

Overview: Executive Summary

Why our Nonprofit Clients Use Us and Value Us:



One-Stop Direct Response Solution: **1 2 1 Direct Response (1 2 1)** is a provider of *total* solutions for Direct Response donor development excellence in program design, implementation and execution. From integrated donor and market analysis to inbound and outbound contact center solutions, direct mail programs and holistic direct marketing services, **1 2 1** can assist you with a full spectrum of direct response donor development programs. We design and execute the best approach to maximizing your fundraising revenues while strengthening your brand and donor relations.

Smarter Partnerships... Smarter Marketing: It's more than just a tagline; it's 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. Let **1 2 1** help you understand your donor, prospect, and lapsed donor segments to yield optimal results including high conversion rates, high fulfillment rates, and lowest acquisition cost.

Inbound and Outbound Contact Center Solutions: It's a mission grounded in our low agent-to-coach ratios (12:1), intense goal-driven management culture, and almost two decades of phone contact fundraising experience. Innovative donor acquisition, lapsed donor reactivation, and other gift optimization strategies set us apart from the competition. **1 2 1** provides targeted inbound or outbound contact center solutions for the nonprofit organization.

Direct Mail Integration: **1 2 1's** Direct Mail Division is an integrated part of our support service operations, enabling **1 2 1** to deliver rapid direct mail fulfillment response to daily telefundraising activities, as well as targeted stand-alone direct mail programs. This division provides copy, graphics design, and total campaign management solutions, supported by nearly two decades of fundraising direct response experience, ensuring the best results for our nonprofit clients.

Compliance Excellence: Our CEO is a past Chairman of the American Teleservices Association (ATA). 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 all of its clients comply with both federal and state teleservices regulations while also ensuring its fundraising clients' compliance with federal and state nonprofit filing and marketing regulations.

Client Services Excellence: Each client is assigned to a client services manager (CSM) based on each CSM's skill set and experience. **1 2 1** provides the best client support in the nonprofit direct response industry by developing talented CSMs, matching them carefully to clients, and working with the client to establish and refine expectations relative to all aspects of operations performance and reporting. The CSM's mission is both excellence in day-to-day program management and to be constantly looking for performance improvement opportunities.

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 nonprofit and commercial organizations in the US. **1 2 1** initially specialized in assisting nonprofit charitable and membership organizations to acquire donors and members, re-activate lapsed contributors, raise public awareness, and drive attendance to special events. As such, we understand the unique challenges for our nonprofit and commercial clients:

Branding: Protecting the "brand" of our clients while "selling" their value.

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

Productivity: Meeting our clients' 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 acquisition list and database management systems to generate incremental donor 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 telephone marketing and charitable institution regulations.

Direct Mail Fulfillment: **1 2 1**'s integrated direct mail division assists its clients with copy design, graphics, printing, folding, insertion, perforation, stamping and mailing services. Whether it is rolling pledge fulfillment executed the day a pledge is made, or stand-alone direct mail for donor acquisition or renewal, **1 2 1** can do the job for your organization with excellence.



Mission:

1 2 1 Direct Response's mission is to responsibly, ethically and effectively provide creative, integrated direct marketing solutions for our non-profit and commercial 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 (as Tele-Response Center, Inc.) ranked 38th out of the Top 50 Outbound U.S. Teleservice Agencies in the March 2002 issue of **Customer Inter@ction Solutions™** Magazine. However, the best testimony to **1 2 1**'s excellence is its list of long-time clients (individual references available upon request):

Nonprofit Clients:

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

Commercial Clients:

- First USA
 - H&R Block Mortgage
 - Aegis Mortgage
 - Citizens National Bank
 - New Power
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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. We specialize in fulfillment mailings as follow-up to inbound and outbound call center contact programs, as well as stand-alone direct sales, lead generation, and fundraising mailing programs. Some of our capabilities include:

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



Client Services

1 2 1 will provide a Client Services Manager (CSM) that is responsible for communicating between the client and **1 2 1** operations on a day-to-day basis, and who is focused on developing better, more creative solutions as the relationship with the client, and our experience with its programs evolve. The CSM's responsibilities include set-up, implementation, reporting, list procurement and any other function needed on behalf of the client.

1 2 1 can provide dedicated account management or a 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 or exceed client expectations. All clients receive their CSM's cell phone number, pager number, and other contact points as necessary.



Database Management and Analytics

With close to 20 years of direct response campaign design and management experience, **1 2 1** understands the unique needs of nonprofit 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.

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 **Training Manager** 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.

New Agent hires receive 6 to 12 hours of policy, procedure, nonprofit and phone-based marketing regulatory orientation and phone sales skill 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 couple of weeks of employment. Our Training Bay has a lower Agent to Coach ratio (usually 8 to 1) to enhance the training environment.

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 agents. A **Site Director** who reports directly to the **Senior Vice President of Operations** 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. Their development begins the first day with on-going training and effective monitoring. 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 Skill Agent training course that includes written, oral and monitoring tests to pass each module. Agents receive incentives to pass the course—in addition to charting their own career path.

Performance Management, Appraisal Processes, Compensation, & Problem Resolution

Meeting and exceeding our clients' needs is a constantly iterating 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 is 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 participate in benefit and 401K Retirement Plans.

Key Management Personnel:



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).



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 is delivered to all of our clients. His role helps ensure our company is meeting all of its client 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.

Summary:

1 2 1 is a high quality, full service direct response marketing partner. We can assist any nonprofit 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, 1 2 1 solutions.