



# 1·2·1 Direct Response

Stronger Partnerships. Smarter Marketing.

## Overview: Executive Summary

### Why our Clients Use Us and Value Us:



#### **One-Stop Direct Response Solution:**

**1 2 1 Direct Response (1 2 1)** is a *total* solution for Direct Response excellence in marketing program design, implementation and execution. Whether you need market, customer, or donor segmentation analysis; outbound or inbound contact center outsourcing services; direct mail program design and implementation; or an integration of all of those resources, **1 2 1** is the partner for you!

**Smarter Partnerships... Smarter Marketing:** It's more than just a tagline; it's a pledge of our commitment to being the absolute best direct response partner for your organization.

**Outstanding Direct Response Analytics:** All successful direct response marketing is based on intelligent list acquisition, analysis, segmentation and strategy. **1 2 1** has extensive experience helping direct marketers analyze market and customer segments to optimize performance of all types of direct response campaigns.

**Inbound and Outbound Contact Center Excellence:** It's a mission grounded in our low agent-to-coach ratios (12:1), and intense goal-driven management culture. Innovative, sales and service-oriented culture, along with predictive dialing and blended agent inbound switching technologies make **1 2 1** a complete source of contact center solutions.

**Direct Mail Integration:** **1 2 1**'s Direct Mail Division is an integrated part of our contact center operations, enabling **1 2 1** to deliver rapid direct mail fulfillment response to daily telemarketing activities. Our direct mail resources can also be deployed on a stand-alone basis for direct mail lead generation, fundraising, and sales campaigns. This division provides copy, graphics design, printing, folding, insertion, and mailing solutions based on the KISS principle, a principle that ensures the best, most cost-effective results for our clients.

**Call Center Compliance Excellence:** Our CEO is a past Chairman of the American Teleservices Association (ATA) and a current board member. The ATA is the largest organization in the US dedicated to teleservices excellence, including the facilitation of regulatory compliance. **1 2 1** specializes in helping its clients comply with both federal and state teleservices regulations. And, as members of the Association of Fundraising Professionals, we comply with AFP's Code of Ethics.

**Client Services Excellence:** Each client is assigned to a client services manager (CSM). CSMs are assigned to clients based on their skill sets and experience. **1 2 1** provides the best client support in the teleservices industry by developing talented CSMs, matching them carefully to clients, and working with each client to establish and refine expectations relative to all aspects of operations performance and reporting. The CSM is the client's single point of contact at **1 2 1** relative to the implementation and development of its direct response programs.

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## History and Capabilities:

Since 1988, **1 2 1 Direct Response** (then Tele-Response Center, Inc.) has been providing excellence in database management and analytics, direct mail, and inbound and outbound contact center support for many of the top commercial and nonprofit organizations in the US. **1 2 1** initially specialized in assisting organizations to sell services, provide customer service support, acquire donors and members, re-activate lapsed contributors, cross-sell products, raise public awareness, and drive attendance to special events. As such, we understand the unique challenges for our clients:

**Branding:** Protecting the “brand” of our clients while “selling” their value.

**Professionalism:** Handling clients, prospects, donors and members with high levels of professionalism and ethics.

**Productivity:** Meeting our clients’ sales, contribution and acquisition cost goals.

**Partnership:** We treat each client as a partner, often sharing risk in a way that serves the interest of our clients, their constituents, and our firm.

**Advanced List and Database Management:** Deploying intelligent list acquisition and database management systems to generate incremental sales and donations and member participation.

**Compliance:** Advanced scripting and calling technologies allow us to be the most productive partner while helping the client to comply with stringent federal, state and local telemarketing regulations.

**Direct Mail Fulfillment:** **1 2 1**’s integrated direct response agency assists its clients with copy design, graphics, printing, folding, insertion, perforation, stamping and mailing services. We specialize in mailings of all sizes and nature, including the daily mailing of fulfillment kits in response to daily sales and pledging commitments by various consumers and nonprofit donors.



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### Mission:

**1 2 1 Direct Response’s mission is to responsibly, ethically and effectively provide creative, integrated direct marketing solutions for our commercial and non-profit business partners while directing one-to-one communications through the most effective medium as dictated by the constituent’s actions and responses.**

**1 2 1** is one of the top-ranked direct response service providers in the country.

**1 2 1** was ranked as one of the Top 50 Outbound U.S. Teleservice Agencies in the March 2006 issue of **Customer Inter@ction Solutions™** Magazine. However, the best testimony to **1 2 1**’s excellence is its list of long-term clients (individual references available upon request):

### Commercial Clients:

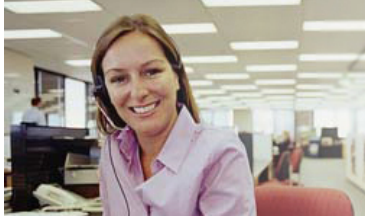
- The New Power Company (gas and electric utility account acquisition)
- First USA/BankOne (credit card acquisition)
- Metris (credit card acquisition)
- Martha Stewart Living Omnimedia (magazine sales)
- CoreComm (long distance sales)
- Bloomingdales (customer re-activation)
- Citizens Bank (mortgage loan lead generation)
- H&R Block Mortgage (mortgage loan lead generation)
- Aegis Mortgage (mortgage loan lead generation)
- Oak Street Lending (mortgage loan lead generation)

