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BCSG Introduction: Business Apps and SME Productivity

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BCSG Overview

BCSG helps large brands achieve improvements in acquisition, retention and customer engagement by creating value added experiences and engagement for their SME customers

Our partnerships with leading brands provide a reach to over 5 million small businesses worldwide.



We maintain an ever growing inventory of handpicked cloud applications from trusted providers.



Our business

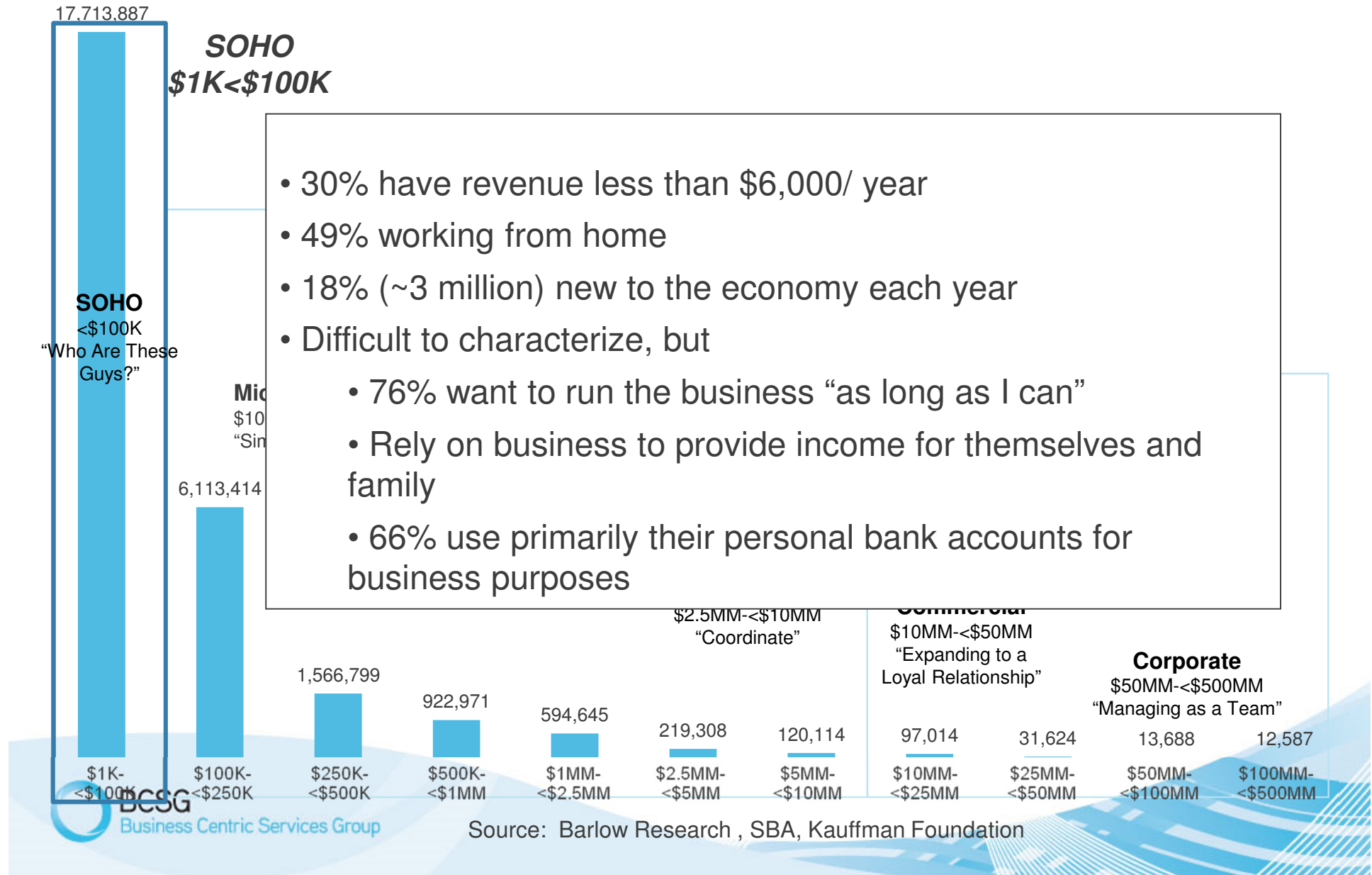
- Established in 2007
- 40% CAGR yoy for last 4 years
- An agile team of 100 FTE
- Global - HQ in London with footprint across EMEA, North America and APAC
- Multiple Financial innovation awards

