity		$809,770.00	47%
Large Blend		$21,370.00	1%
	SCHWAB S&P 500 INDEX FUN - D - INVESTOR SHARES	$21,370.00	1%
Large Cap Equity		$773,400.00	45%
	CVS CAREMARK CP	$265,025.00	15%
	THE HOME DEPOT INC	$255,625.00	15%
	WALT DISNEY CO	$252,750.00	15%
Specialty-Financial		$15,000.00	1%
	T ROWE PRICE FINANCIAL - SERVICES FUND	$15,000.00	1%
Other		$42,570.00	2%
Moderate Allocation		$42,570.00	2%
	VANGUARD ASSET - ALLOCATION FUND	$42,570.00	2%
Small Cap Equity		$384,070.00	22%
Mid-Cap Growth		$107,870.00	6%
	JANUS ORION FUND	$90,510.00	5%
	TURNER MID CAP GROWTH - FUND INVESTOR CLASS	$17,360.00	1%
Small Cap Equity		$201,500.00	12%
	HANESBRANDS INC	$101,900.00	6%
	SARA LEE CP	$99,600.00	6%
Small Growth		$74,700.00	4%
	NB FASCIANO FD INVESTOR - CLASS NEUBERGER BERMAN	$74,700.00	4%

Figure 7

Portfolio Analytics

Portfolio Analytics (Figure 8) displays key measures of portfolio performance, including returns, standard deviation (risk), and alpha.

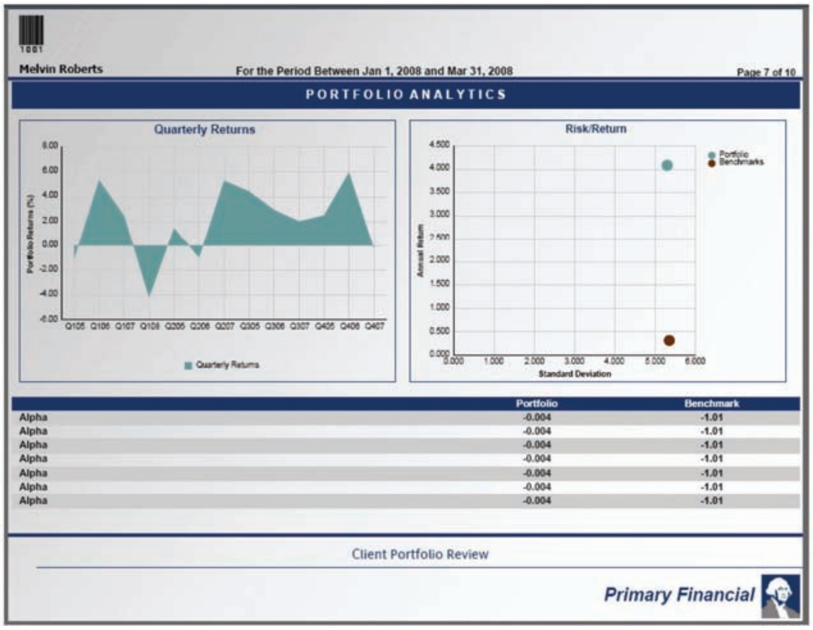


Figure 8

Portfolio Characteristics

The **Portfolio Characteristics** section of the client statement, shown in Figure 9, shows such information as fund sector allocations, P/E ratio of the entire portfolio, bond ratings of the portfolio, and a ranking of holdings by year-to-date return.

