



# IT Perspectives

An Inside Look at Business Technology

by Brad Howarth



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## A SUPER SOLUTION FOR CHURN

Superannuation funds managers are having to look seriously at improving their client relationships as super portability is extended to the accounts of a further 50% of Australian workers from July 1. The stakes are high. There are 26 million superannuation accounts in Australia containing more than \$570 billion, with market watchers predicting that churn rates will run to between 6% and 8%.

While that scenario has funds managers worried, it is a golden opportunity for the high-end Australian customer relationship management specialist emagine International. Although the company has previously focused on the telecommunications market, chief executive officer David Peters says emagine's customer retention software product is well suited to the needs of funds managers. Peters has already held discussion with three of the largest fund managers, and expects to speak to a further 25 over the next three months.

"There are \$280 billion in funds that are going to be given choice on the 1st of July, and a potential 8% of funds that are going to start to move between funds," Peters says. "So you're looking at figures of up to \$75 million over the first three years."

Emagine's product enables a company to quickly determine which customers are at risk of leaving, as well as indicating the value of each customer and the cost of an offer that might convince them to stay. Peters says the company consistently achieves save rates on potential customer defections of over 50%. The emagine product can also be used to cross sell other products, such as insurance.

The company recently launched a hosted version of its system, reducing the start-up cost for smaller companies that are unable to make a large upfront investment in the software. Peters says the hosted model also makes it easier for a company to have staff working on the same campaign from different locations.

"They can take advantage of renting the software on a hosted basis, and because it is a packaged solution, we can get it up and running quickly without going through their internal IT processes," Peters says.

Peters says the hosted product is targeted at companies with customer numbers between 200,000 and 1 million. He says this has proven appealing to companies outside of emagine's core market of telecommunications, and has already been adopted by two companies in the entertainment and utilities sector.

Peters says emagine will also be promoting it to the banking and finance and retail industry.

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