Our focus

- Work only with leading banks and telco clients
- Address the needs of their SMEs with up to 250 employees.
- Deliver SaaS solutions/ cloud applications to those SMEs

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The small business volume opportunity



Recurring Themes of Customer Needs

Running my business

- 35% of small business owners work 46-50 hours a week (15)
- 4 in 10 small businesses plan to outsource more work in 2013 (9)
- 48% of small business owners say it is very important to have mobile devices – it saves them an average of 36 hours a week (10)
- 78% of businesses fail due to the lack of a well developed business plan (8)
- 69% of small businesses owners consider themselves a beginner or almost a beginner at financial management when they first start up (4)

Managing my cash flow

- 90% of small businesses recognize that managing cash flow and liquidity is important to continuing success and effective operations (13)
- The average small company has to wait an average of 28 days beyond their agreed terms for payment (5)
- 35% of businesses have been adversely affected by late payment in the past two years (12)

Getting new customers

- 83% of small business owners believe mobile payments will be mainstream in the next 4 years (1)
- 67% of small businesses say search engine optimisation is important. (6)
- 51% of small businesses say finding new customers is the most challenging activity when running their business (11)
- The number of small businesses selling products online has increased 42% YOY (7)

Vision of the future:
All businesses will run their business
processes using cloud services

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The Cloud Democratizes IT

Cheaper and easier to start
and scale a business

Variable instead
of fixed costs

Enables platforms,
networks and
ecosystems

Greatly enhanced
customer acquisition,
service and support

Access to technology and
capabilities once only available
to large organizations

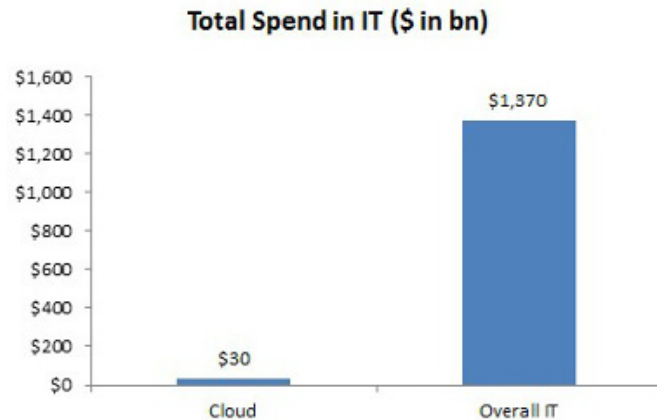
#SMBecosystem

We are in the early stages of adoption curve

Only
26% of SMBs are using applications in keys areas of their business

Source: BCSG Propriety Research 2014

Only 2% Cloud Penetration in IT



64% do not use any type of automated system for financial tasks like producing invoices

53% do not have a website

69% of business that employ staff are not using any sort of software to keep employment files

