

CFC UPDATE

News for Employees of Chase Financial Corporation

COME TO THE FAIR!

Work-Personal Life Resource Fair Helps Make Life Easier

You leave for work in the morning with a stack of bills to mail and a pile of dry cleaning to drop off. But you're out of stamps, short on cash, and the dry cleaner's hours are 9 to 5. So, you put it off until Saturday.

Sound familiar? Chase wants to help. To help you balance the demands of work with personal life responsibilities, Chase will hold a Work-Personal Life Resource Fair, June 18, 1997, 10 a.m. to 3 p.m., The Plaza, Cleveland. The Fair will feature programs and services offered by Chase that can help you find time for your chores, your children, your elder parents and yourself!

Freebies include RTA passes, mini massages, glaucoma screenings and

more! Take a break to attend, and find out how much easier life can be as a Chase employee.

Scheduled exhibitors include:

- Aetna USHealthcare
- Alzheimer's Association
- American Express Travel
- Avon Cleaners
- Cleveland Museum of Art
- Cleveland Sport and Social Club
- **Employee Assistance Program**
- Fit Works
- Great Lakes Science Center
- **LifeWorks**
- Parents Without Partners
- Playhouse Square Foundation
- Relax the Back
- RTA
- Sea World of Ohio
- Sight Center
- U.S. Postal Service
- Weight Watchers
- Westlake Massotherapy Clinic
- YMCA



MILESTONES

- Chase has adopted a business casual attire policy in response to feedback from employees. Most employees may now dress in business casual attire, five days a week.
- Manufactured Housing has established a new Northern Region center in Cleveland. Rod White will manage the region, which will handle loan processing for retailers in 20 states.
- Account executives and managers met in Cleveland in April to review results from a complex market analysis of manufactured housing retailers. See article on this page.
- Chase's 1997 Employee Family Day is just around the corner. See page 4 for details about the July 13 event at Sea World of Ohio.
- Daughters of Chase employees participated in "Take Our Daughters to Work Day" on April 24, 1997. See article on page 4.
- JoAnn Sutton, Manufactured Housing's first retailer relationship manager, is enhancing service to Chase's manufactured housing retailers. See article on page 3.

CHASE TO FOCUS ON CORE BUSINESSES

May 13, 1997

Dear Colleague:

In an agreement announced today, The CIT Group will acquire the servicing rights for Chase's Recreational Vehicle and Marine portfolios.

The decision to exit the RV and Marine businesses reflects National Consumer Finance's strategy to build five world-class product companies—Auto Finance, Home Equity, Education Finance, Manufactured Housing and Unsecured Lending. This agreement will help solidify our focus on these core businesses, and enables us to leverage their existing scale and market positions to become a top five competitor in each respective industry over the next few years.

Future originations for indirect dealer-based Recreational Vehicle and Marine business will be handled by CIT. The transfer from Chase to CIT will be staged over the next several weeks to minimize service disruption to our dealer network and customers. We expect the transition to be completed on or about August 1, 1997.

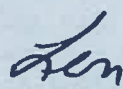
The CIT Group is a leading consumer and commercial finance company, and one of the country's leading providers of recreational vehicle and marine financing. Chase Manhattan Corporation holds a 20% ownership in The CIT Group. CIT is headquartered in Livingston, New Jersey, with regional business centers located throughout the United States.

Over the coming weeks, Chase and CIT managers will be working closely to ensure a seamless hand off of the portfolio. We are confident that the transition will progress smoothly for our customers.

Sincerely,



Bill Hoefling
National Consumer Finance



Len Zych
Chase Financial Corporation

KNOW THE CUSTOMER

Chase 'Custom Fits' Products to Manufactured Housing Customers

"One size fits all" doesn't work any better for financial products than it does for shoes. Just as feet are different shapes and sizes, and some people prefer comfortable shoes over the latest footwear fashions, Chase's customers have different preferences about their lenders and lending products.

With this understanding, Manufactured Housing (MH) conducted a sophisticated market analysis of its manufactured housing retailers to better identify their needs. As part of their analysis, MH surveyed a sampling of retailers to determine which factors influence their financing decisions.

Commenting on the study, MH's Stewart Watterson says: "[The findings]

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PARTNERS IN THE COMMUNITY

Maitland Employees Participate in 5K Run/Walk



(Back row, left to right) Chantel Schwartz; Tami Foss; Tracy Roiler; Mary Grace; Kevin Smith; Christine Day. (Front row, left to right) Michelle Hall; Scott Pace; Jim Nguyen.

