



VENDOR LINK

Vendor Management & Contract Negotiation



Ceto

A Critical Element for Vendor Management

Linking Vendor Management & Contract Negotiation Strategies

Vendor Link is a vendor management and cost reduction solution that focuses on contract management and negotiation, and compliance for vendor risk mitigation, with an analysis of more than 185 vendor contract cost areas while providing insights to optimize vendor performance.

For more than 25 years, Ceto has been a trusted partner to the banking community, powering the profitability, performance, and growth for more than 2,000 banks and credit unions across the U.S. in all 50 states.

Objectives



Vendor Management

- Deliver Actionable Business Intelligence
- Mitigate Vendor & Contract Risks
- Enhance Contract Management Strategy
- Improve Vendor Service & Performance



Contract Negotiation

- Provide Benchmarking & Costing Metrics
- Improve Visibility of Contract Costs & Terms
- Reduce Vendor Contract Costs
- Negotiate Best Contract Prices & Terms

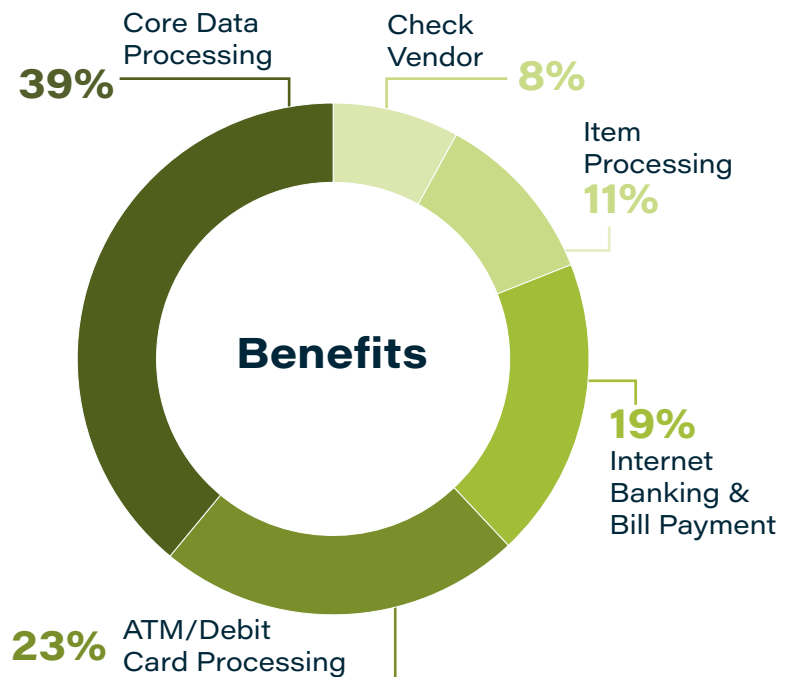
Benefits

New Cost Savings Annually

Benefits of 5-10 Basis Points of Total Assets

Total Assets	Low Benefit	High Benefit
\$250 M	\$125 K	\$250 K
\$500 M	\$250 K	\$500 K
\$750 M	\$375 K	\$750 K
\$1.0 B	\$500 K	\$1.0 M
\$2.0 B	\$1.0 M	\$2.0 M
\$3.0 B	\$1.5 M	\$3.0 M
\$4.0 B	\$2.0 M	\$4.0 M
\$5.0 B	\$2.5 M	\$5.0 M
\$10.0 B	\$5.0 M	\$10.0 M
\$25.0 B	\$12.5 M	\$25.0 M

Distribution of Benefits



Contract Negotiation

Vendor Link is a contract negotiation program that focuses on reducing vendor contract expenses, while also maintaining or enhancing the quality of the service from your vendors and mitigating the risks associated with third-party relationships and contracts. Our program is customized for your organization with a specific methodology for negotiation with your vendors. The contract renewals will be negotiated on your behalf based on the results of the appraisal and will include a carefully crafted and detailed proposal offer letter to your vendor. These negotiations are subject to your management oversight and approval.



Contract Appraisals & Negotiation



Cost Analysis & Control



Risk Analysis & Mitigation



Vendor Performance Enhancement



Contract Management & Strategy

Business Intelligence

Vendor Link is a business intelligence solution that includes a comprehensive appraisal of five (5) Principal Vendor Contracts, including Core Data Processing, Item Processing, ATM/Debit Card Processing, Internet Banking & Bill Payment, and Check Vendor. The assessment includes a review of more than 185 contract cost components or areas to compare your vendor costs with the target cost standards across the industry based on our large database and experience working with vendors and financial institutions. Strengths, weaknesses, and cost savings opportunities for all areas of these five (5) Principal Vendor Contracts will be evaluated.



Industry Data & Best Practices



Cost & Risk Analysis



Benchmarking & Costing Metrics



Peer Group Analysis & Comparisons

Scope



Core Data Processing (service bureau only)

55+ contract cost components or areas

- Cost per Open Account
- Cost per Closed Account
- Fee per ACH
- Transaction Accounts Payable
- Module Fees
- Fee per ATM/Debit Card Record
- Fee per ATM/Debit Card Transaction
- All Other Related Charges & Fees



Item Processing (service bureau only)

25+ contract cost components or areas

- Electronic In-clearing Capture
- Outgoing Return Items
- Merchant Capture
- Branch Capture
- Statement Composition & Rendering
- eStatements & eNotice
- All Other Related Charges & Fees



ATM/Debit Card Processing

50+ contract cost components

- PIN/POS Debit Card Transactions
- Signature Debit Card Transactions
- Card Account File Management
- ATM Residency Fees
- ATM Terminal Driving & Support
- All Other Related Charges & Fees



