

November 14, 2005

Proposal for

Call Centre Software Upgrade - Aspect Performance
Optimization Suite

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I. Executive Summary

The call centre plan for the next 12 months includes Performance Optimization software upgrade offered through Aspect Software aimed at improving contact centre productivity, dialer penetration and improved right party contact rates.

The total projected cost for all the components of the upgrade is \$ [REDACTED]. Based upon the assumptions outlined below, the project will yield a savings of \$ [REDACTED] the first year. In addition to the quantifiable cost savings through the reduction of needed call centre employees, the products also enhance the quality of BMO's operations. Since BMO's business is growing, it will facilitate the corporate goal of increasing loans per FTE (full-time equivalent) processing. It is expected that BMO's ability to cure delinquencies will improve with the increase in right party contacts. Further, this technology is utilized by many of BMO's competitors and is associated with top rated financial institutions.

II. Requirements Summary

- To increase accounts processed per FTE
- To more effectively penetrate downloaded accounts with contacts.
- Increase RPC to Connect ratios by 20-30%
- Reduce manual list management tasks.

III. Assumptions

- BMO will continue to increase accounts over the next twelve-months
- Growth portfolio's will be like in nature to existing portfolio's.
- Management will fully utilize the enhancements to drive improvement in productivity and skill performance.
- Definition of RPC is the actual borrower or person paying on account.
- Average Talk Time will increase due to more contacts.
- Average Idle Time will decrease.
- Increased decision-maker contact will yield more dollars collected.

IV. Performance Optimization Suite - Overview

The call centre is challenged daily with effectively managing in and outbound call activities. As the call centre continues to grow there is a strategic need to elevate BMO's efforts to the next level to ensure BMO remains competitive.

BMO's business vision is to effect change with additional technology enhancements while retaining the commitment to maximizing existing resources to meet the calling requirements and establish a competitive position through technological industry expectations.

The call centre plays a key role in meeting BMO's goal and objectives. In order to satisfy the internal business plan, it is imperative that state of the art technology is implemented and utilized. The technology Aspect presents costs \$[REDACTED] and the increased productivity and efficiencies will require fewer staff to accommodate the anticipated growth. Since budgetary constraints limit the entire solution acquisition, each module can be purchased independently and then added to provide the full benefit. BMO has chosen Aspect [REDACTED] as the base technology to initiate this process.

Aspect Software will provide the following technology upgrades that will help meet this objective:

- Aspect [REDACTED]™

The following sections outline the functionality associated with [REDACTED] upgrade and the associated benefits.

V. Performance Optimization Solutions - Detail

- [REDACTED] improves outbound campaign productivity by maximizing campaign objectives, including revenue generation, list coverage and right party contacts.

Findings of prior call attempts and contacts are saved in the SmartLearn database. Future downloads will consider past profile performance and statistical probability of contact to determine the positioning of the account in the download strategy. The SmartLearn database is updated "learns" daily providing more current and predictable contact information. SmartLearn becomes more effective as historical data increases and is more accurately able to identify the most productive time of day to make an attempt.

Behavior Models™ are applied to all accounts with little to no history to target the best time to call while individual history is being built.

- Benefits:

- The increase in RPC's would result in more borrowers being removed from a delinquent status through a first call resolution. The immediate outcome will increase BMO's average talk-time, as fewer "Wrong Party Contacts" will be worked. This will require less staff to talk to more decision makers.
- After 90-days of implementation the reduction of account churn will allow for a deeper file penetration with the same or fewer staff levels. The forecasted reduction in delinquency and increased file penetration after 90-days will result in an estimated reduction of additional staffing under the current model by 3.1 FTE over the following twelve-months. The associated **cost benefit** for this area with Optimizer is \$ [REDACTED] ¹

¹ Savings are based upon a \$ [REDACTED] per year collector costs fully loaded.

- If necessary staffing is not available, SmartLearn will identify the next probable time of contact and schedule the account for attempts then.
- Elimination of unproductive manual sorting and rotation of alternate number and time of day strategies.
- The administrative requirements under existing processes with anticipated growth would require an additional .25 FTE to manage dialer downloads, strategies, refreshes, etc. This enhancement would eliminate the need of the additional administrative FTE for the call centre. The associated **cost benefit** with Optimizer is \$ [REDACTED] ² To be conservative we have not included these dollars in the return on investment analysis.

