

START Target Setting: HH NIGO



Baseline	Target	Expense Opportunity	Revenue Improvement
74%	20%	\$1.2M	-

Why it matters

End clients do not want to be hassled with issues – regardless of if they sign via paper or digital

Where we stand

- 74% of HHs in transition experience some type of NIGO issue, with 40% NIGO across all transactions
- Many NIGO issues at the transaction level could be easily corrected in a digital experience, and we expect the transaction level NIGO rates to improve significantly:
 - Analysis of NIGO issues indicated that roughly two-thirds of all NIGO is directly attributable to missing information or paperwork; for example, a required field missing inputs or an account application missing pages in the agreement
 - The second most common issue was paperwork discrepancies – this could include conflicting form selections (e.g., I am retired, but entered occupation information) or illegible handwriting and/or scans
- However, as we resolve transaction-level NIGO issues, Household level errors could still remain high due to the high volume of transactions for each household and the complexity of onboarding

What we can do about it

Features

- Transition questions and task list support
- Data Validation (error checks)
- Data Collection Output to Paper

Rationale

- Persistent education on Schwab products and services will help advisors optimize onboarding for each household
- A digital solution can validate advisor and end client inputs to decrease NIGO
- Paper outputs could also be validated



START Target Setting: Transition Velocity

Baseline	Target	Expense Opportunity	Revenue Improvement
94 Days	40 Days	-	\$10.8M

Why it matters

Advisors want to quickly secure the relationships they depend on for success. Schwab can recognize more revenue through quicker funding.

Where we stand

- Unsupported transitions have longer average days to fund than supported transitions
- Current breakdown of average days spent by activity for supported transitions:
 - Data Template and Forms Population Post-Resignation: **6 Days**
 - Get Packets to the Advisor: **4 Days**
 - Time to Get Paperwork Signed and Manage Issues: **47 Days**
 - Schwab Processing Time: **13 Days**
- Through START, we will have an opportunity to support more transitions, helping to decrease the average days to fund
- START will also eliminate the preparation time to get the first packets out to advisors' largest clients
- START will also shorten the time to collaborate with end clients and process paperwork by providing digital tools, virtually eliminating NIGO, and offering STP for the most common transaction types

What we can do about it

Features	Rationale
<ul style="list-style-type: none"> ▪ Create Household ▪ Client Info Upload 	<ul style="list-style-type: none"> • Offering multiple ways to create packets (one-off and in bulk) will speed up the time to get the first and largest clients on-boarded
<ul style="list-style-type: none"> ▪ Multiparty Secure Signing ▪ Schwab and advisor forms combined ▪ Client signs once for multiple accounts/features 	<ul style="list-style-type: none"> • A streamlined digital end client experience will speed up the 47 days it takes to collaborate with end clients, especially if packets can be submitted without NIGO
<ul style="list-style-type: none"> ▪ Processing of common accounts and features 	<ul style="list-style-type: none"> • STP will reduce the time it takes for Schwab to process