Nine employees of the Maitland, FL, office recently participated in the 1997 Office Depot Corporate 5K Run/Walk. The event was held on April 17 in downtown Orlando. Participants included employees from many corporations within the Central Florida area. A portion of the proceeds went toward Multiple Sclerosis Research.

TECHNOLOGY TIPS

IT's Dale Booth and Andy Tetlow offered the following tips for June.

Before You Send, Spell Check!

Save yourself some embarrassment. Before you send off your hastily typed e-mail message, take a moment to check your spelling. *Lotus Notes* has a spell-check feature like word processing applications do, although not everyone knows this. To spell check your e-mail, do the following:

- Select EDIT from the menu.
- Choose CHECK SPELLING.

You may add names and special words to a customized spelling dictionary by selecting DEFINE in the spell-check window.

Power Up Your Laptop and Keep It Perking

When you're traveling for business, the last thing you need is a lifeless laptop. Here are some tips for keeping your laptop's battery pack powered and ready to go.

- Don't charge the battery pack until it is completely discharged. Recharging a partially charged pack can shorten its life.
- Once you have started charging the battery pack, don't use it until it's fully charged.
- And now for the no-brainer: Turn off your laptop whenever it's not in use.

One more tip. If you fly, always carry your laptop on board with you. Never, never check your laptop with or in your luggage. This could result in serious damage to your machine. ■

MAKING LIFE EASIER

'Traveling Offices' Will Link Sales Force to Business, Each Other

Manufactured Housing's field sales force will soon be able to take their offices with them on the road. This "traveling office" is the result of a collaboration between the Manufactured Housing (MH) and Information Technology (IT) groups.

In April, Chase's Sales Force Automation team concluded a successful pilot test of a new laptop computer system designed for use by Chase's account executives (AE) in the field. During the six-month trial, MH's Stewart Watterson acted as liaison between IT's *Lotus Notes* expert Dale Booth and seven AE's to adapt the system to real-world situations.

Flexibility is Key

The laptop systems have all the capabilities—word processing, spreadsheet, database, communications—of a complete desktop system. The system hardware consists of an IBM ThinkPad, portable printer and modem. Loaded software includes *Microsoft Windows*, a fax modem program, *Microsoft Office* and *OverQuota*, a sales management program that runs "on top of" *Lotus Notes*.

The system can be easily modified thanks to the flexibility of *Lotus Notes* software, which gives the system its database and communications capabilities. "A *Lotus Notes* application is never finished; it's always evolving," according to Dale.

This inherent flexibility allows users to quickly adapt the program to their changing needs. During the field test, AE's were able to actively participate in the application's design by providing continuous feedback to Dale via a *Lotus Notes* discussion database.

Taming the 'Paper Monster'

Using the system, AE's are able to retrieve up-to-the-minute information about rates and the status of pending deals. In addition, they can tap into a database that contains customer and prospect information, as well as all needed forms (such as dealer sign-up packages) to do business.

"The previous system was a 'paper monster,'" says MH Account Executive Kevin Brady. "The back seat of my car was a disaster!"

The reduction in paperwork is a bonus, but the ability to instantly access current information has made the laptops worth their weight in silicon.

"[The system] has enabled me to get my arms around my business," says Kevin.

According to Kevin, using the system demonstrates that AE's are "in touch" with their business. "If you're perceived by your retailers as being on top of your business, you're perceived as being an expert in the field," he notes.

In addition to putting them in touch with the business, the laptops have put field people in touch with each other and with the company. A discussion database

provides a forum for exchanging ideas and information—a valuable feature during field testing. As AE's used the system, they posted ideas for improving it. Some of these suggestions were later developed to become system features.

"Making application status and prospect information available through the database were features created totally from sales people's requests," notes Dale.

Keeping Everyone Happy

Ongoing feedback was crucial to designing a database that would satisfy everyone. Since account executives in the field possess varying degrees of computer literacy, Dale's challenge was to develop a system that accommodated a spectrum of skill levels.



Dale Booth and Stewart Watterson with the "traveling office" laptop system.

"We walked a fine line between making it easy enough for the people who were challenged by it and, at the same time, giving the people on the upper end of the scale what they wanted, too," he says.

According to MH's Don Scarmuzzi, implementation of the laptop systems among all MH AE's will take place over the next couple months. Meanwhile, Dale will continue to refine the system, making it more graphical and user-friendly.

