



VENDOR LINK™



Brochure

 Ceto and Associates
a management consulting firm

Why guess when you can know - with *Intelligence*

We would like to suggest a prudent, highly cost effective and strategic methodology that will facilitate a significant reduction in vendor contract costs. This can be accomplished without impairment to your corporate culture, business model, customer base or competitive strength in your local markets. The secret is *actionable intelligence*. **Vendor Link** is a business intelligence solution that focuses on vendor performance management, contract cost reduction, and vendor risk mitigation and negotiation with a review of more than 185 vendor contract cost areas.

OBJECTIVES



CONTRACT NEGOTIATION

- 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**

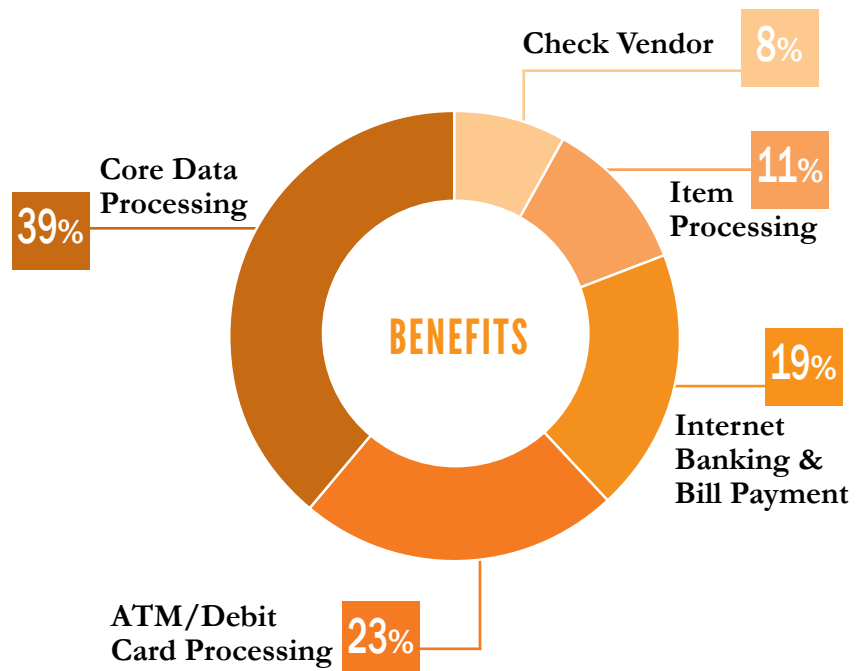
\$ BENEFITS

NEW COST SAVINGS ANNUALLY

2.5-5 BASIS POINTS OF TOTAL ASSETS

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

DISTRIBUTION OF BENEFITS



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.



**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.



**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 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

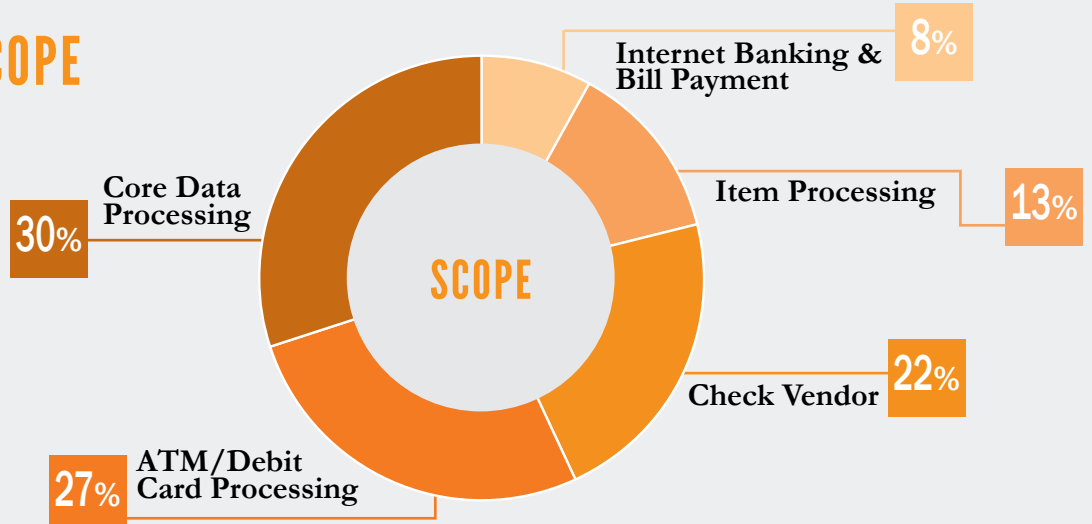
Monthly Base Maintenance
 Cost per Enrolled Device

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

 **VALUE PROPOSITIONS**

**Return on
Investment**



**Actionable
Intelligence**



**Third-Party
Consulting**



**Intelligent
Negotiation**



**Resource
Efficient**



**Customized
Engagement**