Sources: athPower, PKF Research

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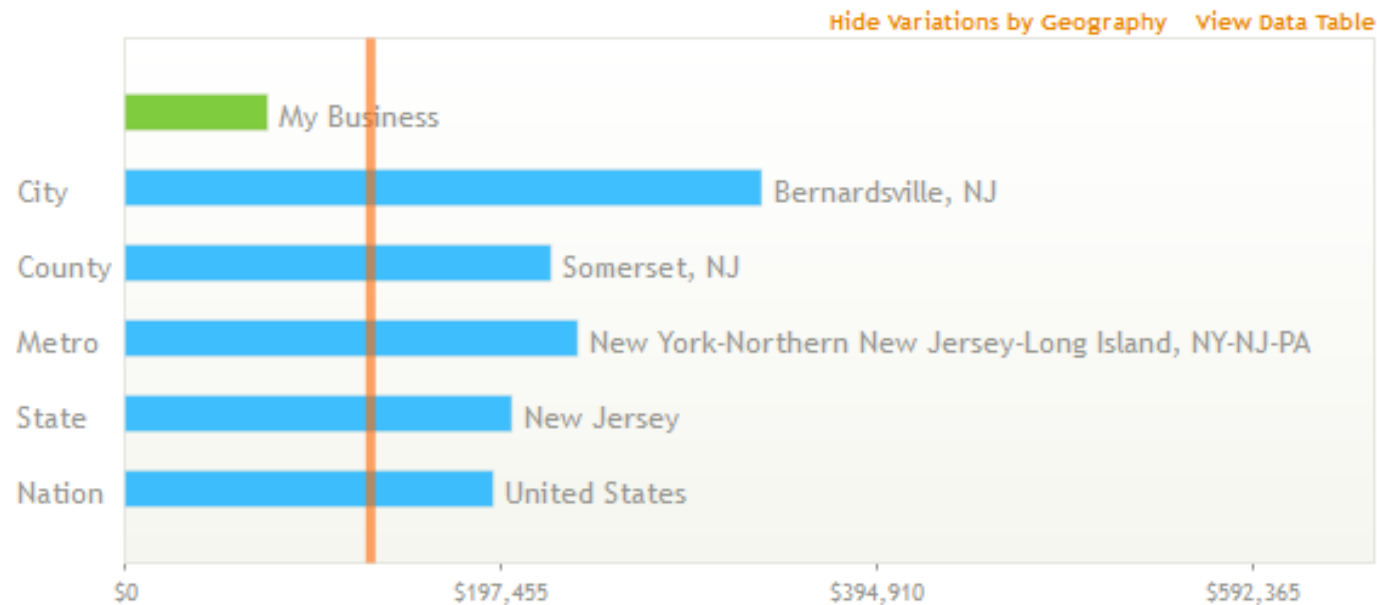
Example 1: Turn Data into Insight

- See how I stack up



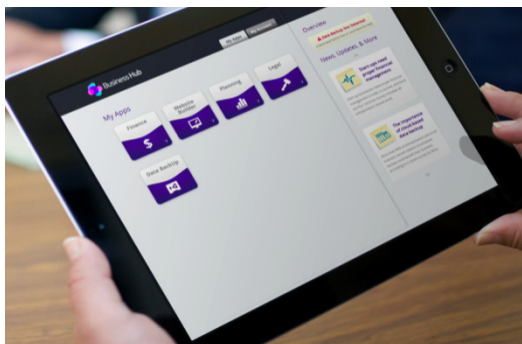
How you size up

The revenue your business generates is less than 99% of businesses in your industry in your city, greater than or equal to 11% of businesses in your county, greater than or equal to 14% of businesses in your metro, greater than or equal to 13% of businesses in your state, and greater than or equal to 21% of businesses in the nation.








Example 2: Aggregate Leading Tools into a Package

Business Hub addresses the key challenges that SMBs face, with world class applications and services combined with a single login, and unlimited customer telephone support



Business Hub puts world class applications onto a branded portal:

- **24/7 access, anywhere, anytime**
- **Single login to access all applications**
- **A single monthly subscription fee**
- **Unlimited centralized support (email & telephony) including support to activate and on-board user**

Manage your Finances	Plan your Business	Get Online	Legal Support	Protect your Business
<ul style="list-style-type: none">• Online accounting & bookkeeping• Track and manage your cash flow.• Produce estimates, invoices and receipts. 	<ul style="list-style-type: none">• Create a complete business plan• Forecast financial performance• Set goals and objectives to stay on track with the plan. 	<ul style="list-style-type: none">• Build a website using drag and drop editors• Professional templates to start from• Optimize website for search engines 	<ul style="list-style-type: none">• Uses the answers given in a wizard to build a bespoke legal document• 50 documents including:<ul style="list-style-type: none">• Terms of trade• Website privacy policy• Partnership agreements 	<ul style="list-style-type: none">• 10Gb Data backup• Schedule automatic backups• Secure - all data fully encrypted 
Reference Price: \$20/month	Reference Price: \$25/month	Reference Price: \$12/month	Reference Price: \$33/month	Reference Price: \$20/month

