

The Italian Financials Conference

Cross Selling

Cross Selling: Reality or Mirage??

The Italian Financials Conference

Rome/Italy, 7-8 February 2002



GIUBERGIA UBS WARBURG
Società di Intermediazione Mobiliare

 **UBS Warburg**

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Cross Selling Definition

*to leverage
the existing customer base
by selling
additional products and
services*



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Why is Cross Selling Effective?

*the cost of selling to
existing customers is far lower
than acquiring new customers*

customer retention is enhanced



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Our Approach

*the concept of Cross Selling
is becoming outdated,
offering much less potential
than the approach we are adopting*

*creating
the Global Client*



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The Difference

*...between 'Cross Selling'
and 'creating the Global Client':*

we don't simply sell products,

we sell solutions

*that completely satisfy all
financial requirements
of the client, who has no desire to
switch to the competition.*



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One-stop Shopping

strong preference for the one-stop shopping...

thanks to deregulation...

we'll all be playing in the same segment...

Italy is an evolving market...

everyone in the Industry is mutating...



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Creating the Global Client: Requisites

*knowledge of the **1** customer base*

*client-centric mindset & culture throughout the **2** organisation*

*tracking client **3** lifetime value*

*a business **4** model that permits the above*



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Knowledge of the Customer Base

- 1 *appropriate customer segmentation*
- healthy customer information relational database*
- re-engineering of processes & structures*
- focus on profitable customers*
- customised offers*

Creating the Global Client: Requisite 1

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Knowledge of the Customer Base

- appropriate customer segmentation*
- ◆ *know lifestyle of the customer*
- ◆ *segment by psychographics*
not demographics or 'share of wallet'

Creating the Global Client: Requisite 1

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Knowledge of the Customer Base

healthy relational database

- ♦ *key to avoiding fragmented customer information*
- ♦ *product lines mustn't reside in separate databases*

Creating the Global Client: Requisite 1

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Client-centric Mindset & Culture

2 *right strategic mindset before investing in CRM*

total corporate 'buy-in' fundamental

appropriate technical & cultural training

Creating the Global Client: Requisite 2

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Tracking Lifetime Value

3 *creating a Global Client is a complex process
but, efforts are rewarded*



higher retention rate, higher revenues



*Lifetime Value of the client
is significantly increased*

Creating the Global Client: Requisite 3

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Measuring Lifetime Value

*measuring the
Client Lifetime Value
is critical:*

- ◆ *to justify efforts spent in creating Global Client*
- ◆ *to measure progress made*
- ◆ *to expose profit potential of new initiatives*

Creating the Global Client: Requisite 3

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The Right Business Model

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*a model that allows full integration
of all requisites*



cohesive & symbiotic execution



maximises results



Creating the Global Client: Requisite 4

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Mediolanum Business Model

*nucleus of our strategy
part of our DNA*

GLOBAL

*Global
Client*

ADVISING

*achieved concept
inside our core
competency*

*within our
'comfort zone'*




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Product Line Integration



*answers all financial needs:
one source, one professional*


Mediolanum Business Model 

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Global Organisation



Client as a design point

Mediolanum Business Model 

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Multi-channel Integrated Bank

5,600
Advisors

Telephone
Tele-text

50,000 calls/day
capability

Internet

World-class
banking
& trading
facilities

*integrates all 'points of contacts'
with the Client*

Mediolanum Business Model

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The Virtuous Triangle

Client



Tele-text



Telephone



Internet

Call Center



Customer
Service

Advisor



Laptop &



Desktop
Computer

Mediolanum Business Model

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*the typical Italian
retail bank customer owns*

3.75 products
(out of 16 product types)

the average Mediolanum client owns

4.78 products
(out of 16 product types)

* in co-operation with



SDA BOCCONI
Scuola di Direzione Aziendale



Effects of Client Globalisation on AUM



Effects of Client Globalisation on AUM-2



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Effects of Client Globalisation on AUM-3



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A few Closing Points

*still a lot of work ahead to upgrade
all our customers to Global Clients...*

but the payoff is very rewarding...

*if the share of bank accounts were
doubled, we'd have additional AUM
of EUR 5.5 billion...*

*we would be categorised in the
Big Bank segment...*

