

BROKERAGE SITE LETTING YOU DOWN? TALK TO CHUCK!

A conversation with Andrew Salesky, Senior Vice President, Web Services

Despite the gloomy headlines and gloomier still 401(k) statements, Benchmark found a bright spot on the financial horizon: the recently redesigned Schwab.com. “Fewer clicks” was one of the guiding principles as the Schwab team analyzed user needs and transactions, took apart the architecture, and reconfigured the navigation and functionality to create a smoother, faster, easier experience. To get the inside story behind the new Schwab.com, we talked to Chuck — rather, to Andrew Salesky, senior vice president, web services.

Benchmark: What are the objectives behind the redesign and rebuild of Schwab.com?

Andrew Salesky: Schwab.com has been active for over ten years. When we stepped back and looked at it, and based on client feedback, our site organization was somewhat complex. And it really had a 20th century look and feel, given when we originally launched the site.

So our objectives were really two-fold. One is based upon the client feedback we’ve received to make it easier to use, which to us translated into fewer clicks to get to the information that clients most utilize.

And then the second was really a visual look and feel objective, of making the new site more of a close cousin to our unsecured or prospect site, which had been redesigned just about three years ago. So, we wanted to make it easier to use and also give it a refreshed look and feel.

Benchmark: What kind of research did you do to determine how people were using the site, what their stumbling blocks may have been, and what they were looking for?

Andrew Salesky: We get a lot of ongoing feedback from a variety of sources, including active collection of feedback from our client-facing channels, largely on the phone but in the branches as well. We also have comment cards within schwab.com with feedback links. And then third, we do a sample survey at logout to get some gauges both qualitative and quantitative on satisfaction and areas for improvement. Those three sources have been guiding us with the incremental enhancements we’ve made over years, but also really guided us towards the objectives we took for the redesign.

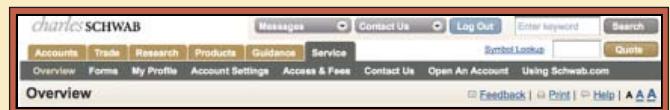
Benchmark: So what are some of the things that you did to make the site easier to use?

Andrew Salesky: There were really two key elements of the redesign. There was an information architecture revamp — we basically reconfigured the organization of the content that is on the site. And then a visual redesign that also simplified the work flow in key areas.

Let me take those in turn. In terms of information architecture, we took what was a seven-tab main structure and collapsed it slightly to six tabs. In that process we eliminated two tabs, added one new one, and then reorganized all the information under those tabs.

For example, the two tabs we eliminated were first, the tab we called “At A Glance,” which had become over time — we refer to it as the “boneyard” — a place for various elements of content that we couldn’t figure out anywhere else to put. Then we had a separate banking tab which was a vestige of the development of Schwab Bank over the years, and it separated out that functionality.

So we eliminated “At A Glance.” And we eliminated the banking tab by integrating the banking experience across the site, so there’s no separation between a broker-dealer client and a bank client. All the information is integrated as they’re going through the experience.



The new “Service” tab consolidates a variety of important client functions. The message center and contact links are omnipresent above the top nav.

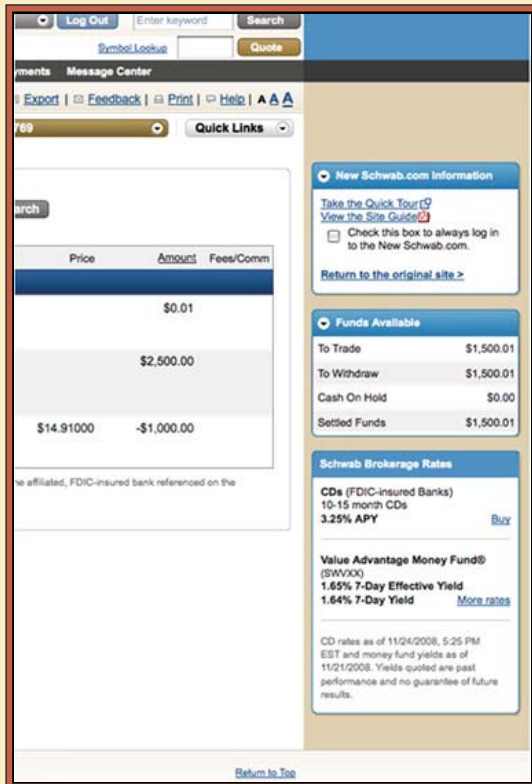
Benchmark: And what was the tab you added?

Andrew Salesky: We added a service tab, which is really the online service home for clients. When we looked at what clients search for most in terms of internal search, it was largely for service related transactions — things like forms. Creating a service tab made it easy to find the forms, to set your account settings, to really understand the capabilities of the site. That was a key

addition based upon the feedback.

Benchmark: OK, so you reorganized to make content more intuitive, to make it easier for users to find the information they want. What sorts of functionality changes did you make?

Andrew Salesky: We added a couple things. One, we created what we call the right rail of each page, which is a home for contextually relevant content appropriate to that page. So for example, if you're on the trading screen, having a module in your right rail that details your top positions avoids the need to jump from the trading screen back to the positions page.



