

Business Case: Requirements Engineering durch den Kunden

Gruppe 1

Dieser Business Case soll die Budgetplanung und dessen Mutationen durch den Verkauf Strukturierter Produkte durch eine Enterprise 2.0 Plattform beschreiben.

Neben einer detaillierten Kostenübersicht liegt auch eine DCF-Rechnung für den Projektzeitraum über 5 Jahre vor.

Fundament der Berechnungen bilden:

- Marktreport 2011 des Schweizerischen Verbandes für Strukturierte Produkte
(http://www.svsp-verband.ch/download/news_content/643_marktreport_svsp_juni_2011_quartalsbericht.pdf)
- Annual Report Credit Suisse Group 2011
(https://www.credit-suisse.com/publications/annualreporting/doc/2011/csg_ar_2011_en.pdf)
- Lohnstatistik www.finnews.ch
(<http://www.finnews.ch/news/finanzplatz/7983-150000-franken-fuer-einen-fondsmanager>)

Informationen über das Pricing von Strukturierten Produkten, der Marktlage im Detail und bezüglich der genauen Bilanzen der einzelnen Banken und Finanzintermediäre sind nur schwierig zu erlangen. Die Transparenz im Gesamten lässt auch zu wünschen übrig. Daher basiert dieser Business Case, speziell die NPV-Berechnung auf Annahmen und Zahlen, welche fast einzig auf dem Marktreport 2011 des SVSP fussen.

Ziel der vorgestellten Plattform ist hauptsächlich, auch nicht-HNWI, also einem grösseren Spektrum an Kunden, individuelle Beratung für Strukturierte Produkte zu offerieren.

Zentrale Annahme für die Berechnungen sind:

Neben Kosten für Liegenschaften, IT-Infrastruktur und sonstigen Kosten bilden die Löhne für die Angestellten einer Bank eine der Hauptpositionen auf der Aufwandseite der Bilanz. Hier orten wir auch das höchste Einsparpotenzial durch unsere Plattform, welche intern bei einer Bank als Projekt geplant und realisiert wird. Anhand der Statistik für die Löhne von Bankangestellten im Private Banking speziell für Kundenberater hat die Recherche auf www.finnews.ch ergeben, dass im Mittel unser Modell-Kundenberater 195'000 im Jahr verdient. Die Löhne für die Entwickler und übrigen Angestellten wurde dem Lohnrechner auf www.admin.ch entnommen.

Aufgrund der kargen Informationslage wird angenommen, dass analog zum Gesamtanlagendepot auch die Neugeldzuflüsse zu 4.8% in Strukturierte Produkte investiert werden.

Das bedeutet, dass im Jahr 2011 von den 40 Mrd CHF Neugeld 1.92 Mrd CHF in Strukturierte Produkte investiert worden sind.

Basierend auf einer angenommenen Gesamtgebühr/Preis für "ein" SP von 3% (es werden hier nur solche verkauft) ergibt sich im Jahr ein Ertrag von 57.6 Mio CHF.

Dies ist die Zielgrösse, welche Dreh- und Angelpunkt für die Veränderungen der Kennzahlen und Berechnung des Returns ist.

Die Unterscheidung des Best-/Standard-/Worst-Case fusst auf der Abgrenzung, dass 15%/10%/5% entweder der bestehenden Kunden die Plattform nützen und damit der personelle Beratungsaufwand für die bestehende Kundschaft sinkt (was Kosteneinsparungen zur Folge haben kann) und neue Kunden gewonnen werden können welche fast nur neue Erträge bedeuten, da die Kosten für den alleinigen Betrieb der Handelsplattform im Vergleich zu den personalen Beratungskosten niedriger sind.

Um die multivariate Modellrechnung zur ermöglichen und zu vereinfachen wird angenommen, dass 1.92 Mrd CHF von 128'000 Kunden zu Tranchen von 15'000 CHF investiert werden.

