

## ▶ HSBC® Mexico

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— RAFAEL ARANA DE LA GARZA, HEAD OF PERSONAL FINANCIAL SERVICES, HSBC MEXICO



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## ► attract new business and maximize existing relationships.

### Business Issues

The 1,400-branch retail banking arm of HSBC Mexico has managed to thrive in Mexico's changing retail banking environment. Their success has helped them become one of the fastest growing financial services firms in Mexico. Bank executives thought expanding the company's capability to target individual customers with intelligent offers could add even more to its bottom line. For HSBC Mexico, the long-term vision was to use CRM solutions to provide their customers with the right product or service at the right time and through the right channel.

### The Company

One of Mexico's top four banks, HSBC Mexico offers more than 1,400 branches, operates 4,500 ATMs, and serves more than six million customers throughout Mexico. One of the largest bank holding companies in the country, HSBC Mexico provides a broad range of financial services including insurance, investment, and banking services to consumers and commercial customers. HSBC Mexico is a division of HSBC Group, one of the largest banking and financial services organizations in the world. HSBC's international network comprises over 9,800 offices in 77 countries.

### What's Critical

Like other banks in Mexico, HSBC Mexico faces the challenges of operating in an environment of rapid regulatory change and interest rate fluctuations. After decades of functioning as a “closed system,” Mexican banking has undergone a process of deregulation that has included the opening of the industry to large-scale foreign investment. In addition, the value of banking deposits dropped sharply as Mexican interest rates began to decline.

company -----	HSBC Mexico
solution -----	SSA® CRM, powered by Epiphany
product -----	SSA Outbound Marketing
industry -----	Financial Services
customer revenue -----	USD \$16.5B
employees -----	17,000+
country -----	Mexico

HSBC Mexico has been successful at attracting new accounts, but the company's executives knew they couldn't depend solely on revenue from new accounts in Mexico's stagnant market. They believed keeping existing customers and developing more profitable relationships with them would be extremely important to the bank's long-term success. “Since the beginning of our CRM journey, we have had two main goals: to retain our most valuable customers and to grow the profitability of customers who are not highly profitable at the moment but have the potential to become so,” said Gustavo Martinez, CRM manager for HSBC Mexico. To do this, the company needed to analyze which customers were most profitable and reach out to them with excellent service and targeted, intelligent offers.

### Finding the Right Solution

HSBC Mexico searched for a solution with sophisticated data-mining and campaign management capabilities to take advantage of its customer data and achieve a single view of its customers across all channels. The goal, said HSBC Mexico's head of Personal Financial Services, Rafael Arana de la Garza, was “to make each contact with a customer both a memorable experience for them and a profitable experience for us.”

After an extensive RFP and evaluation process of CRM applications, HSBC Mexico selected SSA Outbound Marketing to achieve their vision. HSBC Mexico is using SSA Global solutions to: improve the quality of interactions with customers, support the cross-selling of services, and retain the most profitable customers. SSA Outbound Marketing provides “intelligence” — the understanding that the bank needs to cultivate customer relationships; and delivers critical real-time information across the enterprise.

### Implementing Fast

For support in implementing the solution, the bank turned to its consulting partner, Cima Consulting Group, which provided deep product expertise and systems integration experience. The combined team defined the HSBC Mexico marketing processes to be supported by the solution, configured the solution, and completed all of the functional and technical tasks necessary to integrate it into HSBC Mexico's broader CRM vision.

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— RAFAEL ARANA DE LA GARZA, HEAD OF PERSONAL FINANCIAL SERVICES, HSBC MEXICO

## ► raise retention rates and optimize profitability.

### Making it Pay

Using SSA Global solutions, HSBC Mexico is retaining its most valuable customers and growing customer wallet share by cross-selling additional financial services. The company's outstanding results are especially noteworthy considering the volatility of the Mexican banking industry.

With SSA Outbound Marketing, HSBC Mexico is able to plan, develop, execute, manage, and analyze the results of multi-channel marketing campaigns. The company can leverage a variety of channels including email, ATMs, the web, and face-to-face conversations for making offers to customers. HSBC Mexico also uses SSA Outbound Marketing to push offers and relationship-building programs, including product suggestions, preferred relationship-based pricing, and improved asset allocation strategies to its branches.

Since implementing SSA Outbound Marketing, HSBC Mexico has achieved outstanding results. “We've identified the customers that generate the largest portion of company profitability,” Martinez said. “Our goal is to further increase their lifetime value by increasing their retention rate. At the same time, we are focusing on increasing our wallet share for the growable customers by delivering personalized cross-sell campaigns.” The bank has boosted customer profitability from outbound campaigns by 20 percent. Outbound contacts by branch representatives have averaged a 14 percent acceptance rate. And, the outbound program has made productive use of non-peak hours at the branch, allowing for greater flexibility in workforce planning.

In addition, HSBC Mexico captured Gartner's prestigious *CRM Excellence Award for Large Enterprises* based on its successful multi-channel approach to maximizing customer contacts using SSA Global solutions. In the same year, the bank's CRM efforts generated 23,000 new accounts worth a total of \$55 million. And, its outbound campaigns have brought in 8 percent of all car loans, 12 percent of all personal loans, and more than 22 percent of all credit card accounts.

The bank's CRM initiative is responsible for raising the retention rate of its most profitable customers from 77 to 90 percent. For its low-margin customers, the focus is on providing service that optimizes profitability. “One of the most valuable lessons we learned is that every customer is an individual,” Arana de la Garza continues. “Previously, we had the tendency to group them and their needs together. SSA Outbound Marketing gave us the ability to deal with customers individually.”

### Forward Faster™ - Into the Future

Based on their success with SSA Outbound Marketing, the company's executives are looking to expand their CRM initiative. “The most important thing when implementing CRM is to clearly define your business goals,” said Arana de la Garza. “With SSA Global, we were able to realize our business goals quickly while continuing to pursue our vision for the future.”

The next step will be to further tailor offers to individual customers and give them a wider choice of channels in which to interact. HSBC Mexico expects to achieve even higher offer acceptance rates through the coordination of offers in real time across its network of ATMs, call centers, online banking sites, and retail branches. For the long term, the company will continue to execute on its vision of presenting the “right offer at the right time” by building on its successful implementation of SSA Global solutions.

### about SSA Global

SSA Global is a leading provider of extended ERP solutions for manufacturing, distribution, retail, services and public organizations worldwide. In addition to core ERP applications, SSA Global offers a full range of integrated extension solutions including corporate performance management, customer relationship management, product lifecycle management, supply chain management and supplier relationship management. Headquartered in Chicago, SSA Global has 63 locations worldwide and its product offerings are used by approximately 13,000 active customers in over 90 countries. For additional information, visit the SSA Global web site at [www.ssaglobal.com](http://www.ssaglobal.com).



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