



**Where Eagles Soar Inc.  
Terry Teeple, Executive Vice President  
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### **Debit Card Online**

Being introduced by Canadian Banks starting this summer, tests are underway with online merchants to use personal debit cards for payment. It will potentially work as follows:

1. When you have finished shopping and are ready to complete the transaction, pick the "Interac Online" payment option.
2. From there you will be taken to a screen that summarizes your purchase and asks you to choose from a list of participating Canadian Banks.
3. You will then be directed to your Bank's own secure Web Site and asked to enter login and the password information you would normally use when doing online banking, None of this information is seen or kept by the merchant.
4. Once logged on to the bank's secure site, you will be asked to choose an account.
5. You will be asked to confirm the transaction. Once confirmation is received, you are logged off the bank's site and sent back to the Web retailer's site.

### **Royal Bank To Hire 700**

RBC Royal Bank has announced it will hire approximately 700 employees to handle retail and small-business customers in the Canadian market. The bank plans to hire 150 mortgage specialists, 85 customer representatives and 102 commercial banking employees over the next year. They will also add 250 account managers and 100 financial planners over the next two years.

## **Royal Bank Plans Next Door Insurance Offices**

Speaking at an investor relations' conference in Montreal, RBC chief executive Gordon Nixon said he plans to open insurance offices next door to select locations of the Royal across Canada over the next year.

"The hope is that we will be able to generate some cross-traffic between these businesses," he told the National's Bank's Canadian Financial Services Conference. "It's a very natural product to be selling across our various bank customers". Under current laws, Canadian banks are not allowed to sell insurance from their branches. Royal's move would skirt that law by having the bank's retail banking and insurance branches next door to each other – making it easier to refer customers back and forth. The Bank said it is a pilot project with the first office to open at Toronto's Finch and McCowan branch in June, with four others to follow at Bloor and Yonge, Hamilton's Centre mall, Kingston's main branch and Kirkland, Quebec.

## **Tories, Bloc Would Back Mergers For Banks**

Canada's two largest opposition parties say they will support mergers among the country's five biggest banks, removing one of the main hurdles for Finance Minister Ralph Goodale as he prepares new guidelines for the banking industry. Opposition backing would make it easier for the government to remove a ban on bank mergers, which has been in place since 1998 when the Royal Bank tried to merge with the Bank of Montreal.

## **Alterna Savings**

Formed on April 1, 2005 by the merger of Ottawa- based CS CO-OP and Toronto-based Metro Credit Union, Alterna Savings provides 190,000 members with a full range of financial products and services, including loans, mortgages, investments, telephone banking, online banking and a Member Service Centre. With 24 branches in Ottawa, Toronto, Kingston, Pembroke and North Bay, Alterna Savings has a long history of exceptional service and commitment to community.

## **Islamic Banks Chart New Course**

In the past decade, Islamic banking has matured from a tiny, sometimes controversial backwater into an important current of global finance, especially as Western bankers and borrowers compete for the new funds gushing into the Persian Gulf because of higher oil revenues. Citigroup Inc. now operates what is effectively the world's largest Islamic bank in terms of transactions. Some \$6-billion (U.S.) of Citibank deals have been structured and marketed in conformance with Islamic laws since starting out in 1996.

Islam's Sharia law severely limits the practice of charging or paying interest. A new generation of Islamic banks have found ways to make products mimic the Western originals, from floating rate infrastructure loans to Islam-compliant credit cards issued by Visa. The paperwork, however, is Islamic.

Regulation remains a big concern, partly because so much involved with Islamic banking is so new. There isn't any unified Islamic banking authority, comparable to the Bank of International Settlements in Switzerland, and no universal view of what qualifies as an Islamic product. Several bodies in Bahrain and another in Malaysia are working on new rules over Islamic financial accounting, bank governance and lending standards.

## **Stores Banking On Financial Services For Growth**

Increasing numbers of stores are venturing beyond traditional credit cards into offering lines of credit, term loans, mortgages, and insurance – products dominated by the major banks.

Canadian Tire Corp. Ltd., which has the fifth largest bank card franchise in Canada with its Options MasterCard, announced that it would substantially increase its presence in financial services during the next five years.