The right rail offers various content that is contextually relevant to the particular page, obviating the need to switch between pages to complete a transaction.

Directly in that right rail for trading they can find the information they need to complete that particular transaction. So creating that right rail, building the set of modules that will go into that right rail, which we'll continue to refine as we go forward, was a key element of the redesign.

And then secondly, what we've done throughout the site is wherever there is a transaction flow – for example, trading or transfers and payments – we wanted to make those seem very similar, so if client learns how to do a transaction on schwab.com once, it feels very similar when they're going through that process again for a different transaction on a different area of the site.

Common processes and work flows was a real theme as we were going through the redesign.

Benchmark: Did you bring people in to test these things out before you rolled them out?

Andrew Salesky: Yes, throughout. We did over 15 rounds of usability with clients, from very active users to more beginners in the online experience. In the early phases, we took them through a range of alternative to help confirm our top level navigation and substructure. Later rounds focused on specific, high volume tasks, ensuring our processes were intuitive, comprehensive, and quick. So there was heavy engagement of users throughout the redesign.

Benchmark: How did you go about balancing the design to meet the very different needs of both new users and active traders?

Andrew Salesky: That is a challenge because Schwab has a very active online client base. For our most sophisticated clients, our most active clients, there are additional tools that they can take advantage of. We offer additional active investing trading platforms, both StreetSmart Pro, which is a software-based platform, as well as streetsmart.com, which is a Web-based streaming news and quotes capability that's available for active investors. So, we definitely didn't want to reinvent those capabilities that we provide to our active investing clients.

Yet even though we have active investing platforms, many of our active investing clients are using schwab.com. In fact, clearly the bulk of our most active users on schwab.com are active investors. So we need to be able to cater to that segment, as well as the relatively more infrequent user who might be less sophisticated.

Benchmark: Have you noticed a difference in reaction between those groups to the new site?

Andrew Salesky: Yes. I would say in some ways – and this has been documented in other case studies that we've look at – that the most active users are potentially your most critical up front. Yet as they start to see the benefits of the redesign they become your biggest fans, assuming that you've done good work in the redesign. The more they experience the site, the more benefits they see.

Benchmark: What has been the impact of the current economic crisis? Has it impacted usage of the site? Are you responding to reassure and retain investor clients?

Andrew Salesky: First I would say we're seeing very high levels of online usage both from clients as well as from new-to-firm prospect opportunities. October was one of the most active months online that we've measured, again both from clients as well as from new-to-firm.

We've had some reports out about our acquisition levels in October, which were very strong online. So the market uncertainty is driving both clients as well as new prospects to schwab.com.

To help address that, we have been very focused on providing current, timely market insight both on our unsecured site as well as our secure site — frequent updates from the Schwab Center for Financial Research on a variety of topics highlighted on our home pages, letters from Chuck, videos from Chuck, a variety of content intended to address client concerns as they're dealing with the ongoing market volatility — information that's relevant and timely both for clients and prospects.

Benchmark: What do you think is bringing those new prospects to Schwab.com?

Andrew Salesky: It's a variety of reasons. It could be concerns about the institution they're currently with, and feeling better about a relationship with Schwab. I think many are reconsidering who they have financial relationships with. And many are choosing to come to Schwab.

Benchmark: And when those new prospects come over, user experience is obviously very important to you. You use Keynote to monitor your Web site performance.

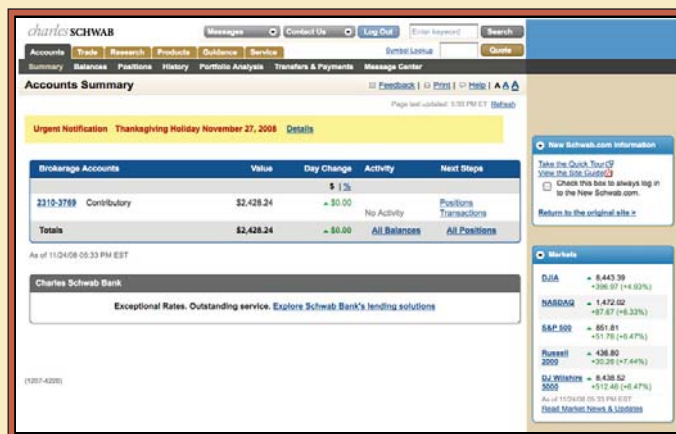
Andrew Salesky: We take advantage of Keynote as a key partner. They've actually been measuring the performance on our current site for some time. And they're also doing some more measurement for the new Schwab.com. So we're able to get great comparison data. In terms of how the new site's performing, we're pleased.

Benchmark: How does the new site perform compared to the old?

Andrew Salesky: The new site actually has richer data on each page. So there are a minority of cases where the pages are slightly slower but they're not exactly apples to apples. The majority of the pages, even despite that increased concentration of content, are faster. Overall we think we deliver a better client experience. Given that there's more content on a page and clients aren't having to click through so many different pages, the performance that the client should see and feel is better.