The entire package available to Start Ups for \$25/monthly – Over a 70% saving off the market price

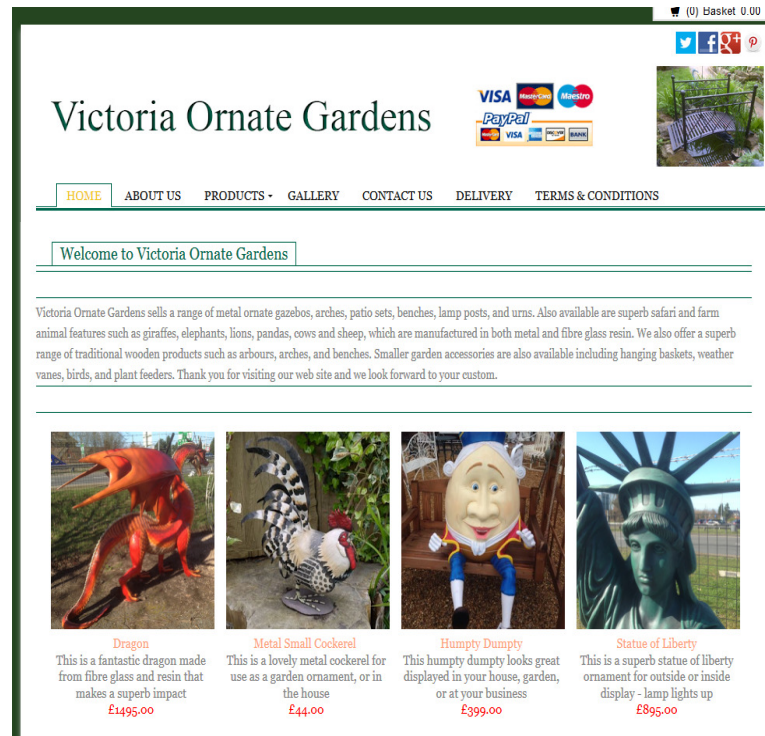
The Application Catalogue

Over 100 application partners with new ones added every few weeks, a selection of which include:



Example 3: Do it For Me / Show Me How

DIFM Website



Thrive online



- Search engine marketing:
- Social media: create a business page and advertisement on Facebook
- Direct mail: set up a direct mail campaign to market to prospective customers
- Search engine optimization