Kevin views the laptops as both necessary for business survival and key to Chase's success. "In a couple years, the machines will put us well ahead of where we are now in terms of efficiency, competitiveness and profitability." ■

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Tom Boylan
Publisher

Jan Weaver
Writer/Editor

Jeanette Gregory
Editorial Director

Shelby Toke
Assistant Editor

Contact Jan Weaver at (216) 479-2500, ext. 5057, with suggestions or comments.

KNOW THE CUSTOMER

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have revalidated the idea that we have to form a relationship with our customers and improve our service levels to best in class."

Taking Measurements

MH analyzed the survey results to "segment" its retailer base into four basic types of customers:

- **Retailer Group #1** is influenced by economic factors. Lender flexibility, financial incentives and access to problem solving are important to them.
- **Retailer Group #2** wants fast action on loan approvals and funding.
- **Retailer Group #3** is motivated by their relationship with their lender.
- **Retailer Group #4** won't take "no" for an answer. They want a lender who has broad array of product offerings and a broad credit base to make the deal happen.

MH also used the analysis to determine the specific variables that influence a retailer's choice of lender. They found that certain attributes, by varying degrees, were important to all retailers:

- Lender flexibility
- Price
- Financial incentives
- Rate
- Turnaround time (on both funding and approval)
- Relationship

MH will design "Value Packages" that weight each of these variables differently for the four retailer groups.

Finding the Best Fit

Findings of the retailer study were presented late in April to MH account



(Left to right) David Raffaelli, Wayne Carpenter and Ed Bowman discuss retailer segmentation strategies at the two-day meeting.

executives (AE) in a two-day training session in Cleveland. AE's will use this training in 1997 to determine in which category each of their customers belongs.

AE's will use several methods to categorize their customers:

- In-depth interview
- An "abbreviated trade-off analysis" in which the AE presents several options and asks the customer to make a choice
- A computer analysis and categorization of the retailer based on quantitative variables (location, number of lots)

AE's will validate results by employing at least two of these methods per retailer before assigning a category. Actual Value Packages will be test marketed late this year.

Step by Step

Retailer segmentation will eventually necessitate a complete overhaul of systems, procedures and marketing support materials, according to Stewart. It is such a far-reaching and complex initiative that it must be tackled in stages.

"[Our efforts this year] are directed at stabilizing the business so that we are positioned for growth next year," he says.

"Retailer segmentation is over and above products and programs," Stewart continues. "These put us on a level playing field with our competition. Retailer segmentation, on the other hand, gives us the opportunity to go to the next level [of service], continuing to make Chase the Provider of Choice."



MH Account Executive Mike Copeland makes a point to his colleagues during a breakout session.

THE RIGHT RELATIONSHIP

Retailer Relationship Manager Enhances Sales, Service

JoAnn Sutton's job requires the tact of a diplomat, the tenacity of a salesperson and the problem-solving ability of a customer service rep. She is Manufactured Housing's first retailer relationship manager, a position recently created to increase the number and rate of funded applications by providing enhanced service to manufactured housing retailers.

In her position, JoAnn acts as a liaison between retailers and Chase account executives (AE) and operations staff. Working from the Winston-Salem center, she monitors pending deals, promotes Chase programs and promotions, smoothes ruffled feathers, and finds solutions for Chase and its customers.

"I really believe my position is essential on several levels. It is necessary for follow up, for sales and for customer service," says JoAnn.

Because AE's are frequently on the road, they can't always address retailers' day-to-day concerns. JoAnn fills this gap by providing continuity of service on a daily basis.

"I'm a central contact person for them," she explains. "Retailers can always get through to me."



JoAnn Sutton

Putting 'Sell' in Customer Service

But JoAnn's job is not just one of taking calls. She actively and aggressively promotes Chase business by initiating calls each week to Chase's retailers. In an

average week, she makes approximately 180 calls to about 100 retailers. These include calls about special promotions, follow ups to questions about funding and interest rates, and checking on the status of approved credit applications.

JoAnn also creates and distributes a weekly report to AE's of their business. By doing so, she is able to alert AE's to problems and trends they may not otherwise know about.

"If AE's have this information when making retailer calls, they can be more efficient," says JoAnn. "They can base their call to a retailer on one main concern, such as contracts going to another lender."

"Retailers appreciate when I call to remind them they have approvals outstanding," she continues. "If they have a commitment that is about to expire, I can encourage them to submit the contract for funding. If the offer has just expired, I can ask the region manager to grant an extension if the contract will fund shortly."