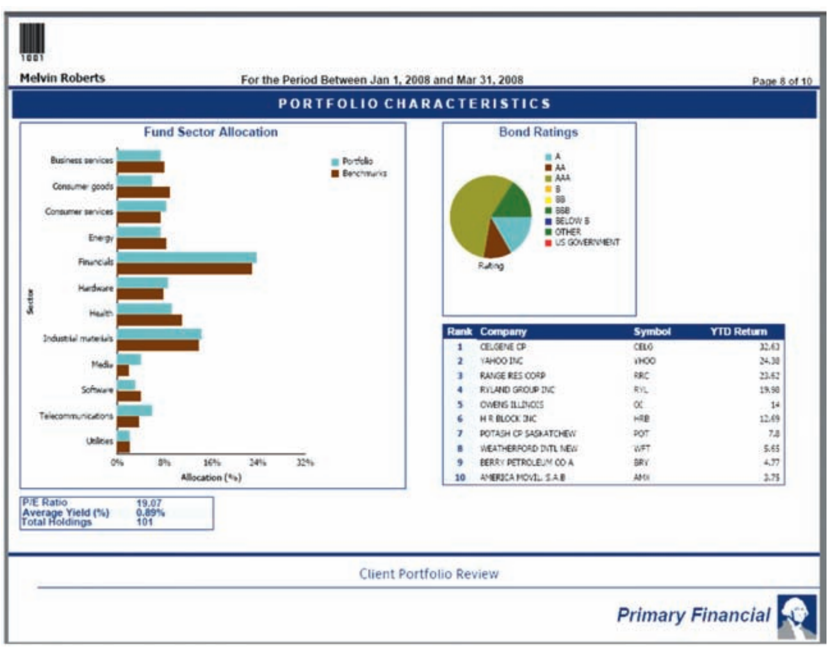


Figure 9

Market Commentary

The **Market Commentary** section (Figure 10) is crucial to establishing credibility with your clients. The Market Commentary area of the *Blueprint* is customizable, so that you–the advisor–can tailor your comments to your clients' specific needs.

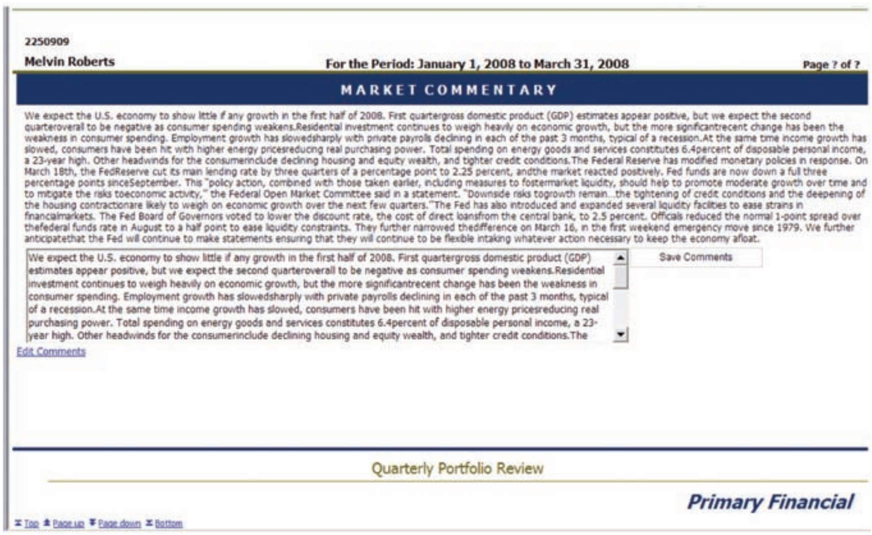


Figure 10

Client self-service reporting

Better client servicing means more than better statements. Though important, statements represent only a fraction of what today's more demanding clients expect from their advisory firm. Self-service reporting is also a crucial aspect of client servicing. The benefits of Self-Service Reporting include

- Integration with existing extranet portal and look and feel
- Simplicity in user navigation and experience
- Technology that fits into corporate standards
- Auditing and usage tracking

The following examples illustrate a few of the many ways in which you can use IBM Cognos products for client self-service reporting.

Full Portal Integration

IBM Cognos solutions understand that many advisors already have a dashboard in place, and you can easily integrate the *IBM Cognos Client Servicing Blueprint* into an existing dashboard. Figures 11 and 12 show how the *Blueprint* might appear within a portal.

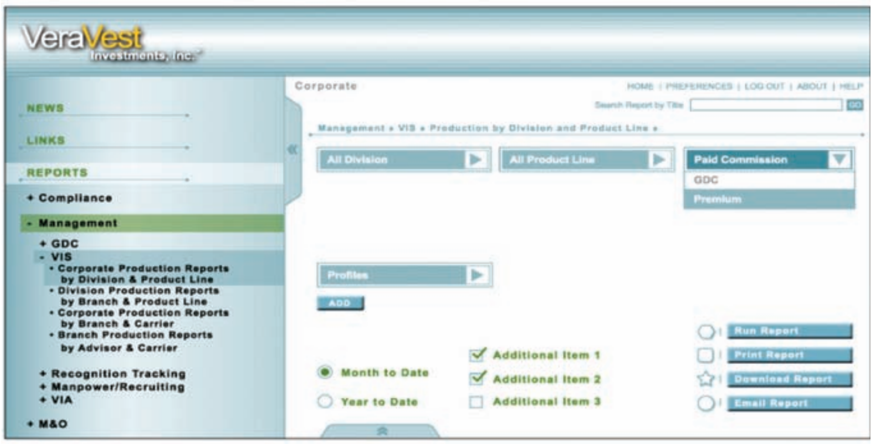


Figure 11

Figure 12

Self-Service Reporting – Account Summary

Figures 13 through 17 display five reports that you can access online through self-service reporting. **The Account Summary Tab** (Figure 13) shows the current portfolio balance and asset allocation.

