

FORTUNE



a higher plane of communication

profitability

optimization

continuity

control

Taking Customer Relationships to the Next Level

Financial Services Delivers the Integrated Multichannel Experience

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Letter from the Chairman

For the financial services industry, the central importance of communications has never been greater or clearer. The demands of customers are driving the need for smart, secure, reliable and integrated communications. To remain competitive, companies are optimizing their business processes and deploying resources more effectively. For example:

- In the insurance industry, the claims process is being streamlined through online document submission, live chat with agents, and multichannel access to claims status.
- In the banking industry, resources are being better utilized—and customers are being better served—by having tellers use their idle time to support the contact center during peak volume periods.
- And brokerage firms are increasing customer loyalty by providing online stock traders with unified messaging and access to a personal broker through an IP Softphone application on a PDA.

At Avaya, we design, build, deploy and manage communications solutions that help companies leverage their networks to improve their bottom lines. We're the worldwide leader in IP telephony, voice messaging, unified communications, unified messaging, call centers, and other critical business solutions. We work with Merrill Lynch, Bank One, Morgan Stanley and other top financial services firms. Naturally, we welcome the opportunity to put our experience to work for you.

We hope you'll enjoy your complimentary subscription to FORTUNE® magazine, along with this special cover supplement addressing topics of importance to the financial services industry, and we hope you will not hesitate to send us your comments and inquiries. For more about Avaya solutions, please visit avaya.com/fortune.

A handwritten signature in black ink that reads "Donald K. Peterson". The signature is written in a cursive, flowing style.

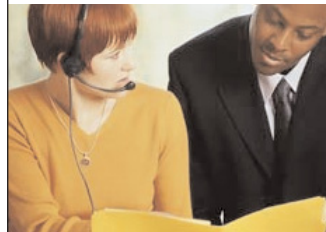
Donald K. Peterson
Chairman and CEO

Communications: The Heart of the Enhanced Customer Relationship

Communications has always been vital to business—and today, communicating effectively requires enabling a seamless customer experience across multiple channels. To achieve this, business processes need to be communications-enabled. Here are some ways banks, brokerages and insurance companies are using advanced communications technologies and applications to increase customer retention rates, expand services penetration, and grow share-of-wallet—while lowering costs, augmenting revenues, and reducing risk.

To Protect Relationships, Secure Customer Data

The core asset of every financial services organization is information—its own proprietary research and methodology and, of course, its customer data. So it's no surprise securing and protecting information is a top concern. Assuring the integrity of your customer data has always been good business practice; today it's the law.



Communications systems and networks carry information that is subject to strict and enforceable guidelines regarding privacy protection. Thus, banks, brokerages and insurance firms must develop, execute and maintain security policies that meet or exceed the new standards for regulatory compliance. As a result, their networks must continually be assessed to assure alignment with security policies and strategies as they evolve over time.

Financial partnerships have always been built on trust. These days, earning that trust—that is, protecting those customer relationships—requires a whole new kind of commitment to network and information security.

Business Continuity: Survival of the Fit

In the best of times, dealing with issues related to IT performance can be a daunting task. But in today's uncertain world, businesses have been called on to

prepare for the worst. Natural disasters, power outages, work stoppages, cyber terror and more—these are the marketplace realities today's managers are required to deal with.



With more and more financial transactions being handled via communications networks, these systems are at the core of every financial services organization's continuity plan. Advanced networks can make essential data available, reroute vital communications, and connect employees from mobile offices and globally dispersed contact centers. Business continuity preparation therefore requires identifying the business's areas of greatest vulnerability and then designing, implementing, building and maintaining the communications capabilities necessary to remain connected and protected. In this way, operational risk is minimized and managed.

The worst-case scenario—it's something nobody likes to think about. But every business has to plan for.

Branch Renewal: It's All About Connecting

Reports of the branch's demise turn out to have been exaggerated. Rather than being replaced by ATM, phone and online financial services, branch offices today have a renewed purpose—they're part of a multichannel strategy to deliver a consistent customer experience wherever, whenever and however customers choose to conduct their business.



Branch offices used to be disassociated from the larger enterprise, and served by small, standalone systems. But these days, no branch can afford to be an island. Modular, standards-based communications applications can now connect remote branches to centralized back-office processes. The same advanced systems deliver core applications to the front lines, enabling representatives to do their jobs better, thus helping maintain and build valuable relationships—not to mention reduce costs and increase efficiency and effectiveness.

And with bank, brokerage and insurance customers continuing to make regular visits to their local branch offices, it's clear that connecting is more important than ever.

Resource Optimization: Maximizing People Power

People are a company's most valuable resource—and more than ever, those resources need to be better leveraged and supported by tools that can improve effectiveness.