Internet Banking & Bill Paying

15+ contract cost components or areas

Internet Banking

- Monthly per Users Fees
- Per Transaction Fees
- Fees for Cash Management Services
- Mobile Banking
- Monthly Base Maintenance
- Cost per Enrolled Device

Mobile Banking

- Monthly Base Maintenance
- Cost per Enrolled Device

Bill Payment

- Monthly per User Fees
- Monthly per Bill Fees
- Popmoney Services



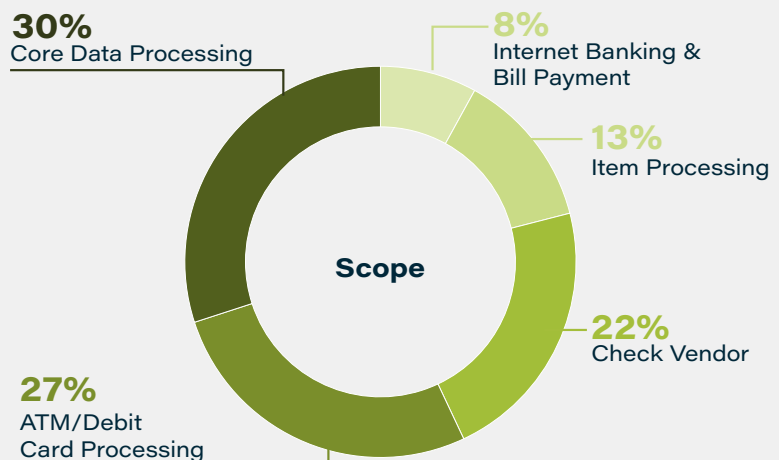
Check Vendor

40+ contract cost components or areas

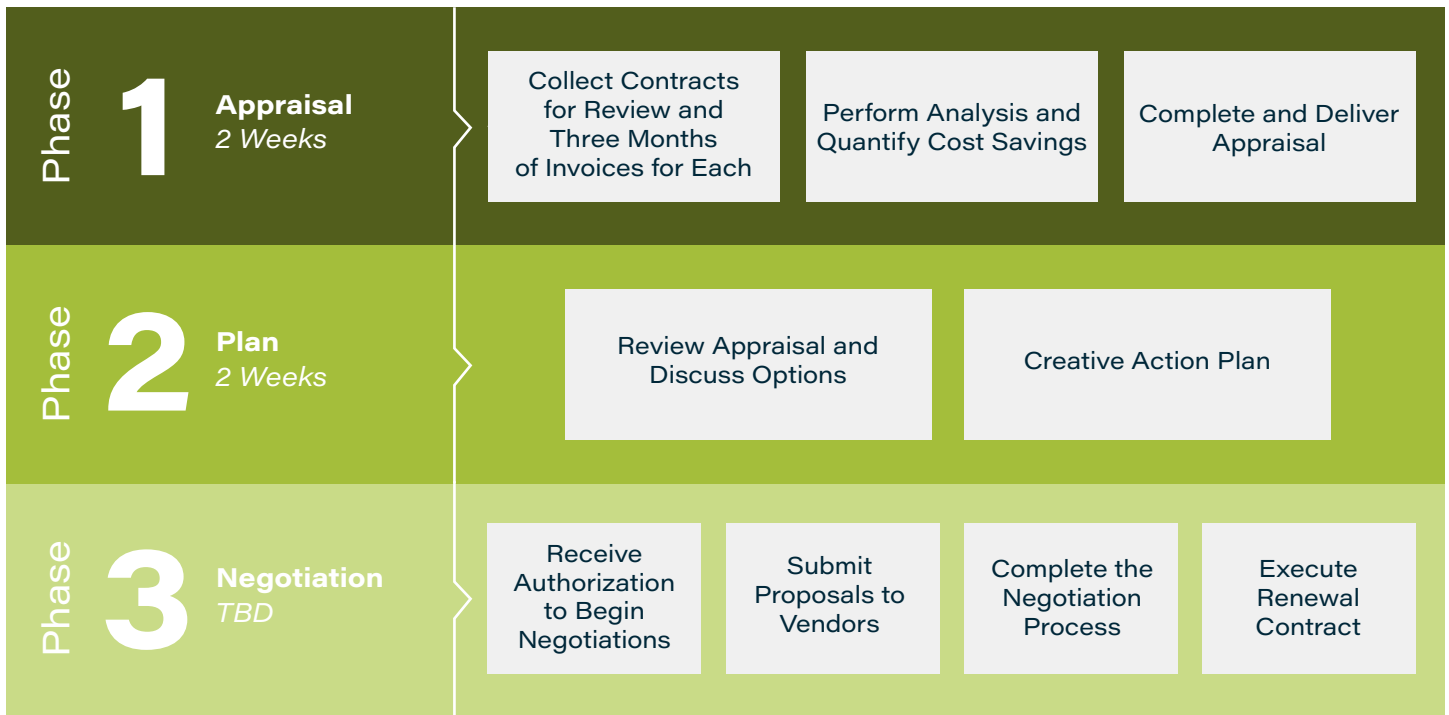
- Cost per Box of Checks
- Expense Credits
- Net Sales Rebate Percentage
- All Other Related Charges and Fees

Distribution of Scope

The typical Vendor Link engagement includes a review of 185+ contract cost components or areas.



Methodology



Value Propositions



ROI Guarantee



Actionable Intelligence



Third-Party Consulting



Intelligent Negotiation



Resource Efficient



Customized Engagement