² Savings are based upon a \$ [REDACTED] fully loaded administrator cost.

VI. Ancillary Benefits provided by Optimizer

- BMO realizes a higher RPC per agent hour, which drives a higher collection rate, which will **lower delinquency** and improve performance.
- More collections generate more telephone payment transactions, which **generate additional fee revenue**.
- Higher RPC will **increase late fee collected revenue**.
- **Higher fee revenue collection will reduce the ratio of total compensation as a percentage of revenue.**
- **Improved technology enhances performance and competitiveness.**

VII. Cost and Benefits Summary

- Cost - Aspect Campaign Optimizer \$ [REDACTED]
- Savings as outlined in body
- Optimizer \$ [REDACTED] ¹, 3.1 FTE

*
1 Ancillary benefit and additional cost savings covered in Optimizer
2 Savings are based upon a \$ 35,000 per year collector fully loaded to reflect benefits.
Savings are based upon a \$ 35,000 per year system administrator fully loaded to reflect benefits.

- **Return on Investment within 6.7 months based upon assumptions. *These estimates are very conservative since the vendor supplied ROI and customer references show higher ROI than we have assumed.***
- An equivalent of 3.1 FTE savings will be gained in efficiencies through the addition of the Aspect Performance Optimization suite of products within 6.7 months of implementation.
- BMO will be more competitive and generate more dollars collected.

VIII. Project Plan

Aspect can implement their software solutions within 90-days from contract signature and has extensive experience installing Optimizer on Conversations dialers.

The sample project plan below shows the steps and timeframe to complete an implementation.

Optimizer 6.6 Installation Timeline

Project Start Date: Mon 10/18/04

Project Finish Date: Fri 12/10/04

Task_Data

| ID | Task_Name | Duration | Start_Date | Finish_Date | Predecessors | Resource_Names |
|----|--|----------|--------------|--------------|--------------|----------------|
| 1 | Optimizer Installation Project Template | 40 days | Mon 10/18/04 | Fri 12/10/04 | | |
| 2 | Project kick off | 0 days | Mon 10/18/04 | Mon 10/18/04 | | |
| 3 | Assign Project Manager | 0 days | Mon 10/18/04 | Mon 10/18/04 | | |
| 4 | Questionnaire Completion/Verification | 15 days | Mon 10/18/04 | Fri 11/5/04 | | |
| 5 | Gather Installation Data | 5 days | Mon 10/18/04 | Fri 10/22/04 | | |
| 6 | Customer Completes Install Questionnaire | 9 days | Mon 10/18/04 | Thu 10/28/04 | | |
| 7 | Pre-Installation Conference Call | 1 day | Fri 10/29/04 | Fri 10/29/04 | 6 | |
| 8 | Answer any questions concerning Questionnaire | 5 days | Mon 11/1/04 | Fri 11/5/04 | | |
| 9 | Secure Dialer Eng Resources and Contact Info | 5 days | Mon 11/1/04 | Fri 11/5/04 | 7 | |
| 10 | Pre-Installation Site visit (if deemed necessary by Concerto) | 1 day | Fri 11/5/04 | Mon 11/8/04 | 9 | |
| 11 | <One week after pre-install conference call> | 0 days | Fri 11/5/04 | Fri 11/5/04 | | |
| 12 | Ensure that questionnaire is complete and accurate | 0 days | Fri 11/5/04 | Fri 11/5/04 | | |
| 13 | Customer/CRPM sign off on Plan | 0 days | Fri 11/5/04 | Fri 11/5/04 | | |
| 14 | Request a sample record from each host be forwarded via email | 0 days | Fri 11/5/04 | Fri 11/5/04 | | |
| 15 | Establish day and time for weekly conference call | 0 days | Fri 11/5/04 | Fri 11/5/04 | | |
| 16 | CRPM will not leave site until questionnaire is completed and sign off | 0 days | Fri 11/5/04 | Fri 11/5/04 | | |