3/27/2012 Christian Günther

TRANSLATION

Business Case: Requirements Engineering by the customer										Group 1									
This Business Case intends to describe the budget plan and its changes in light of sales of structured products by a enterprise 2.0 platform.																			
Besides of a detailed overview of cost also a DCF-calculation is provided for the project time frame of five years.																			
Foundations of the calculations are:																			
- Market-report 2011 Swiss Association for Structured Products (http://www.svsp-verband.ch/download/news_content/643_marktreport_svsp_juni_2011_quartalsbericht.pdf) - Annual Report Credit Suisse Group 2011 (https://www.credit-suisse.com/publications/annualreporting/doc/2011/csg_ar_2011_en.pdf) - pay statistics www.finews.ch (http://www.finews.ch/news/finanzplatz/7983-150000-franken-fuer-einen-fondsmanager)																			
Information about the pricing of structured products, the market sentiment in detail and regarding the precise balance sheets of the corresponding banks and financial intermediaries is difficult to come by and gather. Transparency in general is somewhat less optimal. Therefore this Business Case, especially the NPV calculations, are based on assumptions and numbers, which almost solely depend on the market report 2011 of SVSP.																			
Aim of said platform is mainly, to offer also non-HNWIs, therefore a bigger market segment of clients, individual consulting/financial advice for structured products.																			
Central Assumptions of said calculations are:																			
Besides cost for premises, IT-Infrastructure and other cost, salaries of bank employees are one of the largest positions on the cost side of the balance sheet. Here lie the highest potential savings through this platform, which would be planned and executed as an internal project within a bank. By the salary statistics about wages of bank employees in private banking especially for customer consultants research on www.finews.ch let to believe, that the average model-consultant earns roughly 195'000 annually. Wages for Software-Engineers and other employees we're taken from the salary calculator on www.admin.ch																			
Based on the sparse data it is presumed, that analogous to the overall investment-deposits also 4.8% are invested in structured products.																			
That means, that in the year 2011 out of 40 Billion CHF net new assets 1.92 Billion CHF have been invested into structured products.																			
Based on an assumed overall fee/commission of 300 basispoints for a SP total revenue regarding only this products could be in the region of 57.6 million CHF																			
This is the target figure, which is the pivotal point for the changes in the financial figures and calculations of the return.																			
The differentiation of the Best-/Standard-/Worst-Case rests upon the distinction, that 15%/10%/5% of the existing client base either uses the platform and therefore reduces the personal consulting expenses or upon newly acquired clients using the platform which almost exclusively generate new net revenue because the maintenance cost of this trading platform are far less than the remuneration of a broad employee base.																			
In order to make this multivariate model calculation possible and more simple it is assumed, that 1.92 billion CHF on behalf of 128'000 clients are invested via tranches /SP of CHF 15'000																			
March 27 2012 Christian Günther																			

Project name Requirements Engineering by the customer

15% divided into: 5% of existing customers use platform: absolute decline referring to starting state/amount

Years: 5
Number of months: 60 months

cost reduction
6,400 2,112,500 CHF
10% new customers relative to existing amount of customers: absolute growth referring to starting state/amount
revenue improvement
12,800 5,760,000 CHF

Assumptions

- CH market for Structured Products 2011: 211 Mrd CHF	211,000,000,000.00
- Market share Credit Suisse 2011: 6% -> 12.66 Mrd CHF	12,660,000,000.00
- Net New Assets 2011: 40 Mrd CHF	40,000,000,000.00
- 4.8 % of Total Assets invested in Structured Products: 1.92 Mrd CHF	1,920,000,000.00
- Based on 3% fee: yearly net income: 57.6 Mio CHF	57,600,000.00
- Implementation Period for Plattform: 12 months (in working hours):	1920
- WACC 4%	0.04
- ancillary labour costs: 30%	0.3

Salaries (CHF):	per year	per month	per hour
Private Banker:	253,500	21,125	132
Software-Engineer:	112,320	9,360	59
Project-Manager:	130,000	10,833	68

Compensation for Consulting/Sales of one SP by customer consultant: On average, one consulting meeting takes 2.5h that means: CHF 330.078125
Total costs of consulting for all private bankers "one customer" CHF 42,250,000
Amount Private Bankers 2011: # 25,200
Compensation and benefits Private Banking Credit Suisse 2011 CHF 4,601,000,000
Amount sold SP (starting state): # 128,000