Key building blocks of successful Value Added Services

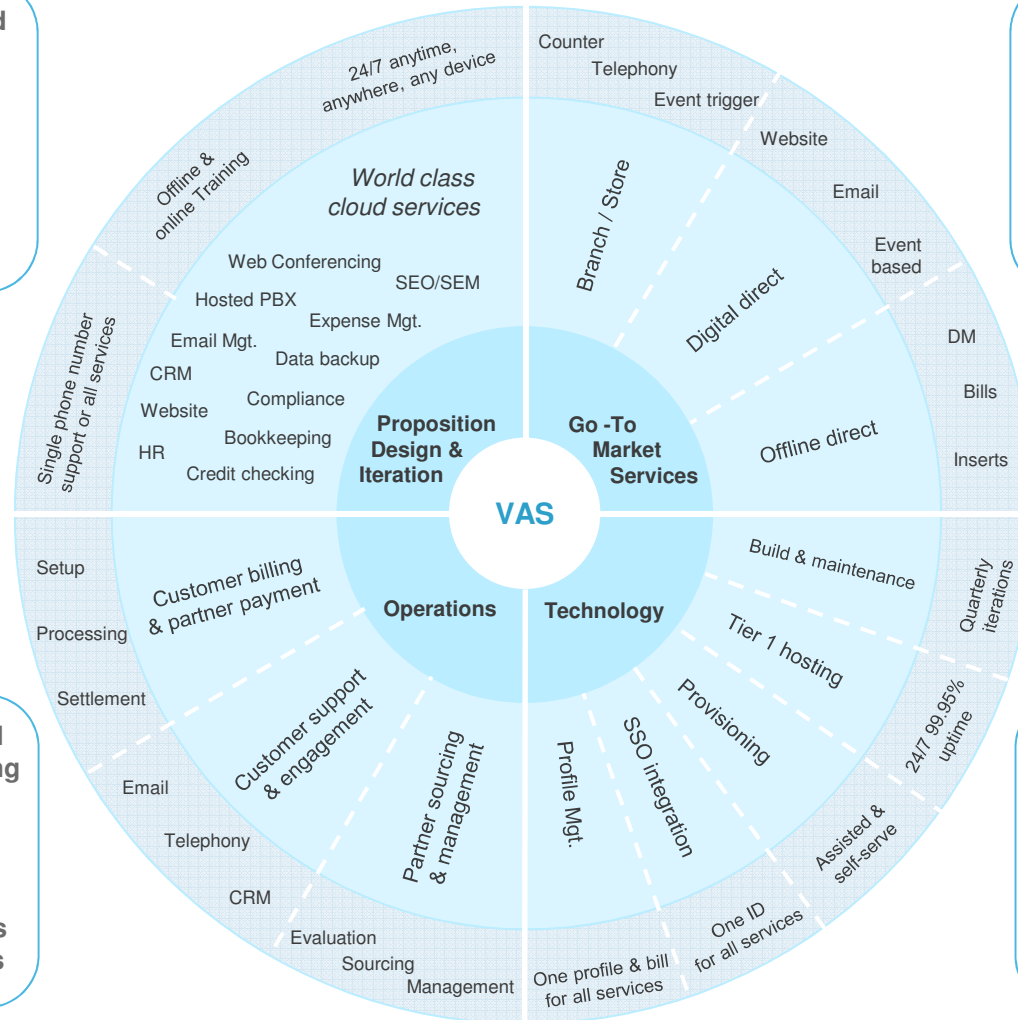
Design Proposition around customer needs

Keys in go to market:

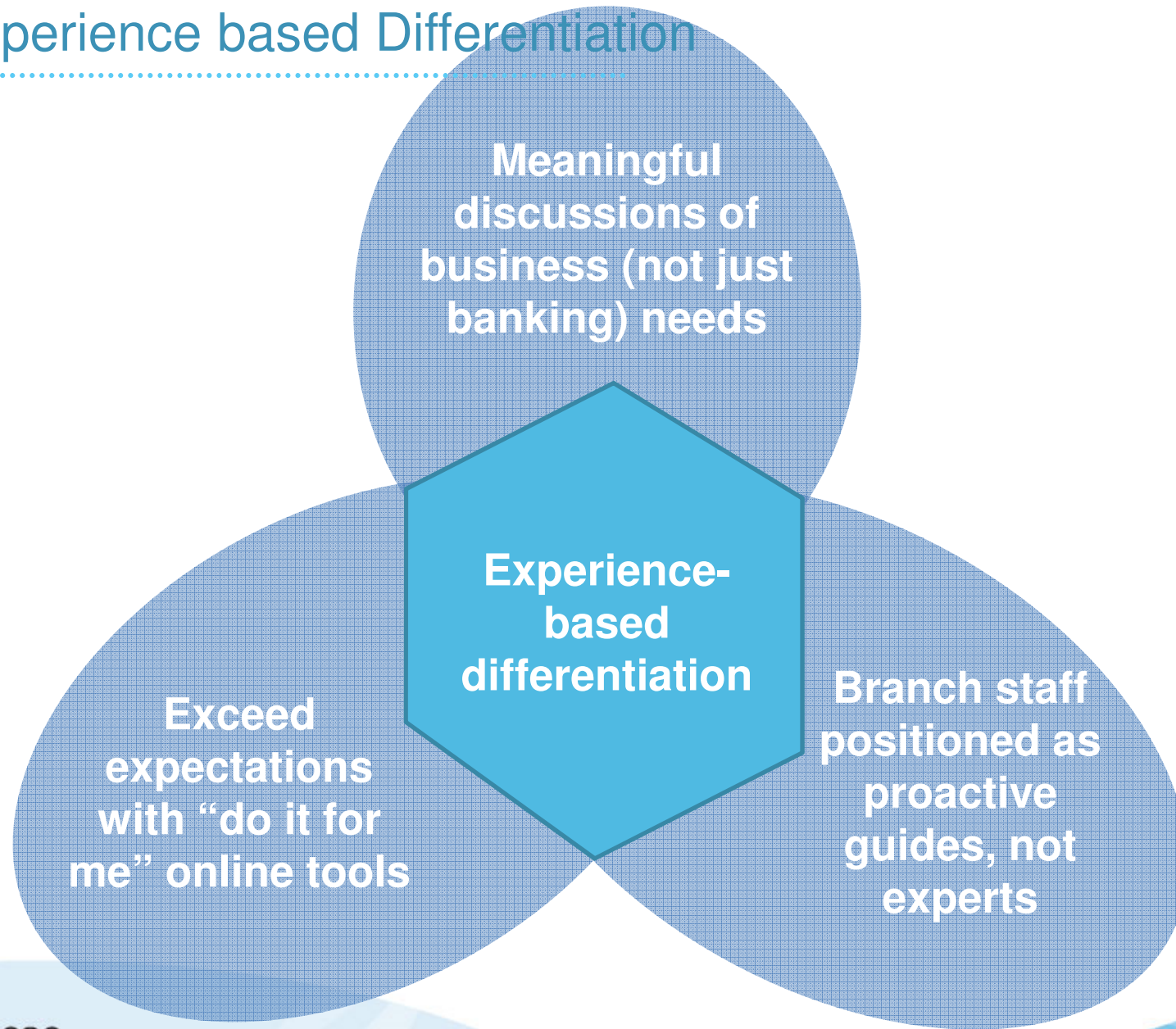
- Raise awareness
- Insert conversation into the right place
- Create a compelling experience, etc

Customer onboarding and engagement is key to driving customer satisfaction, income & tenure.
BCSG manage customer onboarding & ongoing engagement for 200k+ SBs pa for major global brands

The BHUB technology platform is configured for each client.
SBs can enjoy 'single sign on, anywhere, anytime access' to world class applications



Experience based Differentiation



How BCSG can help

A truly turnkey offering, BCSG do all the heavy lifting to minimise your cost of entry:



Full service support

We support throughout the entire lifecycle; from strategy development to full 24hr customer support and engagement.



Complete platform customisation

Through our fully hosted platform we deliver a full white-labelled experience and offer flexible proposition & promotion design capabilities.



Go to market strategy

We work with clients to develop a compelling proposition and channel distribution model to drive customer adoption.

The BCSG advantage, a proven partner delivering:



Speed to market



Shared models of risk and reward



Deep understanding of SMBs



Instant access to large catalogue of applications

Customer Experience Modeling



1. Increase consideration of X Bank

Maria is starting her business and needs a bank account. Researching her options she sees that X Bank will discuss the key needs, goals and challenges that their Start-up customers face with her, and that they also have a Digital Hub resource, with a broad range of solutions to help in these areas.

Key Innovations

Differentiate X Bank as the bank that provides more than static content as the bank that provides business insights & tools to Start-ups



2. Improve perception of branch staff

Maria is concerned as to whether Greg will really be able to help set up her business – does he have any actual business experience? Greg explains that X Bank has researched the key challenges that Start-ups face and guides her through a list of 20 key challenges . Maria notices a few issues she hasn't considered. Greg explains his role is to guide Maria through the ways that the Bank can help her business survive and grow.

Key Innovations

Position branch staff as 'Guides' not experts, and offer up insights as to the needs & challenges that Start-ups face



3. Wow them with useful, personalized tools

Based on the information Maria gives Greg (business type, name, address, contact details).....Greg pushes one button and a full website is generated for Maria – personalised for Maria's industry and business, which she can easily edit.

Maria is amazed that she came it to talk about setting up a business and is leaving her appointment with an actual website.