| | | | | | | |
|----|--|---------|--------------|--------------|----|--|
| 17 | Copies of Plan to Sales, CSE, CS Manager | 0 days | Fri 11/5/04 | Fri 11/5/04 | | |
| 18 | Customer Information Entered into Tracking Database | 1 day | Mon 11/8/04 | Mon 11/8/04 | | |
| 19 | Hardware/Upgrade Parts Ordered/Received by Concerto | 1 day | Mon 11/8/04 | Mon 11/8/04 | | |
| 20 | Stage Hardware | 11 days | Mon 11/8/04 | Tue 11/23/04 | 19 | |
| 21 | Verify Materials Received | 0 days | Mon 11/8/04 | Mon 11/8/04 | | |
| 22 | Install and Configure Hardware | 2 days | Tue 11/9/04 | Wed 11/10/04 | 21 | |
| 23 | Load and Customize Operating System | 2 days | Thu 11/11/04 | Fri 11/12/04 | 22 | |
| 24 | Test OS, PPP, and Powerchute | 1 day | Mon 11/15/04 | Mon 11/15/04 | 23 | |
| 25 | Install and Load 6.6 Database | 2 days | Tue 11/16/04 | Wed 11/17/04 | 24 | |
| 26 | Load Optimizer 6.6 and Scripts | 2 days | Thu 11/18/04 | Fri 11/19/04 | 25 | |
| 27 | Load Config Files and Site Specific Settings | 2 days | Mon 11/22/04 | Tue 11/23/04 | 26 | |
| 28 | Test Configuration | 2 days | Wed 11/24/04 | Thu 11/25/04 | 27 | |
| 29 | CRE, PM, Eng Sign Off -- 2 signatures required | 1 day | Wed 11/24/04 | Wed 11/24/04 | | |
| 30 | CRPM contacts customer to verify training dates | 1 day | Wed 11/24/04 | Wed 11/24/04 | | |
| 31 | Ship Hardware to customer site | 1 day | Wed 11/24/04 | Thu 11/25/04 | 30 | |
| 32 | Include Shipping List | 0 days | Wed 11/24/04 | Wed 11/24/04 | 30 | |
| 33 | Copy Shipping Info to Admin | 0 days | Wed 11/24/04 | Wed 11/24/04 | | |
| 34 | Copy Sales, Customer with Tracking Number | 0 days | Wed 11/24/04 | Wed 11/24/04 | | |
| 35 | Customer Receives Configured Hardware | 1 day | Thu 11/25/04 | Thu 11/25/04 | | |
| 36 | Customer Installs Server onto Network | 6 days | Fri 11/26/04 | Fri 12/3/04 | 35 | |
| 37 | Customer Logs into Optimizer | 1 day | Fri 11/26/04 | Fri 11/26/04 | | |
| 38 | Customer Initiates Remote Modem Connection to Concerto | 1 day | Fri 11/26/04 | Fri 11/26/04 | | |
| 39 | CRPM Verifies Modem Connection Received | 1 day | Fri 11/26/04 | Fri 11/26/04 | | |
| 40 | Configuration Work/Installation and Training | 6 days | Fri 11/26/04 | Fri 12/3/04 | | |
| 41 | Engineering Performs Final Configuration Work | 6 days | Fri 11/26/04 | Fri 12/3/04 | | |
| 42 | Engineering Reconfigures Dialer (Creates Interface) | 1 day | Fri 11/26/04 | Fri 11/26/04 | | |
| 43 | Engineering Tests Dialer Interface/Monitors Results | 1 day | Mon 11/29/04 | Mon 11/29/04 | 42 | |
| 44 | Engineering Conducts Test Optimizations/Monitors | 4 days | Tue 11/30/04 | Fri 12/3/04 | 43 | |