Structuring Fee	0.5 %	CHF k	9,600,000	10,560,000	11,520,000	12,480,000	13,440,000
Sales Fee	1 %	CHF k	19,200,000	21,120,000	23,040,000	24,960,000	26,880,000
Emission-/Transaction-Fee	1.5 %	CHF k	28,800,000	31,680,000	34,560,000	37,440,000	40,320,000
Sales (Price of one SP: 3%)		CHF k	57,600,000	63,360,000	69,120,000	74,880,000	80,640,000
Revenue improvement		CHF k	-	5,760,000	5,760,000	5,760,000	5,760,000
Staff reduction in FTE		FTE	-5	2	1	1	0
Average cost / FTE / year		CHF k	122,928	118,213	121,160	130,000	130,000
Staff reduction		CHF k	-596,960	242,320	112,320	112,320	0
Other cost reduction		CHF k	-	2,112,500	2,112,500	2,112,500	2,112,500
Cost reduction		CHF k	-596,960	2,354,820	2,224,820	2,224,820	2,112,500
Avoidance Staff increase in FTE		FTE	-5	12	12	12	12
Average cost / FTE / year		CHF k	119,392				
Avoidance staff increase		CHF k	-596,960				
Cost avoidance		CHF k	596,960	4,225,000	4,225,000	4,225,000	4,225,000
Total benefits		CHF k	57,600,000	69,939,820	75,569,820	81,329,820	86,977,500
Other benefits (e.g. time saving, ...)		no unit / not definitely measureable i.e. viral marketing, platform makes CS more attractive for online customers					

1 Consulting per consultant per day in person
0.166666667 230 Working days in Switzerland
0.333333333 128,000 Customers (starting state)
0.5
557 Consultants computedly necessary
700 Estimation
231,055 Total costs of consulting in CHF
768 How many Consulting Cases are equivalent to FTE

Cost avoidance:
costs not incurred although new customers/products sold: CHF 4,225,000

IT change costs	CHF k	200,000	0	0	0	0
Development costs (Implementing platform/code)	CHF k	336,960	67,392	22,464	22,464	22,464
Staff reduction	CHF k	-596,960	-	-	-	-
Other project costs (Administrational Overhead etc)	CHF k	32,500	21,667	10,833	5,417	2,167
Project costs	CHF k	1,166,420	89,059	33,297	27,881	24,631
Financial Expenses for Risk & Comission (3% of Sales Price)	CHF k	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000
Servers	CHF k	24,000	24,000	24,000	24,000	24,000
Workstations	CHF k	5,000	5,000	5,000	5,000	5,000
additional IT Equipment	CHF k	15,000	5,000	5,000	5,000	5,000
electricity bill	CHF k	60,000	60,000	60,000	60,000	60,000
IT maintenance costs / per year	CHF k	104,000	94,000	94,000	94,000	94,000
Salaries and Wages Private Banking regarding Consulting SP	CHF k	42,250,000	39,895,180	37,670,360	35,445,540	33,333,040
Real Estate costs (rent: 10000 CHF/month)	CHF k	120,000	120,000	120,000	120,000	120,000
Other recurring costs	CHF k	20,000	20,000	20,000	20,000	20,000
Recurring costs	CHF k	44,222,000	40,035,180	37,810,360	35,585,540	33,473,040
Total costs	CHF k	45,388,420	40,124,239	37,843,657	35,613,421	33,497,671

Net Project Income (NPI)	CHF k	12,211,580.00	29,815,581.33	37,726,162.67	45,716,399.33	53,479,829.33
Discounted NPI	CHF k	11,741,903.85	27,566,180.97	33,538,421.24	39,078,569.75	43,956,521.39

Net Present Value CHF k 154,715,177.19

Payback-Time regarding only cost reduction and revenue improvement Years 1.161374405

Project-Team consisting of: 3 Software Engineers and 2 Project-Managers

27.03.2012 Christian Günther

Project name Requirements Engineering by the customer

10% divided into: 2.5 % of existing customers use platform: absolute decline referring to starting state/amount