Reaching the Buyer

JoAnn's influence reaches even beyond the retailer. She has initiated a trial congratulatory letter for manufactured home buyers whose applications have been approved with Chase. By doing so, JoAnn hopes to improve Chase's relationship with the retailer and encourage the buyer to recommend financing through Chase.

According to Ed Bowman, Winston-Salem's region manager, each of Manufactured Housing's processing centers will eventually have a retailer relationship manager like JoAnn. ■

Employer of Choice

ME AND MY SHADOW

'Take Our Daughters To Work' a Day of Fun and Learning

Organizations within The Chase Manhattan Corporation observed "Take Our Daughters To Work" day on April 24, 1997. Throughout the country, daughters of employees participated in a day of fun and learning by observing their parents on the job.

The "Take Our Daughters To Work" day is a nationwide program sponsored by the Ms. Foundation to introduce young girls, ages 9 to 15 years old, to the opportunities and rewards of the workplace.

Anju Chhugani, formerly of Human Resources, Cleveland, planned the first part of the day for the girls, which included a wide range of activities. The day began with registration, breakfast and a "get to know you" bingo game that allowed the girls to introduce themselves to one another. Other games



Rosemary Gutierrez coaches one of the girls.

included a relay race that emphasized teamwork, and a collage game that required the girls to create a visual of what their parents do at Chase. For the remainder of the day, the girls "shadowed" and, in some cases, were able to help their parents with tasks.

"I wanted to provide games for the girls that instill everyday values, like the importance of being a team player," says Anju. "The activities were really designed to allow the girls to have fun while they learned."

Human Resources' Rita Williams spoke to the girls about "skill sets." Rita

asked the girls what type of skills they thought were necessary for certain types of job professions. The girls were quick in their responses and learned that someday, they too would be in a job where their own unique skills would be valued.



Maitland, FL, Center participates in "Take Our Daughters To Work" day. (Left to right) Joe Del Orbe and daughter Christine; Nancy Hartley and daughter Jennifer; Rick Potter and daughter Erin; and Mary Weller and daughters Lindsey and Stephanie

"It's important to make our daughters aware that they're going to school for a reason, and that reason is to someday find a job where their talents will be best applied," says Rita.

"The day truly gave the girls a sense of the real 'work world,'" says Anju. "I think they thoroughly enjoyed themselves. They were able to see what their parents do and what type of tasks exist in the workplace."

CHASE KICKS OFF 'BROWN BAG' LUNCH SERIES

Bring your lunch to the first monthly "Brown Bag Luncheon," scheduled for Thursday, June 12, 1997, from noon to 1 p.m., in the Tower's 5th floor large lunch room. A representative from The Cleveland Museum of Art will highlight what the museum offers and will discuss upcoming museum events, such as "Festive Fridays" and "Summer Evenings." Questions will be taken from the floor.

It will be a great time to enjoy your lunch as you learn. So, plan on joining us on June 12. Space is limited, so the first 80 people to respond will be able to attend. The first 10 people to respond will receive a free gift. Contact Shelby Toke via fax (479-2651), interoffice mail (4-T) or Lotus Notes.

Cookies and refreshments will be served. We look forward to seeing you there!

1997 FAMILY DAY

Gather Up the Family for an Ocean of Fun at Sea World!

Chase's 1997 Employee Family Day at Sea World of Ohio is fast approaching. Get ready for an adventure-packed day featuring splashy shows, fascinating creatures, and a "3-D-Plus" action movie. Chase activities will include a picnic and employee raffles.

The July 13, 1997, event is free to employees, their children and one other guest (typically your spouse or significant other). You may purchase tickets for additional guests, which may include other family members and friends. Children under 3 years old may attend for free. A Family Day registration form will be distributed within the next couple of weeks.



HOW ARE WE DOING?

We'd appreciate your taking a moment to give us some feedback. On a scale of 1 to 5, with 5 being the highest score, please rate this issue of the newsletter according to the following criteria:

- 1 2 3 4 5 Did the newsletter fairly represent all areas within the company?
- 1 2 3 4 5 Were the articles easy to read?
- 1 2 3 4 5 Were the articles informative?
- 1 2 3 4 5 Was the issue visually appealing?
- 1 2 3 4 5 Does the issue reflect and convey Chase's values and culture?

What additions, changes or special coverage would you like to see?

Please return this coupon to Corporate Communications.