| | | | | | | |
|----|--|--------|--------------|--------------|----|--|
| | Results | | | | | |
| 45 | Engineering Verifies Configuration Work Complete | 0 days | Fri 12/3/04 | Fri 12/3/04 | 44 | |
| 46 | Installation and Training | 5 days | Mon 12/6/04 | Fri 12/10/04 | 45 | |
| 47 | DAY ONE (1/2 day, at Concerto discretion) | 1 day | Mon 12/6/04 | Mon 12/6/04 | | |
| 48 | Meet with key customer personnel | 1 day | Mon 12/6/04 | Mon 12/6/04 | | |
| 49 | Verify correct server installation/network issues | 1 day | Mon 12/6/04 | Mon 12/6/04 | | |
| 50 | Verify correct dialer settings with customer/dialer vendor | 1 day | Mon 12/6/04 | Mon 12/6/04 | | |
| 51 | Verify correct printer IP addressing | 1 day | Mon 12/6/04 | Mon 12/6/04 | | |
| 52 | DAY TWO | 1 day | Tue 12/7/04 | Tue 12/7/04 | 51 | |
| 53 | CRPM verifies there are no network or release code issues | 1 day | Tue 12/7/04 | Tue 12/7/04 | | |
| 54 | Visually verify all screens appear correctly | 1 day | Tue 12/7/04 | Tue 12/7/04 | | |
| 55 | Establish Sybase connectivity through ODBC-compliant front-end | 1 day | Tue 12/7/04 | Tue 12/7/04 | | |
| 56 | Conduct first formal training session | 1 day | Tue 12/7/04 | Tue 12/7/04 | | |
| 57 | Answer customer questions/concerns | 1 day | Tue 12/7/04 | Tue 12/7/04 | | |
| 58 | DAY THREE | 1 day | Wed 12/8/04 | Wed 12/8/04 | 57 | |
| 59 | Conduct optimizations and re-opts in production environment | 1 day | Wed 12/8/04 | Wed 12/8/04 | | |
| 60 | Further explain Priority Parameters/Filters and their strategic use | 1 day | Wed 12/8/04 | Wed 12/8/04 | | |
| 61 | Further explain reports and messages | 1 day | Wed 12/8/04 | Wed 12/8/04 | | |
| 62 | Reiterate importance of accurate handle times and staffing | 1 day | Wed 12/8/04 | Wed 12/8/04 | | |
| 63 | DAY FOUR | 1 day | Thu 12/9/04 | Thu 12/9/04 | 62 | |
| 64 | Full day of optimized dialing | 1 day | Thu 12/9/04 | Thu 12/9/04 | | |
| 65 | CRPM assists in gathering data for On-Off sheet | 1 day | Thu 12/9/04 | Thu 12/9/04 | | |
| 66 | At end of calling day, CRPM will assist customer enter correct information on the on/off spreadsheet, keeping a copy | 1 day | Thu 12/9/04 | Thu 12/9/04 | | |
| 67 | DAY FIVE | 1 day | Fri 12/10/04 | Fri 12/10/04 | 66 | |
| 68 | Full day of Unoptimized dialing | 1 day | Fri 12/10/04 | Fri 12/10/04 | | |

| | | | | | | |
|----|--|--------|--------------|--------------|----|--|
| 69 | Collect incomplete days data 1 hour before leaving for home to enter into spreadsheet | 1 day | Fri 12/10/04 | Fri 12/10/04 | | |
| 70 | Remind customer it is imperative that we receive a weekly emailed spreadsheet with the latest data | 1 day | Fri 12/10/04 | Fri 12/10/04 | | |
| 71 | Copy of escalation procedures/support documents delivered | 1 day | Fri 12/10/04 | Fri 12/10/04 | | |
| 72 | CRPM verifies new time and day for weekly conference calls | 1 day | Fri 12/10/04 | Fri 12/10/04 | | |
| 73 | Installation Complete | 0 days | Fri 12/10/04 | Fri 12/10/04 | 67 | |
| 74 | 60-Day Verification Process Begins | 1 day | Fri 12/10/04 | Fri 12/10/04 | 64 | |

IX. Exhibits

Exhibit A

Mortgage Customer References

| | |
|--|--|
|  <ul style="list-style-type: none">• <u>Environment</u><ul style="list-style-type: none">– Collections- mortgage– Concerto Unison• <u># Agents</u><ul style="list-style-type: none">– 200 blend• <u>Objectives</u><ul style="list-style-type: none">– Increase dollars collected per agent hour– Manage increased portfolio– Maintain existing staff levels– Meet Investor due diligence requirements | <u>Results</u> <ul style="list-style-type: none">• 39% increase in RPC per connect• Expanded portfolio while maintaining staff levels• Maintained due diligence requirements• Reduce reporting overhead |
|--|--|


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|  <ul style="list-style-type: none">• <u>Environment</u><ul style="list-style-type: none">– Collections- mortgage– Concerto Conversations• <u># Agents</u><ul style="list-style-type: none">– 200 outbound• <u>Objectives</u><ul style="list-style-type: none">– Increase dollars collected per agent hour– Increase portfolio– Maintain existing staff levels | <u>Results</u> <ul style="list-style-type: none">• 35% decrease in dial attempts• 167% increase in RPC per dial attempt• 75% increase in total RPCs with same staff level• Expanded portfolio 300% with limited staff increases• Reduced administrative overhead |
|---|--|

