

## Beth Devin

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### Multi-Channel Customer Access

KAREN LAKE: You are responsible for leading and managing the Charles Schwab retail technology team, which includes 250 people. How does Schwab define retail technology? That seems like a Nordstrom type of word.

BETH DEVIN: Schwab is organized into business enterprises. Our largest, and really first, business enterprise is the retail organization. Retail, to the Schwab organization, is focused on serving individual investors, people like you and me who have a brokerage account at Schwab or are investing with Schwab's Internet tools. The technology organization I manage builds and delivers technology solutions to support the retail organization. We focus on everything from soup to nuts, from the phone system to the customer relationship management tools used to help any desktop that sits on a desk in a branch somewhere around the country. What we don't support, and what is not included, is the actual website. That's part of a special organization for electronic brokerage technology.

KAREN LAKE: How much do your internal people use the website to help customers who call on the phone? Are they using a completely different system, or are they actually using some of the tools that you give to online investors?

BETH DEVIN: It's a little bit of a potpourri. There are a number of tools that are only for internal use; and there are some tools we're building that can be deployed on both channels. Whether a customer or an internal investment specialist is using the tool, it doesn't matter. Then there's the actual Schwab.com website that an investment specialist will use to a limited degree - primarily when they're having an interaction with a client and they want to discuss how to use this tool, how to navigate it, and how to utilize the power and some of the functionality that's on the website.

KAREN LAKE: You have the website, the branch network, four national call centers, the tele-broker and the voice broker. Why so many different channels?

BETH DEVIN: We believe we can't have enough channels. All customers are different depending on their lifestyles and their investing histories. They're going to want to reach out and work with us in all kinds of ways, and we want to be there for them. We're big proponents- internally it's sort of a mantra - to provide many opportunities and many options for customers who do business with Schwab. We also think of e-mail as another channel.

### Using Feedback Data for CRM

KAREN LAKE: How do you know what the customer wants? Are these just things you're thinking up, or are customers suggesting these channels?

BETH DEVIN: It's a combination of both. We do a lot of outreach with customers and conduct lots of customer focus groups to hear what works for customers and what they like and what they want from us. We also view usage patterns to decide what is successful and what are the ways customers want to do business with us.

KAREN LAKE: What type of reporting gives usage pattern analyses?

BETH DEVIN: The website is probably the simplest because we can tell which customers are logging on. We do a little bit of tracking such as the different functions they're using and how often they're using them. The same thing with the automated phone products - based on pin number; who's been logging on and what kind of transactions they are making. We have a lot of data about call volumes- customers calling into our national call centers. The branches keep track of customer visits. E-mails from customers are another way of tracking usage numbers.

KAREN LAKE: So many companies do a good job of collecting information, but then seem to find the missing element in going from the reporting to the actual implementation. How do you jump that bridge?

BETH DEVIN: It's not as seamless as having all of these contacts, leveraging the information, and taking actions and making decisions about future products based on that. It is a challenge for us, just as it is for other companies. We have lots of touch points that can give us information about customers and their preferences, their needs and what they like and don't like. We have one centralized customer database, so we can do a lot of that analysis and hopefully complete the circle back to new project enhancements, etc. into systems we already have. It requires good teamwork and coordination across a number of different organizations and project teams to make it happen. It doesn't happen automatically.

KAREN LAKE: How important is usage to the organization? Where do you think it falls when there are so many things you're trying to do?

BETH DEVIN: When we look at it one instance at a time, it's a very high priority. Where we struggle more is how to have it be a coherent priority across lots of initiatives.

## Customer Relationship Management by E-mail

BETH DEVIN: There's a project underway at Schwab where we're upgrading our internal e-mail system with regard to interfacing and communicating with customers via e-mail. That e-mail project team is very focused on what the experience is going to be like for the customer - how we're going to track the usage of the new e-mail system, how productive we're going to be with that system, and the kinds of services and tools that we're going to provide. Customers will be able to change their addresses using the e-mail system. We're even looking at how we integrate some of the contacts we have with customers through e-mail into the contact management systems our internal reps use when they're dealing with customers on a one to one basis.