Enabled by sophisticated, ultrareliable communications networks and applications, resource optimization addresses both efficiency and effectiveness goals. For example, high volume transaction centers, such as credit card processing, can be handled more efficiently by locating operations in cost-effective geographies across a region, or around the globe. Knowledge experts can be accessed in multiple ways, by the company at large, through centralized multimedia support centers. And high-priced, specialized talent can be given greater mobility, and enhanced effectiveness, through soft-phone-enabled PDA's and unified communications enabling representatives to have information at their fingertips when visiting important clients.

Getting the most out of your people means deploying them strategically and efficiently—and making sure whatever they're doing, wherever they are, they can achieve results.



(Customer) Knowledge Is Power

In business, the first commandment is "know thy customer." Yet as financial institutions grow more sophisticated—with more ways of serving their customer base—paradoxically, they have typically failed to understand their customers holistically. Which results in missed opportunities to cross-sell, up-sell, and in general serve those customers better.



Creating an integrated, 360-degree view of the customer is a goal being made real by today's leading financial institutions—supported by secure, reliable, high-bandwidth communications networks at every point of customer interaction. Customer information collected and stored anywhere across the enterprise can be accessed and acted upon from anywhere else in the enterprise. So, for example, a web application server or a contact center operator can push targeted content and offers based on a customer's profile. That customer, in turn, enjoys the experience of doing business with a single company instead of a collection of disconnected channels.

Knowledge becomes powerful only when it can be leveraged. Integrating knowledge at the point of interaction creates value, drives revenue and improves customer loyalty.

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IP Telephony at the Right Pace: Merrill Lynch

Merrill Lynch is bullish on IP telephony. But the company also believes in managing risk. Which is why Merrill Lynch turned to Avaya to make IP part of a heterogeneous telecom environment that also includes analog and digital telephony—a solution that balances the value of innovative IP applications with the reliability of analog and digital solutions.

Nearly 6000 Merrill Lynch employees in New Jersey and 2000 in Japan will use a mix of digital and IP handsets, with IP calls routed over the company's new data network and digital calls over its new voice network. The solution is being designed, built and maintained by Avaya Global Services and is powered by Avaya MultiVantage™ Communications Applications.

Avaya worked with Merrill Lynch to design a platform that harnesses the advantages of IP and launches the company on the appropriate trajectory toward convergence. The new system also leverages existing hardware and software investments and creates the multiple levels of resiliency necessary to ensure security



and business continuity. The result? An evolutionary communications architecture that meets the customer's needs today and well into the future—with higher reliability and a lower total cost of ownership. In financial services, this is known as a sound investment.

For more business communications success stories—as well as ideas for your business, please visit avaya.com/fortune.

About Avaya

Avaya enables businesses to achieve superior results by designing, building and managing their communications networks. Over one million businesses worldwide, including more than 90 percent of the FORTUNE 500®, rely on Avaya solutions and services to enhance value, improve productivity and gain competitive advantage.

Focused on enterprises large to small, Avaya is a world leader in secure and reliable IP telephony systems, communications software applications and full life-cycle services. Driving the convergence of voice and data communications with business applications — and distinguished by comprehensive worldwide services — Avaya helps customers leverage existing and new networks to unlock value and enhance business performance.



IP Telephony

Contact Centers

Unified Communication

Services

We're Focused on Customer Relationships. Yours. And Ours.

Revitalization of the branch...regulatory compliance...integrated multichannel customer experience...leveraging highly skilled financial professionals...These are among the top priorities at every financial services organization seeking to reduce costs, minimize risks and increase revenue-per-customer—while creating and nurturing long-term, profitable customer relationships.

Avaya has relationships with financial services firms across the globe. We specialize in helping institutions get from where they are to where they need to be through:

- Planning, design, implementation and management services that enable you to focus on strategic innovation in the financial services you deliver to your customers.
- Adoption of innovative personal productivity solutions to help your company attract and retain highly skilled financial professionals.
- Better connection of the resources within your enterprise to the information and processes they need to succeed, using innovative IP technologies integrated and deployed across the enterprise at a pace that's right for your company.
- High-performance networks with security and continuity “designed in” to address issues related to regulatory compliance and customer privacy requirements.
- Convergence of online and offline interactions through integrated multichannel access.

- Instant access to timely financial information through performance-optimized communications applications and multimedia networks.
- Multimedia contact centers, integrated and designed to optimize communications-intensive financial processes such as loans, claims, or IPO transactions.

No matter how much business changes, the customer is still king. Is your financial enterprise optimized to protect, enhance and extend your customer relationships? For solutions that leverage communications to optimize critical functions in the financial industry, please visit avaya.com/fortune.



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