Key Innovations

Use customer data to create Customer 'Wow' engagements - help the business owner with key needs and demonstrate innovative nature of the bank

Ongoing Customer Engagement and Support

We recognise the importance of early engagement customers, so the BCSG Customer Service team deliver a robust on boarding process for all new MBW customers.

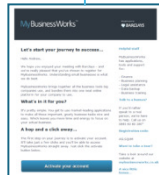
Welcome Call



All customers receive a welcome call during the first 3 days to help them get started.

Where necessary there will also be a follow-up after ninety days to check / confirm customer circumstances

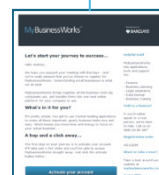
Support Call



Welcome Email



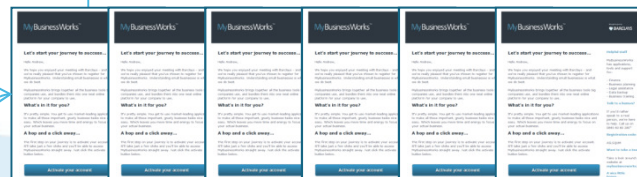
Getting started



Further help

In addition customers receive emails guiding them through activation and use during their first 90 days with MBW.

activated customers



App specific on-boarding

The activity continues beyond 90 days with periodic reminders / news letters dependent on usage of specific Apps.....

Best Practice: Marketing

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Focus marketing and communication efforts on raising **awareness** that other “businesses like you” face similar problems, and that the bank has sourced a solution to enable smarter working.



Best Practice: Key Events & Channels

Consider all touch points with your customers across all your channels and where/ how the solutions can be best positioned and made relevant to the existing interaction

Channels

- Business focused branch network staff – relationship managers, hunters, other
- Other branch network staff – personal bankers, cashiers
- Business focused telephony staff – servicing and sales, inbound and outbound
- Other telephony staff
- Lending specialists
- Other specialists (factoring, merchant services etc)
- Online –Connect website, online banking
- Statements – online, email, print
- Other email/ print communication (welcome packs? Other SMB initiatives)

Interactions

- Account opening
- Account review
- Overdraft/ lending application
- Specialist services application (e.g. merchant services)
- Savings fact find
- Foreign exchange
- Cash/ check deposit
- Balance/ transaction query
- Make payment to existing/ new payee
- Administer recurring payments
- Complaint

Best Practice: MI

Disciplined measurement of key drivers of sales and performance versus targets instil sense of competition among regions / teams. Sample metrics below:

Report Name	Content	Objective	Audience	Frequency
Regional/Area Summary	YTD & Week breakdown of sales performance drilled down into area/team level. Variances and ranking highlighted	Provide sales management with regional performance summary – allow sales management to focus on specific areas of pipeline	Sales Management (area/team leader level)	Weekly
Activation Rates	Shows staff activation (how quick to make single and multiple sales) from launch of new product	Get staff to quickly get 1 st and multiple sales, drive confidence, peer group influence, create heard mentality	Sales Management (area/team leader) Sales staff	Daily for 4 weeks from launch
Pitch rates	Detailed and focused analysis of pitch rates over time into existing/new customers	Allow management to focus on moving teams/individuals to average pitch rate target	Sales Management (area/team leader) Sales staff	Weekly

The non-obvious benefits: The iceberg halo effect

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Fee income

Differentiation – Acquisition

Seller pride

Awareness of bank as broader solution provider

Deeper relationship - Retention

Better customers – higher success rate

Barclays Case Study: Results

Offering these services has a positive impact on the customer perception of the bank as it demonstrates they understand small businesses.

Improved acquisition

Customers who subscribe to the platform are **20%** more willing to recommend the bank to other business owners.

Deeper relationships

82% of customers report that the solution improves satisfaction with the bank



“ My opinion of my bank has definitely improved... it is an invaluable tool for me as a small business ”

Andy Lawson, Borough Market, marketstall holder

Better customers

Customers who took VAS had a 18% lower failure rate in their first 3 years of operations

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Questions?

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