Years: 5
Number of months 60 months

cost reduction
3,200 1,056,250 CHF
7.5% new customers relative to existing amount of customers: absolute growth referring to starting state/amount
revenue improvement
9,600 4,320,000 CHF

Assumptions

- CH market for Structured Products 2011: 211 Mrd CHF	211,000,000,000.00
- Market share Credit Suisse 2011: 6 % -> 12.66 Mrd CHF	12,660,000,000.00
- Net New Assets 2011: 40 Mrd CHF	40,000,000,000.00
- 4.8 % of Total Assets invested in Structured Products: 1.92 Mrd CHF	1,920,000,000.00
- Based on 3% fee: yearly net income: 57.6 Mio CHF	57,600,000.00
- Implementation Period for Plattform: 12 months (in working hours):	1920
- WACC 4%	0.04
- ancillary labour costs 30 %	0.3

Salaries (CHF):					
	per year	per month	per hour		
Private Banker:	253,500	21,125	132		
Software-Engineer:	112,320	9,360	59		
Project-Manager:	130,000	10,833	68		

Compensation for Consulting/Sales of one SP by customer consultant: On average, one consulting meeting takes 2.5h
that means: CHF 330.078125
Total costs of consulting for all private bankers "one customer" CHF 42,250,000
Amount Private Bankers 2011: # 25,200
Compensation and benefits Private Banking Credit Suisse 2011 CHF 4,601,000,000
Amount sold SP (starting state): # 128,000

Structuring Fee	0.5 %	CHF k	9,600,000	10,320,000	11,040,000	11,760,000	12,480,000
Sales Fee	1 %	CHF k	19,200,000	20,640,000	22,080,000	23,520,000	24,960,000
Emission-/Transaction-Fee	1.5 %	CHF k	28,800,000	30,960,000	33,120,000	35,280,000	37,440,000
Sales (Price of one SP: 3%)		CHF k	57,600,000	61,920,000	66,240,000	70,560,000	74,880,000
Revenue improvement		CHF k	-	4,320,000	4,320,000	4,320,000	4,320,000
Staff reduction in FTE		FTE	-5	2	1	1	0
Average cost / FTE / year		CHF k	122,928	118,213	121,160	130,000	130,000
Staff reduction		CHF k	-596,960	242,320	112,320	112,320	0
Other cost reduction		CHF k	-	1,056,250	1,056,250	1,056,250	1,056,250
Cost reduction		CHF k	-596,960	1,298,570	1,168,570	1,168,570	1,056,250
Avoidance Staff increase in FTE		FTE	-5	12	12	12	12
Average cost / FTE / year		CHF k	119,392				
Avoidance staff increase		CHF k	-596,960				
Cost avoidance		CHF k	596,960	3,168,750	3,168,750	3,168,750	3,168,750
Total benefits		CHF k	57,600,000	66,387,320	70,577,320	74,897,320	79,105,000
Other benefits (e.g. time saving, ...)		no unit / not definitely measureable i.e. viral marketing, platform makes CS more attractive for online customers					

1 Consulting per consultant per day in person
230 Working days in Switzerland
0.166666667 230 Customers (starting state)
0.333333333 128,000 Customers (starting state)
0.5
557 Consultants computedly necessary
700 Estimation
231,055 Total costs of consulting in CHF
768 How many Consulting Cases are equivalent to FTE

Cost avoidance:
costs not incurred although new customers/products sold: CHF 3,168,750