### Nonprofit Clients:

- Multiple Sclerosis Association of America (fundraising)
- Special Olympics (fundraising)
- Miracle Flights For Kids (fundraising)
- Students Against Destructive Decisions (fundraising)
- Wishing Well Foundation (fundraising)
- Center for Homeless Veterans (fundraising)
- Police Athletic League (fundraising)
- Shriners (fundraising)



## Current Operations Profile:



### Call Center Operations

1 2 1 operates four call centers in the following locations:

- |                    |     |                                     |
|--------------------|-----|-------------------------------------|
| • Philadelphia, PA | 72  | predictive outbound stations        |
| • Media, PA        | 80  | blended predictive outbound/inbound |
| • Parkersburg, WV  | 102 | predictive outbound stations        |
| • Weston, WV       | 108 | predictive outbound stations        |



### Direct Mail Operations

1 2 1's Direct Mail division, based in 1 2 1's Corporate Headquarters in Philadelphia, provides clients with turnkey direct mail capabilities.

- Copywriting
- Graphic Design
- Printing
- Lettershop (perforating, folding, insertion, stamping, mailing)



### Client Services

1 2 1 will provide a Client Services Manager (CSM) that is responsible for all communications between the client and 1 2 1 operations. The CSM's responsibilities include set-up, implementation, reporting, list procurement and any other function needed by the client to ensure program success and constant improvement. The CSM is the client's key point of contact for ongoing program management and improvement.

1 2 1 can provide dedicated account management or shared CSM, depending on the nature of the client's application.

1 2 1 CSM's priority is communicating with the client and making sure that all programs meet and exceed client expectations. All clients receive their CSM's cell phone numbers, pager numbers, and other contact points as necessary.



### Database Management and Analytics

With close to 20 years of Direct Response campaign management experience, 1 2 1 understands the unique needs of direct marketers and their use of direct mail and telephone channels for response generation, performance analysis, and tracking. All of 1 2 1's systems are designed to assist in campaign management, performance optimization, and back-end analysis. We are leaders in segmentation strategies that improve all measures of direct response performance, including:

- Acquisition cost management
- Lifetime value segmentation
- Response rate segment analysis
- Cross-selling strategy evaluation
- List performance analysis

Our ability to manage data allows us to coordinate telemarketing and direct mail campaigns and fulfillment to the optimal benefit of the client.

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## Contact Center Management Strategies:

### Agent Recruitment, Training and Retention

**1 2 1** places a heavy emphasis on recruiting and training qualified **Agents**. Our contact centers are located in areas where high quality agents are available, and our policies and procedures ensure that we recruit and retain talented Agents. Each contact center has a recruiting and training coordinator responsible for local community outreach efforts that build relationships with local schools, religious institutions, press outlets, etc. Typically, **1 2 1** is often one of the largest employers in the area and it is often a sponsor for local sports teams and community events, making us a well know employer and source of jobs in each community.

New Agent hires receive 6 to 12 hours of policy, procedure, and phone sales and call handling skills classroom style training over 2 days. Additional client-specific training, which can be designed or refined by **1 2 1**'s training design team, is added to **1 2 1** basic training. Once a new Agent leaves the classroom he/she is assigned to **1 2 1**'s **Training Bay**. This is a special transition group where a more tenured and successful **Coach** will act as a mentor to the new Agent for the first two weeks of employment. Our Training Bay has a lower Agent to Coach ratio (usually 8 to 1) to enhance the training environment and effectiveness.

When the New Agent has proved proficient, he/she graduates to a standard team lead by a dedicated Coach. Normally, each Coach has 12 Agents. **1 2 1** call centers are designed so each Coach is rarely more than 10 feet away from his/her furthest Agent.

The management structure at **1 2 1** is developed to give the agent the greatest opportunity to succeed. Most importantly, we consistently promote from within. This affords our agents the opportunity for career development, which creates motivated and tenured agents. The **Site Director** who reports directly to the **Senior Vice President of Operations** and manages each call center. Each shift within a call center has a **Shift Manager** who reports directly to the Site Director. Each Shift Manager has coaches who work directly with the Agents. Our Coaches, Shift Managers and Site Directors are almost always promoted from within. We look for confident, motivated, experienced and dedicated Agents to advance into management positions. Site Directors and the Senior Vice President of Operations are responsible for interaction with **Client Services** staff.

The Coach is responsible for the continual improvement of the Agent's skill sets. **1 2 1 Direct Response** operates with a goal-based management system. Coaches assign each of their Agents a Sales Skill Set goal and/or Quality Skill set goal every day along with production goals. This goal-setting works in coordination with a Continuing Agent Skills training course that includes written, oral and monitoring tests to pass each module. Agents receive incentives to pass the course—in addition to being a required step in their career development.

