



STEP 3:  
BUSINESS INTELLIGENCE | CONTRACT COST REDUCTION



VENDOR LINK™





## CONTRACT COST REDUCTION

- Reduce Vendor Contract Costs
- Negotiate **Best Contract Prices & Terms**
- Mitigate **Vendor & Contract Risks**
- Improve **Vendor Service & Performance**



## BUSINESS INTELLIGENCE

- Provide **Benchmarking & Costing Metrics**
- Improve **Visibility of Contract Costs & Terms**
- Enhance **Contract Management & Strategy**

# VALUE PROPOSITIONS



Return on Investment



Actionable Intelligence



Third-Party Consulting



Intelligent Negotiation



Resource Efficient



Customized Engagement



## CONTRACT COST REDUCTION

Vendor Link is a contract cost reduction 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.

**185+** CONTRACT AREAS

Vendor Contract Assessment

CORE DATA PROCESSING

ITEM PROCESSING

ATM/DEBIT CARD PROCESSING

INTERNET BANKING & BILL PAYMENT

CHECK VENDOR



Contract Appraisals & Negotiation



Cost Analysis & Control



Risk Analysis & Mitigation



Vendor Performance Enhancement



Contract Management & Strategy



## BUSINESS INTELLIGENCE

Vendor Link is also 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. This 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.

PROPRIETARY DATABASE  
185+ Costing Metrics

CONTRACT ASSESSMENT  
Peer Group Data



Industry Data & Best Practices



Cost & Risk Analysis

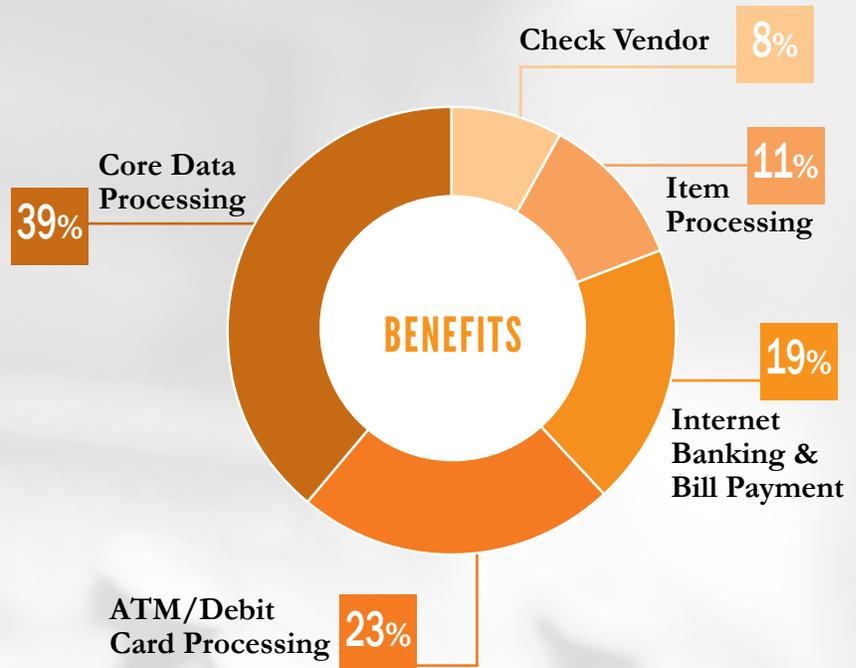


Benchmarking & Costing Metrics



Peer Group Analysis & Comparisons

## DISTRIBUTION OF BENEFITS



## NEW COST SAVINGS ANNUALLY

TOTAL ASSETS	LOW BENEFIT	HIGH BENEFIT
\$250 M	\$62.5 K	\$125 K
\$500 M	\$125 K	\$250 K
\$750 M	\$187.5 K	\$375 K
\$1.0 B	\$250 K	\$500 K
\$2.0 B	\$500 K	\$1.0 M
\$3.0 B	\$750 K	\$1.5 M
\$4.0 B	\$1.0 M	\$2.0 M
\$5.0 B	\$1.25 M	\$2.5 M
\$10.0 B	\$2.5 M	\$5.0 M
\$25.0 B	\$6.25 M	\$12.5 M

**2.5 - 5 BASIS POINTS OF TOTAL ASSETS**

### 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 and 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 and Fees*

### Internet Banking & Bill Payment 15+ contract cost components or areas

#### Internet Banking

- Monthly per Users Fees
- Per Transaction Fees
- Fees for Cash Mangement Services