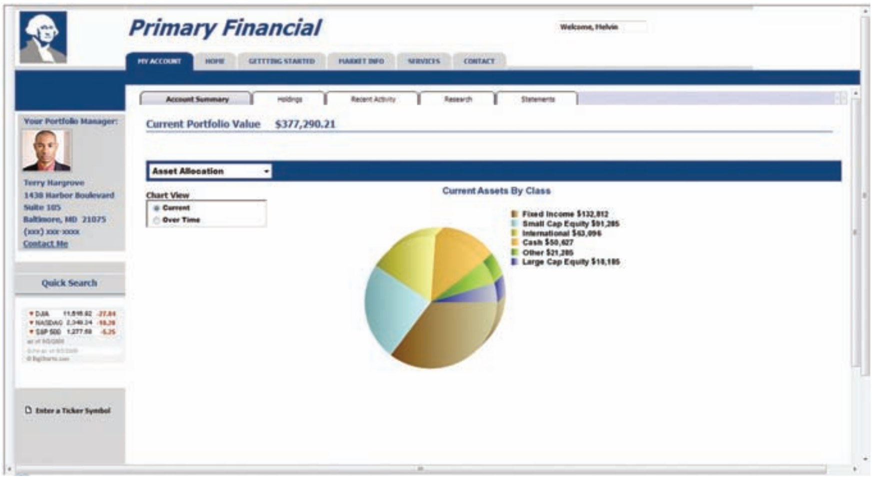


Figure 13

Self-Service Reporting – Holdings

The **Holdings Tab** (Figure 14) displays each individual holding, including total value, and percent of portfolio.

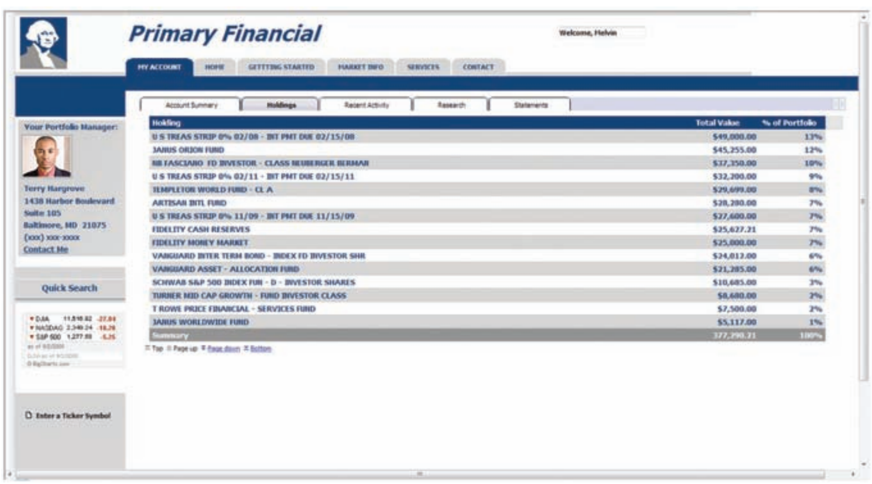


Figure 14

Self-Service Reporting – Recent Activity

The **Recent Activity Tab**, shown in Figure 15, allows clients to track activity for a selected time period.