However, we don't have a global initiative at Schwab that's looking at all the touch points and figuring out how to leverage that information across the board. That's probably where we struggle more. But over the last year, it's become a much higher priority. On a project by project basis, a very high priority.

KAREN LAKE: If you were a small business, and had to start from scratch, how would you propose integrating e-mail into customer relationship management?

BETH DEVIN: I would put the energy into finding a packaged solution that covers as many bases as possible. We are very large and have evolved over a number of years as the technology has evolved. Many years ago, we made a commitment to use products for customer relationship management. At that time, e-mail was not a key component of that kind of technology platform, nor were some of the more collaborative web-based service functions available like voice over IP and co-browsing. Today's integrated product offerings have lots of functionality, including tracking service requests, tracking contacts from a business development perspective and providing different means for customers to interact with the company, whether it's co-browsing or e-mail. That would be the route I would go versus a build-your-own or even a best of breed strategy.

## Catering to the Customer

KAREN LAKE: Beth, can you tell us a little bit about website activity. I know that's not your main focus, but as a company that is a huge focus. If I asked an employee who wasn't involved with the website everyday, what would they say about how Schwab feels about the Internet?

BETH DEVIN: We see the Internet as the last generation transition we went through as a company. We like to do a lot of story telling at Schwab about the history of the company - the different leap frog phases of company growth, and how we've reinvented ourselves as a firm. Early on we saw ourselves doing that as a solution for individual investors. We were the number one discount brokerage, and then we moved on with our OneSource® offering with mutual funds. We saw the Internet as the next phase, and we're already focused on the phase after that.

The Internet reinvented the company. Everyone at Schwab sees the Internet as having a significant influence on who we are as a firm and how we interact with our customers. But also, we realize that the Internet is not the be all, end all. It's not the only thing that we are as a firm. We feel we offer a lot of value added services and products that are not just all about the Internet. The Internet compliments our service and product offerings to our customers and gives our customers a lot more freedom and control over their investment decisions.

KAREN LAKE: Can you share some details about your next phase?

BETH DEVIN: One of the things we're focusing on is re-defining what's meant by wealth management. That's an area that is complimenting our product offering. The other is customer segmentation. There are all different kinds of customers who have different needs and preferences. How do we tailor our offerings to meet those different needs and preferences? For example, we already look differently at a customer who is very self-directed and who does a lot of trading versus another customer who wants to delegate more but also wants to be involved or a very affluent customer who needs the availability of a lot of products and services. There's a focus on more diversification, as well as filling in where the gaps are.

KAREN LAKE: One of the other things that you mentioned was giving the customer control. What does that mean to Schwab?

BETH DEVIN: It means what feels right for the customer. It doesn't necessarily mean we just lob it all over the wall and say, "You're on your own, customer. Good luck." It's offering that continuum of products and services in different ways- to have a relationship with Schwab that feels best for the customer.

I started working at Schwab about 2 ½ years ago and became a customer. I wanted to have a money manager involved with my investable assets. That's something we have available through our advisor source program where we partner up Schwab customers with for-fee money managers, basically investment managers who manage accounts like mine.

Other customers aren't interested in that model, but they would like to have someone they can check in with. They might have a good relationship with the folks in a branch near their home or their work with whom they can bounce ideas or check some of their thoughts about their portfolios.

There are other customers who don't want to talk with us at all. They just want to get on the website and manage their own portfolios. They make the decisions about how they want to run their financial investments.

KAREN LAKE: So you're continually on a quest of what do they want, and how can we give it to them so we're meeting their needs.

BETH DEVIN: Right. And so that it feels right to them, recognizing that there's not a one-size-fits-all model.

## Team Building and Good Management

KAREN LAKE: I understand you worked for Turner Broadcasting. Can you tell us about your experiences in Atlanta?

BETH DEVIN: Yes. I had been in the San Francisco Bay Area when a woman I had worked for was hired at Turner Broadcasting to be the first CIO that they'd ever had. She was building up a technology organization pretty much from the ground up. This was in 1993, I think. She made me an offer I couldn't refuse so my family and I moved out to Atlanta to work for Turner. I was there for about four years.