#### Bill Payment

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

#### Mobile Banking

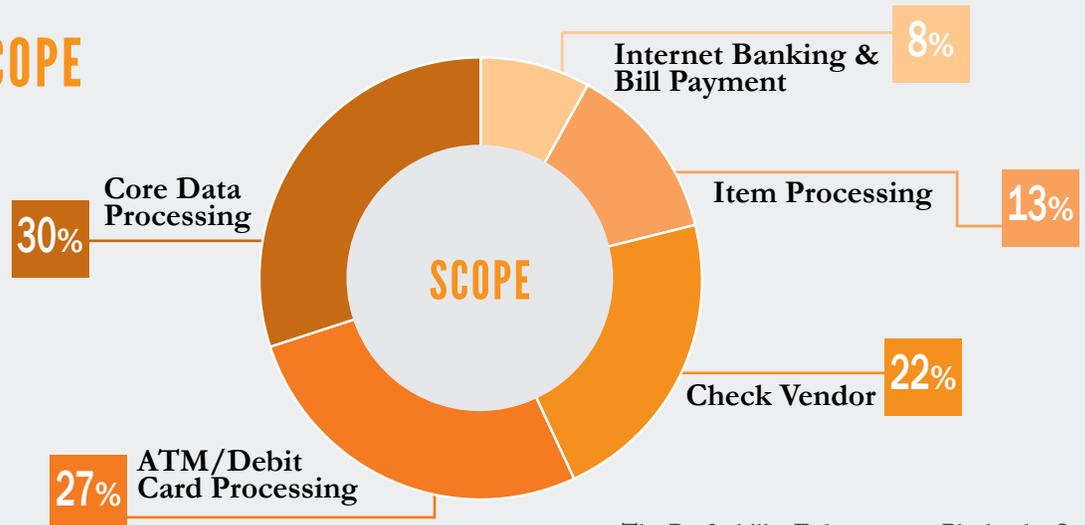
- Monthly Base Maintenance
- Cost per Enrolled Device

### 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.



## PHASE 1 APPRAISAL

- Collect Contracts for Review and Three Months of Invoices for Each
- Perform Analysis and Quantify Cost Savings
- Complete and Deliver Appraisal

**2**  
Weeks

## PHASE 2 PLAN

- Review Appraisal and Discuss Options
- Create Action Plan

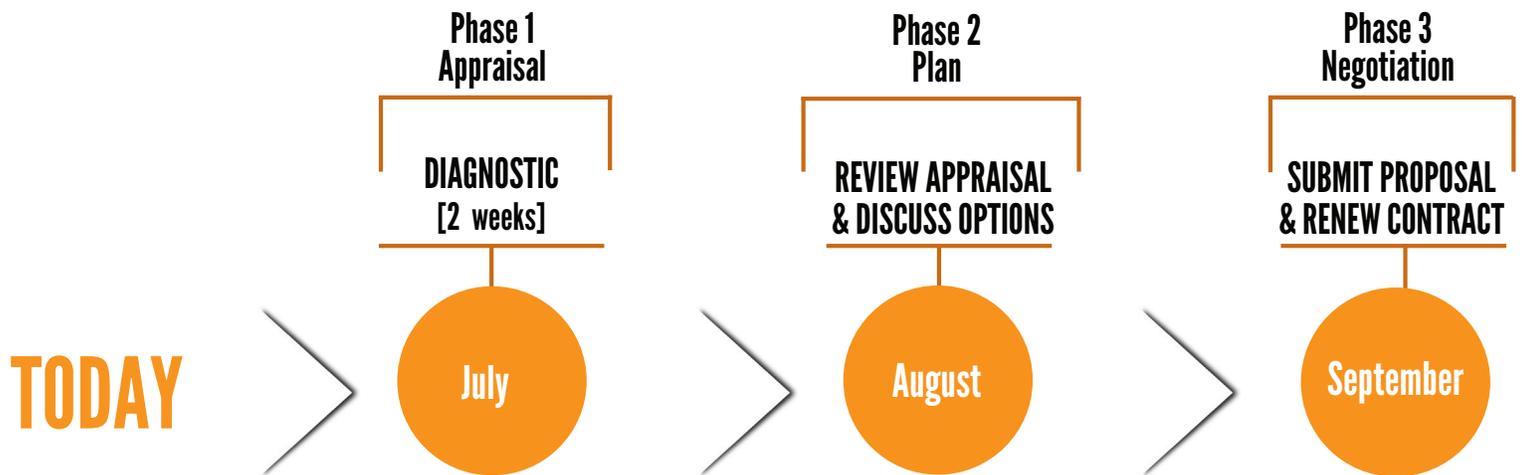
**2**  
Weeks

## PHASE 3 NEGOTIATION

- Receive Authorization to Begin Negotiations
- Submit Proposals to Vendors
- Complete the Negotiation Process
- Execute Renewal Contract

**TBD**

# PROJECT TIMELINE



**EXAMPLE**  
July Start Date