In addition to aiming to bolster its credit card balances by 12 to 15 per cent annually and enhancing its insurance offerings, Canadian Tire has begun a large-scale rollout of products such as lines of credit and personal loans. The retailer already has approximately 30,000 customers signed up to its mail-based term loan program with total receivables of about \$190 million. It aims to create 80,000 new loan accounts by the end of 2007. Savings and mortgages are next on the agenda.

## **Customer Relationship Management – Revisited 2005!!**

In the mid 1990s, customer relationship management (CRM) became a dirty word as corporations spent millions on technology that was unable to deliver.

Today, similar amounts are being spent but now organizations know what outcomes to expect. Financial Services providers believe that CRM solutions are essential for providing them with a competitive edge in today's market where consumers are much more sophisticated and informed as to their financial well being. Financial institutions are compiling large amounts of data on their customers and analyzing their behaviour in order to predict what their future product needs are likely to be. CRM is not just technology but an end-to-end sales process. Understanding changes in customer behaviour and lifestyle is critical for customer retention and sales generation. Sales success today will be through customer contact that is more aligned to their needs at that point in time.

## **BenchmarkPortal Receives Patent For On-Line Benchmarking**

(April 5, 2005) – The U. S. Patent and Trademark office officially issued patent #6,877,034 to BenchmarkPortal, Inc. for Performance Evaluation through Benchmarking, using an online questionnaire based system and method. The issuance of this patent puts BenchmarkPortal in a unique position in terms of on-line performance benchmarking.

BenchmarkPortal, working closely with its academic partner, the Centre for Customer-Driven Quality at Purdue University, has been building a performance metrics database on customer service contact centres since 1995.

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This propriety database includes best practice statistics on thousands of contact centres in 43 different industries and in 28 different countries worldwide.

BenchmarkPortal's patented performance benchmarking system, officially called RealityCheck TM, is a Web-based quality tool that allows contact centre managers to assess the effectiveness and efficiency of their centre's performance as compared to those in the same industry and/or a more select peer group of similar centres. RealityCheck includes a Balanced Performance Scorecard, which plots one centre's efficiency and effectiveness against its industry peer group. By comparing a centre's performance with a Peer Group of similar contact centres, it immediately becomes clear where the gaps in performance are, and this leads to finding the process or processes in the centre that need improvement.

## **VoIP Decision to hurt BCE, TELUS**

Canada's federal telecommunications regulator is slated to rule on voice over Internet protocol services and one analyst says the result will likely hurt sales and profit for the country's two largest telecommunications companies. UBS Securities Canada Inc. analyst Jeffery Fan said that while it is "risky" to try and predict what the Canadian Radio-Television and Telecommunications Commission (CRTC) will do, he believes the CRTC will stick by its preliminary ruling that on-line phone services are telephony and should be regulated by the commission.

The CRTC has been examining whether local phone services based on Internet technology should be regulated the same way as traditional phone services. BCE Inc. and Telus Corp., Canada's former monopolies, have argued that CRTC shouldn't regulate them in the fledgling VOIP industry. Mr. Fan said that a decision against the former monopolies would open up the playing field for cable companies such as Rogers Cable Inc. and Shaw Communications Inc., allowing them to grab market share from incumbent phone companies. The incumbents would "gradually lose their monopoly-like position" Mr. Fan said, while the cable companies would use this opportunity to accelerate their bundle strategy, which will likely improve their market share in Internet and cable.

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## **Streamlining Customer Interactions**

Many smaller financial institutions such as credit unions are still largely operating with the same traditional business structures where marketing occurs by product silo and through a channel silo. This challenge is exacerbated by the continuing consolidation within the industry, where organizations have multiple, incompatible legacy systems and communication infrastructures acquired through merger and acquisitions.

The need to improve competitiveness, achieve faster resolution of consumer needs and improve service levels without increasing staff will continue to rise in today's changing market. Additionally, lack of effective networking amongst the branches and increasing consumer demands, as each person grows accustomed to using multiple channels, continues to disadvantage smaller financial institutions.

To gain a competitive edge will require a more collaborative, effective, and cost-optimized approach to consumer specific solutions which reflect their preferences now and in the future around products, services and distribution channels. What are you doing to meet this challenge?