Exhibit B
Performance Optimization Suite
ROI Contribution

Unified Intelligent Contact Center Optimization Process

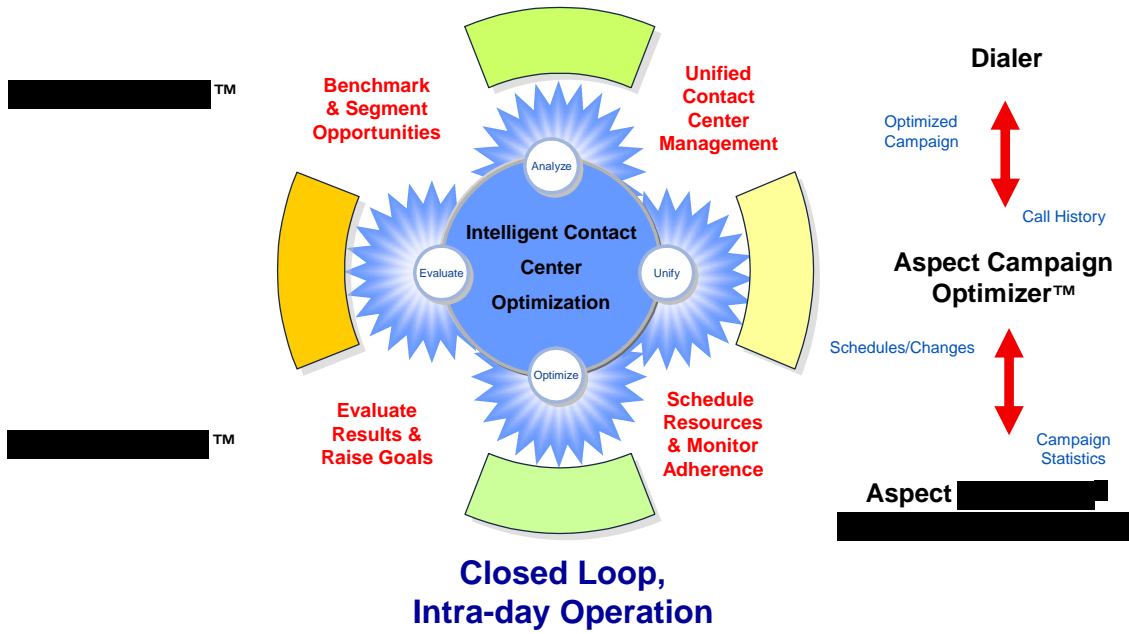


Exhibit D
End User License Agreement
License Quotes

██████████ quote attached.