Benchmark: You mentioned that you had unusually heavy traffic in October. How did the new site hold up?

Andrew Salesky: We held up very well. We've added significant capacity. And we do quite a bit of volume contingency planning to make sure that we can deal with spikes in the marketplace. So as our activity level ramped up, the system performed as we hoped.



The new site offers a cleaner presentation of important client information, as well as intuitive links to other relevant transactions and information.

Benchmark: Switching gears, how about the mobile side of things? Have you made similar, significant changes to your mobile site?

Andrew Salesky: We continue to make improvements to our wireless platforms on an ongoing basis. In many cases, we're catching the wireless platform up with changes we're making on the Web platform more broadly. There are some targeted areas of customization and enhancements we've made. For example, around the iPhone and making sure that we're truly presenting the best experience for our clients on that platform.

With wireless overall, we're still waiting to see the big growth in client demand. The wireless channel continues to be a relative small channel for us, utilized by highly valuable clients but again, a very small subset of our overall, online client base. So we continue to do active research with our clients on the platform. We continue to watch devices as they proliferate and new features come out and ensure we can support them, but it's not a truly mass market platform at this stage. It's mostly utilized by our more active clients as a compliment to their desktop based online activities.

Benchmark: So do you offer full functionality on the mobile site? Can you do everything on the mobile site that you can do on the main Web site?

Andrew Salesky: Largely anything that the individual device can support. Obviously going through large research reports or similar activities are problematic. But the lion's share of capabilities we have available — whether those be basic research, transaction activity, order status checking — the types of things that people want to do on the wireless platform, we fully support.

Benchmark: So what are you anticipating? Do you think it's going

to catch on more, or do you think it's going to stay fairly confined to your more active, power users?

Andrew Salesky: Well, as devices continue to develop and the mobile experience becomes more like a true Web experience, I think there are opportunities for mobile to go beyond where it is today. We will continue to actively support the area because again, with the pace at which devices and applications are growing to create more of a true Web experience, mobile will become increasingly compelling for a broader segment of clients.

Benchmark: So what else do you see going forward? Do you see any big changes happening in the next 12 months, 24 months, either in the way your site works or the way investors use the web in general?

Andrew Salesky: The growth of the online channels will continue to occur just given the simplicity and convenience of the channel. Not to say that our voice and face-to-face channels are not going to be critical for many of our clients. Our clients by nature are multi-channel. But the continued growth of the Web is unquestioned. Whether it's in terms of new accounts being opened or in terms of self-service transactions online, we'll see more online. In addition, we're at the early stages of advice and guidance through the online channel.

There are some exciting things happening in social media and peer-to-peer type activities, largely outside of financial services, but as those become more embraced within financial services, it's going to be interesting growth opportunity for guidance online. So I see continued growth of activity levels even given the high level of activity with Schwab clients, and a broader, deeper experience related to financial guidance.

Benchmark: So speaking of guidance, what words of advice would you give our readers who are contemplating a major overhaul of their own site?

Andrew Salesky: At a higher level, I'd offer three key thoughts. One is what is always the case with any good project management — you've got to be very clear about your objective. It was critical for us to agree upfront that this idea of fewer clicks to get to the information that clients use most really was a core objective of the effort. So, it's important to be clear on your objective.

You can then use that to accomplish the second golden rule, which is avoid scope creep, particularly on efforts with a long duration. It's very easy for everything and the kitchen sink to get added in over time. Big projects sink underneath that weight. So — being clear on the objectives and using them to avoid scope creep and stay focused is critical. And the third thing, particularly for larger organizations, is that it's critical to ensure strong partner

buy-in. We had to have an early change freeze on our current site so we could shift resources to the new site, and that change freeze had a long duration to it. Making sure your partners are committed to the overall objective is what enables you to maintain that type of discipline. So it was critical for us to make them feel like part of the solution as we were developing it, and then they were committed to waiting for the eventual client payoff.

Benchmark: And quite an impressive pay-off it is. Thanks for taking the time to share your insights with us, and good luck with the new site!



Andrew Salesky
Senior Vice President,
Web Services

Andrew Salesky is currently senior vice president of Web Services. In this role, he is responsible for the management of Schwab's retail online channels — including Schwab.com, StreetSmart Pro, StreetSmart.com, Schwab Wireless, and Schwab eCommunication services — for acquiring and serving individual investors. These channels are responsible for serving more than 1 million unique clients each week and >90% of Schwab's total trade volume. Previously, Mr. Salesky was responsible for the western division of Charles Schwab's Client Sales & Service Enterprise. In this role, he was responsible for sales in 89 Western branches and supported more than 1 million clients and more than \$140 billion in client assets. Prior to his branch leadership role, he led the Affluent Marketing organization, which included leadership of Schwab Private Client, Schwab Signature Platinum, and the retail interface to Schwab Advisor Network and US Trust. Mr. Salesky earned his bachelor's and master's degrees in industrial engineering from Stanford University. He earned his M.B.A. as an Arjay Scholar from the Stanford Graduate School of Business.