### Performance Management, Appraisal Processes, Compensation, & Problem Resolution

Meeting and exceeding our clients' needs is a constantly iterative process that starts with a pre-shift goal-setting meeting between the Site Managers and Shift Managers. This meeting has a formal structure with the following agenda:

- Previous day's project performance review of productivity, quality, quantity metrics.
- Campaign-specific "Areas of Opportunity" (AOP) discussions, focusing on detailed areas for individual agent, coach, training, IT, departments.
- Special Programs: Typically, incentive programs. Special awards, outstanding performance citations, etc. are designed to motivate performance that targets the AOPs revealed in the AOP analysis.

**1 2 1** Shift Managers and Coaches maintain a daily and ongoing appraisal process with all Agents through the use of a Daily Progress Report. Formal appraisals are done annually, and are based on the daily appraisal documentary history. Agents are rewarded for project performance, attendance, and seniority with routine base wage increases (typically, monthly during the first four months of employment) as well as with performance and attendance bonuses. **1 2 1**'s automated dialing systems and strategies assist our Agents to obtain the highest decision-maker contact rate in the industry. Our training, daily and real-time AOP management style, compensation and reward programs, assure our clients that our Agents are effective with the contacts that are made on their behalf.

## Monitoring & Quality Assurance Protocol

**1 2 1** maintains the use of staff monitors (Monitoring Specialists) on every shift. Monitoring Specialists are trained in matters relating to the script presentation and Agent communication functions. Monitors perform live monitoring with and without client and third party audit teams, as well as reviewing digitally recorded calls (both sales and non-sales calls). Responsibilities include identifying Agent errors, suggesting opportunities for improvement, and providing positive reinforcement. To help ensure consistency of message and professionalism in each and every client campaign, **1 2 1** Monitoring Specialists utilize a customized in-house Agent monitoring form for evaluation and training purposes. Onsite and remote monitoring as well as digitally recorded calls are available to all **1 2 1** clients.

Approximately 50% of the time of the Shift Managers and Coaches is spent monitoring the calls of Agents through the use of hand-held wireless phones. **1 2 1** has the capacity to digitally record and store recordings of every phone call made.

## Compensation

Starting hourly wages for each call center site is determined by market conditions. In addition, there is an attendance bonus of \$1.00 per hour. Agents eligible for the attendance bonus must meet or exceed their scheduled hours based upon their employment status (Full Time, Part Time, or Part Time Weekends). Agents are also eligible for production bonuses. Production bonuses are customized to focus our Agents on our clients' priorities.

Employees who have attained age 21 and have completed 12 months of service are eligible to benefits and the company's 401K Retirement Plan.

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## Key Personnel Management:



**Stuart Discount, President**

Before founding **1 2 1** as Tele-Response Center in 1988, Stuart served as Director of Telemarketing for Special Olympics Pennsylvania. Stuart has taken his experience and knowledge to grow **1 2 1** from an original 12 manual station organization to a total direct response solutions provider with over 700 associates, that deploys four state-of-the-art call centers, direct mail operations, and sophisticated database systems for its clients. Stuart served as Chairman of the American Teleservices Association (ATA) and still is an active board member.



**Kirk Beyer, Senior Vice President, Client Services**

Kirk's Client Services organization is responsible for the oversight and management of all of **1 2 1**'s client programs. Kirk has been with **1 2 1** since 1988. Starting as an Agent, he has served in every production position including Shift Manager and Site Director. Kirk has extensive experience and is a specialist in agent training, database development and management, customer, market and donor-base segmentation and analytics, and direct mail operations.



#### **Joe Grossman, Senior Vice President, Administration**

Joe has also been with **1 2 1** since 1988 and has over 20 years of experience in the industry. Starting as General Manager, Joe has been instrumental in transforming **1 2 1** from just twelve manual phones stations into four call centers consisting of nearly 360 inbound and outbound contact center stations. Joe currently is responsible for the departments of Information Technology, Finance and Accounting, Human Resources, and Facilities.



#### **Russell Andrews, Vice President, Operations**

Russell is responsible for call center operations and has been with **1 2 1** since 1995. Starting as an Agent, he has served in every production position including Coach, Shift Manager, and Site Director. He works with our Site Directors on a daily basis to ensure productivity, hours, and quality are delivered to all of our clients. His role helps ensure our company is meeting all of its clients' needs.



#### **Jeffrey Plaut, Vice President, Sales and Marketing**

Jeffrey is the latest addition to the **1 2 1** management team. After receiving his MS in Marketing from the University of Wisconsin, he spent 10 years in sales, marketing and management positions at Dun & Bradstreet, and 12 years as CEO of several call center operations. Since 2001, he has specialized in developing marketing and sales strategies for several call center outsourcing firms.

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## **Summary:**

**1 2 1 is a high quality, full service direct response marketing partner. We can assist any organization to improve or create excellent direct response tactics with a combination of telephone, direct mail, and analytical solutions. We look forward to learning more about your potential needs, and meeting those needs with creative, professional, and high performance direct-to-market solutions.**