Here are some modified screen prints of the attached Excel spreadsheets

| M21 | | | | | | | | | | | | | | | | | |
|-----|--|-----------------------|--------------|---|---|--------------------------|------|------------------------|---|---|--------------|-------------------|------|----------------|---|---|---|
| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
| 1 | Concerto Campaign Collections Productivity Lift Model | | | | | | | | | | | | | | | | |
| 2 | 5/20/05 | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | |
| 4 | BEFORE OPTIMIZER | | | | | | | AFTER OPTIMIZER | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | | | |
| 6 | Assumptions | | Secs. | | | Minutes | | | Assumptions | | Secs. | | | Minutes | | | |
| 7 | RPWT / Call or Total RP Handle Time | | | | | | | | RPWT / Call | | | | | | | | |
| 8 | RPWT / Call | | | | | | | | RPWT / Call | | | | | | | | |
| 9 | WPWT / Call or Total WP Handle Time | | | | | | | | WPWT / Call | | | | | | | | |
| 10 | WPWT / Call | | | | | | | | WPWT / Call | | | | | | | | |
| 11 | IDLE TIME between calls | | | | | | | | IDLE TIME between calls | | | | | | | | |
| 12 | | | | | | Total Min. | 60.0 | | | | | Total Min. | 60.0 | | | | |
| 13 | | | | | | | | | | | | | | | | | |
| 14 | | | | | | OPT LIFT | | | | | | | | | | | |
| 15 | | | | | | RPC/Connect | | | | | | | | | | | |
| 16 | RPC per Connect | | | | | 30% | | | RPC per Connect | | | | | | | | |
| 17 | Total Calls handled per hour | | | | | | | | Total Calls handled per hour | | | | | | | | |
| 18 | RPC per hour | | | | | | | | RPC per hour | | | | | | | | |
| 19 | WPC per hour | | | | | | | | WPC per hour | | | | | | | | |
| 20 | | | | | | | | | | | | | | | | | |
| 21 | Promises per RPC | | | | | OPT LIFT | | | Promises per RPC | | | | | | | | |
| 22 | Promises per Agent Hour | | | | | Promises / AGT HR | | | Promises per Agent Hour | | | | | | | | |
| 23 | | | | | | 15.6% | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | | | | | |
| 25 | Definitions | | | | | | | | | | | | | | | | |
| 26 | RPWT | Right Part Talk Time | | | | 1 | | | Enter seconds per call for each category, % of RPC per Connect and Total Calls Handled per Hour | | | | | | | | |
| 27 | RPWT | Right Part Wrap Time | | | | 2 | | | Total Minutes should equal 60, if not adjust IDLE TIME Secs. until Total Min. equals 60 | | | | | | | | |
| 28 | WPWT | Wrong Party Talk Time | | | | 3 | | | Enter Expected OPT LIFT in RPC/Connect- usually 15% to 40% | | | | | | | | |
| 29 | WPWT | Wrong Party Wrap Time | | | | 4 | | | Adjust AFTER OPTIMIZER Total Calls Handled per hour until Total Min. equals 60 | | | | | | | | |
| 30 | | | | | | 5 | | | Enter current Promises per RPC Rate | | | | | | | | |
| 31 | | | | | | 6 | | | Shows Agent Productivity lift projected- Enter in Optimizer Lift in ROI Model | | | | | | | | |
| 32 | | | | | | | | | | | | | | | | | |
| 33 | | | | | | | | | | | | | | | | | |
| 34 | | | | | | | | | | | | | | | | | |
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| 43 | | | | | | | | | | | | | | | | | |
| 44 | | | | | | | | | | | | | | | | | |

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J38 =SUM(J31:J37)

| Concerto Software [REDACTED] ROI Model | | | | | Exchange Rate Table: | | | | |
|--|--|--|--|--|----------------------|------------|--------------|------------------------|--|
| Customer: | | | | | Country= | \$ 1.00 US | to \$1.00 US | December 8, 2006 As of | |

YEAR ONE

| 1st Year Savings | Total License | Total Installation | Total Training | Total Integration | Total 1st Year Service Agreement | Total Hardware | Total Charges | Months Payback | Annual Savings After Expense |
|------------------|---------------|--------------------|----------------|-------------------|----------------------------------|----------------|---------------|----------------|------------------------------|
| \$241,500 | | | | \$0 | | | | 6.67 | |

2nd Yr Save

| 2nd Yr Save | Total License | Total Installation | Total Training | Total Integration | Total 1st Year Service Agreement | Total Hardware | Total Charges | Months Payback | Annual Savings After Expense |
|-------------|---------------|--------------------|----------------|-------------------|----------------------------------|----------------|---------------|----------------|------------------------------|
| \$241,500 | \$0 | \$0 | \$0 | \$0 | | \$0 | | | |

Site Specific Input

| ROI ASSUMPTIONS | | PRICING ASSUMPTIONS (from Pricing Worksheet) | | | | | | | |
|------------------------|--------|--|---------|----------------|------------|-------------|------------------|-----------|-------|
| | | Product | License | Installation** | Training** | Integration | 1st Year Service | Hardware* | Total |
| FTE Cost US\$: | | Optimizer | | | | | | | |
| Optimizer Prod. Lift: | 15.00% | | | | | | | | |
| Analyzer Prod. Lift: | 0.00% | | | | | | | | |
| RightForce Prod. Lift: | 0.00% | | | | | | | | |
| Total Outbound FTE | | Analyzer | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Employees | | RightForce | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 |
| Admin. Saved | 0 | Total | | | | \$0 | | | |
| Admin. Cost per Year | \$0 | | | | | | | | |

Optimizer and Planner utilize the same hardware platform.

Analyzer and RightForce can utilize the same hardware platform depending on capacity and usage.

* Hardware costs are affected by the number of sites, users, dialers, amount of historical information and length of time stored.

** Installation and training charges are plus out of pocket expenses

Input Areas

US ROI True ROI US\$ Pre-Tax Benefits Pricing Worksheet

Ready NUM