It was an exhilarating experience because there was so much going on from the basics of getting the company on one e-mail system and rewiring all our buildings to some exciting things happening because of the advent of the Internet. There were a lot of opportunities and a lot of development and projects under way to get Turner onto the web. As a result of that came CNN.com and CNNFM.com and a number of things like that. I was responsible for building a team and putting some definition and development around a suite of applications that supported the advertising/sales organization.

KAREN LAKE: What lessons did you learn at Turner Broadcasting?

BETH DEVIN: I learned some positive lessons and some hard won lessons at the same time. One, you should never underestimate your capabilities. I think in taking the job at Turner, I took a big leap ahead in terms of scope and responsibility and amount of work and people and management. It was an amazing growth opportunity; so I came away knowing that the next time another opportunity like that comes up, I shouldn't shy away from it.

I also learned a lot about building a team from scratch. That's not something to be taken lightly. You start to put the people in place, and you want to find other folks that compliment the skills of your team. A great deal of effort needs to be put into getting a team to meld and work together so they can be as productive and as happy as possible.

KAREN LAKE: How do you get a team to work together? How would that apply to small businesses that are starting to build a team? Maybe they're transferring online, or maybe they're starting a completely new business from scratch. How do you make a diverse group of people work together and be happy about it?

BETH DEVIN: One of the first things I learned is, don't focus too much on skills and experience. Focus more on personalities and culture. I got my knees bruised on this: I was focusing on, "I need a Java person, I need someone who understands Tuxedo and I need this and that." I found people with the skills but, oops, they all didn't get along and they weren't going to work together cohesively as a team. So I learned to focus more on people's personalities, their work ethic, and what was important to them. Did we have a shared set of values that we could all draw from that made the whole work effort come together? That's a different kind of interviewing. It's different kinds of discussions that you need to have with people. You can't start too early. You can't just assume it's going to happen. You have to work at it proactively. Certainly some kind of teaming happens just by people coming to work every day. But if you want to accelerate the process- which I think you need to do when you have a small organization and you're building it from scratch- you've got to explicitly discuss things like what you're trying to accomplish and how you're going to work on this together.

Right now my management team at Schwab spends one day a month off-site, just working on our management team, working on ourselves and our partnership with one another. Sometimes that doesn't even feel like enough time.

KAREN LAKE: What are some of the lessons you've learned working in technology at Schwab?

BETH DEVIN: I have to say that the things that I've learned at Schwab so far are very positive. There's so much opportunity here. If you're willing to put your energy into an idea, develop the idea, figure out how to make it and sell it to other people, and if you can articulate why this will be beneficial to the firm, you generally will get a green light. You can go ahead and take your idea to the next step. I haven't found that in other companies where I've worked. I've found pieces of that, but not the whole thing. That is something that works well with my skills and my interests. So I love that about working here.

KAREN LAKE: What are the secrets to making an organization open? What does the company do to make you feel that way and to make the company work that way?

BETH DEVIN: I think it starts at the top. We have the most amazing executive management team here. They're all real people. Before Turner, I worked at Pacific Bell Directory. I'm going to be stereotyping here, but I'm more accustomed to companies where older white men don't seem connected with the rest of the employee body. You wonder if they'd ever had a job at the company similar to the one that you had. They feel like they came in at the top and they live in this ivory house. They are uncomfortable when you see them and you're uncomfortable when you see them. No normal interaction goes on.

It's just amazing at Schwab. The president is such a real person. He sends us e-mails and we have virtual town halls. He makes himself very accessible, as does his management team. You understand what the managers say. I know our president has worked hard to have a message that can resonate with the employee body. He does a wonderful job at it. Everything he says makes sense. Management has all held different jobs at Schwab, so they know various parts of the business. That creates an environment

that feels open and trusting.

Another thing I think is important is that Schwab has a core set of values. People really walk the talk and live these values. It's the first place I've worked where the values aren't just to have on a card in your wallet, on a piece of paper. Values are important and true in the company.

KAREN LAKE: What would be an example of one or two values that are a part of Schwab?

