

GOVERNMENT  
DEPOSITION  
EXHIBIT  
1255

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# 1998 Commercial Products Budget July 1, 1998

P-0790

Bob Stock

OUTSIDE COUNSEL ONLY - HIGHLY CONFIDENTIAL SUBJECT TO PROTECTIVE ORDER

VU 100950

# Commercial Card Products - 1998 Plan

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## Market Environment

- Consolidation of the Banking Industry
- Internet Emerging as an Alternative to Traditional Systems and Processes.
- American Express Pursuing Product Distribution Through Banks, key T&E Supplies and other Channels. — *but firm*  
*IDS financial services*
- Corporate Card Competitors Shifting Focus to Employee/Organization Enablers: Smart Card, Expense Reporting Tools.  
*on-line travel booking*
- Member Banks Seeking On-Site Support

# Commercial Cards - 1998 Plan

## Corporate, Purchasing and Business

**Member Profitability**

**Product Utility**

**Distribution**

**Brand Strength**

Objectives	
	<ul style="list-style-type: none"> <li>•Optimize Member Financial Performance, Risk Management, and Expansion of Corporate Customer Relationships.</li> </ul>
	<ul style="list-style-type: none"> <li>•Eliminate Product and Services Gaps</li> <li>•Deliver New Products, Including Fleet Card, Business check card, Small Business Loan, Expense Reporting Tools, Smart Card</li> <li>•Implement Enhanced T&amp;E Transaction Data</li> <li>•Build Enhanced Capabilities to Deliver Critical Merchant Data for Members/ Client Reporting</li> </ul>
	<ul style="list-style-type: none"> <li>•Expand and Support Qualified Issuer Base</li> <li>•Increase Merchant Acceptance</li> <li>•Co-Branding</li> <li>•Enable Multinational/Global Opportunities</li> <li>•Exploit Electronic Commerce Opportunities</li> <li>•Exploit Business Travel Agency Alliances</li> </ul>
	<ul style="list-style-type: none"> <li>•Enable Members to Better Leverage Visa Brand Preference and Awareness in the Commercial Marketplace.</li> </ul>

# Commercial Cards - 1998 Plan

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## New Initiatives For 1998

- Co-Branding and Alliances
- Fleet *Wanted Express / AMEX*
- Electronic Purchasing
- Chip Card Test
- Product Development and Marketing
- Implementation Consulting at Clients

# Corporate Card - 1998 Initiatives

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<b>Member Profitability</b>	•Best Practices-Cardholder Risk	\$170.0	
	•Commercial Interchange	50.0	\$220.0
<b>Product Utility</b>	•Rewards	\$350.0	
	•Business Travel Agency Alliance	\$1500.0	
	•CO-Branding	\$1000.0	
	•Chip Card Test	\$2000.0	
	•Enhanced Data	\$3500.0	
	•Expense Reporting	\$500.0	
	•InfoSpan 2.0	\$120.0	\$8795.0
<b>Distribution</b>	•Implementation Support	<del>\$340.3</del>	
	Multi-National Issuance	\$300.0	
	•Promote Visa Brand at Large Clients	\$140.8	\$780.9
<b>Core</b>	•Core Initiatives		<u>\$317.3</u>
<b>TOTAL</b>			<b>\$10,293.2</b>

# Purchasing Card- 1998 Plan

		<u>\$000</u>	
<b>Member Profitability</b>	•Update Functional Cost Study	\$400.0	
	•Interchange Strategy	\$140.0	
	•Implementation Support	\$200.0	740.0
<b>Product Utility</b>	•Fleet Card	\$2000.0	
	•New Product Feasibility Study	\$625.0	
	•Electronic Purchasing	\$750.0	
	•Sales Tax Consulting	\$1000.0	
	•Merchant Data Base	\$1500.0	
	•Enhanced POS Data	\$500.0	
	•InFoSpan 2.0	\$125.0	
	•Alliances	\$1000.0	\$7500.0
<b>Distribution</b>		\$451.3	
	•Implementation Support	\$175.0	
	•Multi-National Issuance	\$140.6	\$730.9
<b>Core</b>	•Core Initiatives		<u>\$1172.3</u>
<b>TOTAL</b>			<b>\$10,142.9</b>

# Business Card - 1998 Initiatives

<b>Member Profitability</b>	•Risk Management Initiative/Tools Dev	\$400.0	
	•Implementation/Operations Mgmt. Tools	\$175.0	
	•Activation and Usage Stimulation (Check)	\$500.0	
	•Profitability Study (SBL)	\$75.0	
	•Risk Mgmt. Study (SBL)	\$150.0	
	•Process Mgmt. Study (SBL)	\$200.0	\$1,500.0
<b>Product Utility</b>	•Take Five (Time To Cash In)/Quarterly IVR	\$750.0	
	•Dev./Enhance SB Web Site	\$400.0	
	•MIS Strategy/Impl./On-Line Reporting	\$350.0	
	•Premium Card Product Development	\$400.0	
	•SB Mileage Program Test (SBL)	\$300.0	\$2,200.0
<b>Distribution</b>	•Strategic Alliance w/Experian/D&B	\$250.0	
	•Implementation of Bus. Check Card (Check)	\$750.0	
	•Issuer Program Dev. (SBL)	\$100.0	
	•Product Strategy Implementation (SBL)	\$400.0	
	•D&B/Experian Alliance	\$25.0	\$1,525.0
<b>Core</b>	•Core Initiatives		\$1,053.0
<b>TOTAL</b>			<b>\$6,278.0</b>

# Commercial Cards

## Budget Summary (\$000)

Product Area	1997	1998	\$ Change
Purchasing Card	\$20,069.0	\$10,142.9	( \$9,926.1)
Corporate Card	\$6,590.0	\$10,293.2	\$3,703.2
Business Card	\$7,190.0	\$6,278.0	( \$912.0)
Market Development	0	\$3,638.0	\$3,638.0
Implementation	0	\$4,345.0	\$4,345.0
Additional Staff	0	\$1,500.0	\$1,500.0
<b>TOTAL</b>	<b>\$33,849</b>	<b>\$36,197.1</b>	<b>\$2,348.1</b>

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# Commercial Cards

	1997	1998	Change (\$'000)
<b>Member Profitability</b>	2,615.4	6,804.7	4,189.3
<b>Product Utility</b> <small>(includes \$3,500 for Alliances/CO-Branding)</small>	19,148.8	18,675	(473.8)
<b>Distribution</b>	6,267.8	3,036.8	(3,231.0)
<b>Brand Strength</b>	1,355.0	\$3,638.0	2,283
<b>Core Projects</b>	4,462.0	2,542.6	(1919.4)
<b>Additional Staff</b>	0.0	\$1,500.0	\$1,500.0
<b>TOTAL</b>	<b>33,849.0</b>	<b>\$36,197.1</b>	<b>2,348.1</b>

# Commerical Cards - 1998 Plan

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## Key Issues and Dependencies

- Merchant Acceptance Resources for Level II/III Data *- Bill Stewart*
- Systems Resources Needed to Close Product Gaps and Deliver New Products *- Bill Stewart*
- Recruiting
- Member Banks Focus on Commercial Card Products