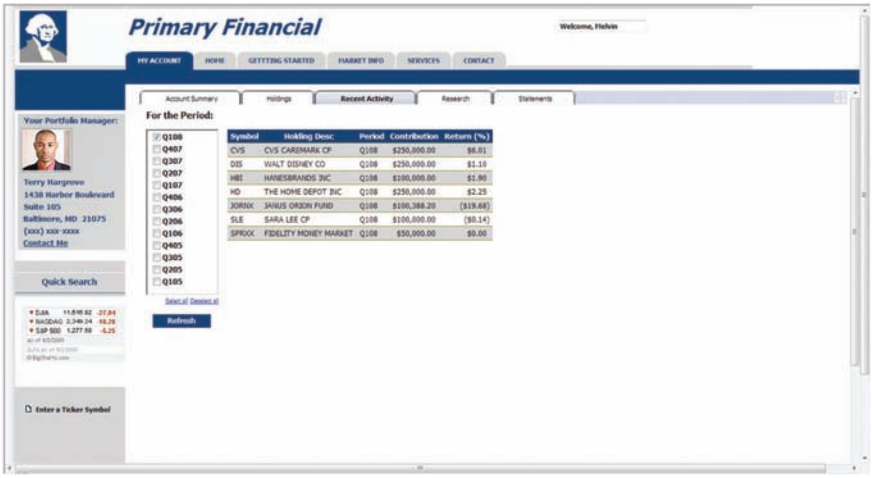


Figure 15

Self-Service Reporting – Research

One of the most vital self-service functions for wealth managers is research. The **Research Tab** (Figure 16) illustrates the types of research you could do using the *Blueprint*.

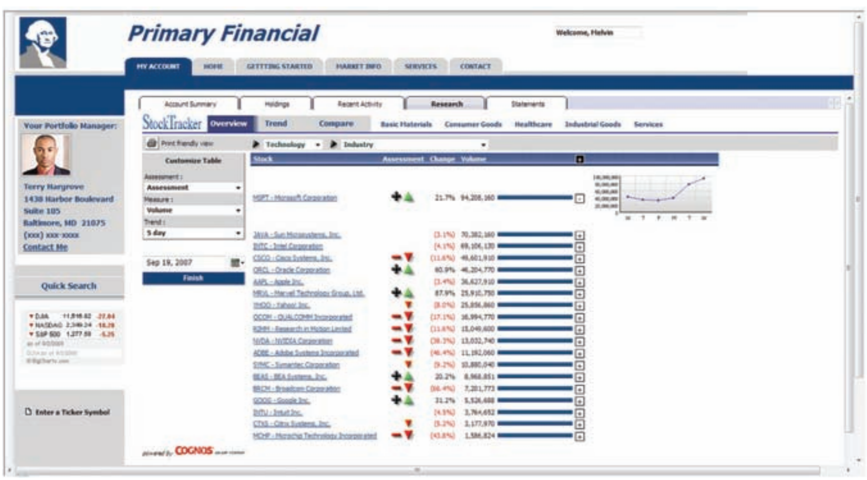


Figure 16

Self-Service Reporting – Statements

Finally, the **Statements Tab** naturally ties back to the Statement Generation component of the *Blueprint*. Figure 17 is an example of the integration between the two components.

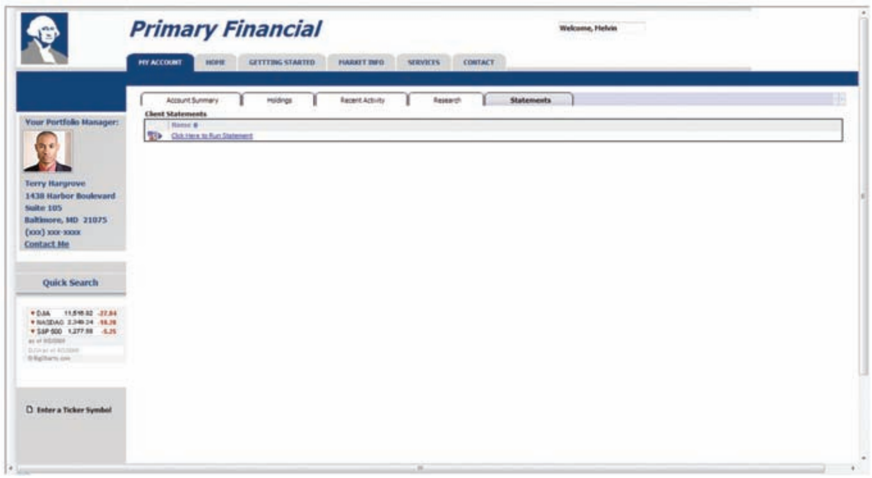


Figure 17

About the IBM Cognos Innovation Center For Performance Management

The IBM Cognos Innovation Center was established in North America and Europe to advance the understanding of proven planning and performance management techniques, technologies, and practices. The Innovation Center is dedicated to transforming routine performance management practices into “next practices” that help companies

- cut costs
- streamline processes
- boost productivity
- enable rapid response to opportunity
- increase management visibility

Staffed globally by experts in planning, technology, and performance and strategy management, the Innovation Center partners with more than 600 IBM Cognos customers, academicians, industry leaders, and others seeking to accelerate adoption, reduce risk, and maximize the impact of technology-enabled performance management practices.

About IBM Cognos BI and Performance Management

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

For further information or to reach a representative: www.ibm.com/cognos

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