IT change costs	CHF k	200,000	0	0	0	0
Development costs (Implementing platform/code)	CHF k	336,960	67,392	22,464	22,464	22,464
Staff reduction	CHF k	-596,960	-	-	-	-
Other project costs (Administrational Overhead etc)	CHF k	32,500	21,667	10,833	5,417	2,167
Project costs	CHF k	1,166,420	89,059	33,297	27,881	24,631
Financial Expenses for Risk & Comission (3% of Sales Price)	CHF k	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000
Servers	CHF k	24,000	24,000	24,000	24,000	24,000
Workstations	CHF k	5,000	5,000	5,000	5,000	5,000
additional IT Equipment	CHF k	15,000	5,000	5,000	5,000	5,000
electricity bill	CHF k	60,000	60,000	60,000	60,000	60,000
IT maintenance costs / per year	CHF k	104,000	94,000	94,000	94,000	94,000
Salaries and Wages Private Banking regarding Consulting SP	CHF k	42,250,000	40,951,430	39,782,860	38,614,290	37,558,040
Real Estate costs (rent: 10000 CHF/month)	CHF k	120,000	120,000	120,000	120,000	120,000
Other recurring costs	CHF k	20,000	20,000	20,000	20,000	20,000
Recurring costs	CHF k	44,222,000	41,091,430	39,922,860	38,754,290	37,698,040
Total costs	CHF k	45,388,420	41,180,489	39,956,157	38,782,171	37,722,671

Net Project Income (NPI)	CHF k	12,211,580.00	25,206,831.33	30,621,162.67	36,115,149.33	41,382,329.33
Discounted NPI	CHF k	11,741,903.85	23,305,132.52	27,222,102.11	30,871,381.01	34,013,258.22

Net Present Value	CHF k	125,987,357.70
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Payback-Time regarding only cost reduction and revenue improvement	Years	1.236302255
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Project-Team consisting of: 3 Software Engineers and 2 Project-Managers

27.03.2012 Christian Günther

Monatlicher Bruttolohn (Zentralwert) nach Wirtschaftszweigen, Anforderungsniveau des Arbeitsplatzes und Geschlecht														
Öffentlicher Sektor (Bund)														
			Anforderungsniveau											
TA2			Total		1+2		3			4				
Wirtschaftszweige (NOGA08)			Total	Frauen	Männer	Total	Frauen	Männer	Total	Frauen	Männer	Total	Frauen	
			Total	Frauen	Männer	Total	Frauen	Männer	Total	Frauen	Männer	Total	Frauen	
			Total (Alle Branchen)	7 249	6 653	7 573	9 667	8 982	9 880	6 582	6 174	6 783	5 897	5 756
49	Landverkehr u. Transport in R		7 523	7 020	7 630	9 306	7 677	9 529	7 253	6 473	7 348	5 912	5 147	
52	Lager- u. Dienstleistungen für d		5 766	*	5 931	*	-	*	5 614	*	5 627	*	-	
53	Post-, Kurier- u. Expressdiens		5 972	5 957	5 978	6 936	7 158	6 859	5 852	5 863	5 848	6 841	6 780	
62	Dienstleistungen der Informatio		8 971	7 770	9 221	11 151	*	11 170	9 050	8 413	9 151	6 357	*	
64	Finanzdienstleistungen		7 247	6 483	9 121	10 327	8 459	11 296	7 919	7 087	9 283	5 793	5 784	
66	Mit Finanz- u. Versicherungsdi		5 950	5 784	6 122	7 492	*	7 527	5 882	5 763	5 985	-	-	
68	Grundstücks- und Wohnungsw		8 854	6 839	9 992	*	-	*	9 076	*	9 949	*	*	
69	Rechtsberatung, Wirtschaftspr		9 854	*	*	*	*	*	*	*	*	*	-	
71	Architektur- u. Ingenieurbüros;		9 007	8 289	9 177	10 082	9 242	10 127	7 613	7 685	7 613	*	*	
72	Forschung u. Entwicklung		8 205	7 452	9 032	10 432	9 181	11 006	7 187	7 171	7 199	*	*	
75	Veterinärwesen		10 173	8 502	11 564	11 736	*	12 262	7 985	*	*	*	*	
81	Gebäudebetreuung; Garten- u.		6 086	5 149	9 009	10 606	*	10 931	6 909	6 787	*	5 147	5 102	
84	Öffentl. Verwaltung, Verleidi		8 743	8 189	9 008	10 379	9 614	10 573	7 100	7 092	7 101	5 965	6 031	
91	Bibliotheken, Archive und Mus		8 009	7 890	8 210	9 461	9 006	9 784	7 649	*	*	5 543	*	
93	Sport und Erholung		7 519	6 890	8 156	10 082	*	10 396	6 888	7 099	6 779	4 983	*	