BETH DEVIN: Teamwork is one of our values. Fairness, empathy and striving are values as well. Innovation, actually innovation isn't one of the values.

KAREN LAKE: It's your value.

BETH DEVIN: Yes. We've talked about innovation, how we might find a way to add that into our values. There's a lot drummed in around teamwork: how we work together on projects, how we work cross-organizationally, how we work among ourselves. It's a nice company. People are pleasant with one another: "How are you?" "How are you doing?" You can feel how nice it is.

## Working Women in the Company Culture

KAREN LAKE: Working Woman rated Charles Schwab as the number two best company for executive women with only Avon being above you. Why do you think that is, and what do think Schwab is doing that other companies could emulate?

BETH DEVIN: For one, we have so many women here. We're living it and not just talking about it. Below the president, a large number of women ultimately report to a woman at Schwab. In fact my boss, the CIO of Schwab, is Dawn Lepore, a woman. I'm down the line to the president of retail, the whole retail group. She's a woman. The chief marketing officer is a woman. The head of our branch and business development organization in retail is a woman. There are an amazing number of successful, bright, intelligent and capable women.

KAREN LAKE: Is that across the line in the financial industry or specifically just at Schwab?

BETH DEVIN: It's Schwab.

KAREN LAKE: That's not the norm for the financial industry.

BETH DEVIN: No, it's not. When you have so many role models in the organization, it feels like the sky's the limit in terms of what you can accomplish here as a woman. You don't feel the barriers. We're all working to make our organization even more diverse than it is right now, to have role models for all kinds of walks of life, so that we have the same success for everyone that we've had with women.

## Personal History - Rethinking Career Moves

KAREN LAKE: If you could go back to your college years and get your BS degree again and then choose where you would work, what would you do differently in your career? You've made so many good career moves and done so many impressive things. If you had to do it over, what would you do differently?

BETH DEVIN: I think I'd still get my degree in Computer Science.

KAREN LAKE: That has served you well.

BETH DEVIN: I love technology. I love working in information technology. I've had few regrets. I worked at one company for ten years, and I always wondered if ten years was too long. Maybe I missed out on growing faster or getting exposed to some different opportunities that would have stretched me more as a professional if I had maybe worked there five years and had made a change sooner. I look back and wonder if I got too cozy in that organization and in my role there so it was harder for me to break away. I don't know if I would have done it differently, but that's something that I've thought about in the past.

## Closing Advice: Growth and Great People

KAREN LAKE: What advice would you give to young people who didn't slide to the dot-com's that wanted them while they were in college? They got their degrees. What advice would you give, especially to young women?

BETH DEVIN: One, I would encourage, not only women but men as well, to make sure they check in with themselves about liking what they're doing. I feel so fortunate to have always had opportunities to work on something I enjoyed. I'm amazed at how many people don't seem happy at their jobs. They're doing a job, but they don't feel any real passion for the work they're doing. It makes a world of difference when you do have that passion. That's something everyone individually can take care of for himself or herself. They can step back, check in and take a temperature reading on where they are and then figure out what they're going to do about it.

The second thing is take charge of your career. I don't mean this in a motherhood and apple pie kind of way. I know people used to tell me this, but it didn't mean that much to me when I was younger. It doesn't mean you have to sit down and have a ten-year plan of where your career's going. But the fact that you are conscious and taking the temperature every so often is important. Ask yourself, am I still learning, am I growing, are there people that are role models for me in this organization or this position? If the answer is no to any of those questions, then what am I going to do about it? Am I going to find another job in the same company? Is it time to leave this company? Do I need to have a conversation with my boss? Make sure that you're stretching and growing and getting something out of every opportunity.

KAREN LAKE: What would be your advice to a best friend who wanted to start his or her own online business from scratch? What would be the most important things they need to pay attention to?

BETH DEVIN: I think it's the people, the people that they bring on board. People can make such a world of difference. You can have the best technology, the best plan. If you don't have the best people, it's not going to happen.

KAREN LAKE: So no matter what it takes, get the right people.

BETH DEVIN: That's right.

KAREN LAKE: That's a great way to end. Thank you so much for joining us Beth.

BETH DEVIN: Thank you.