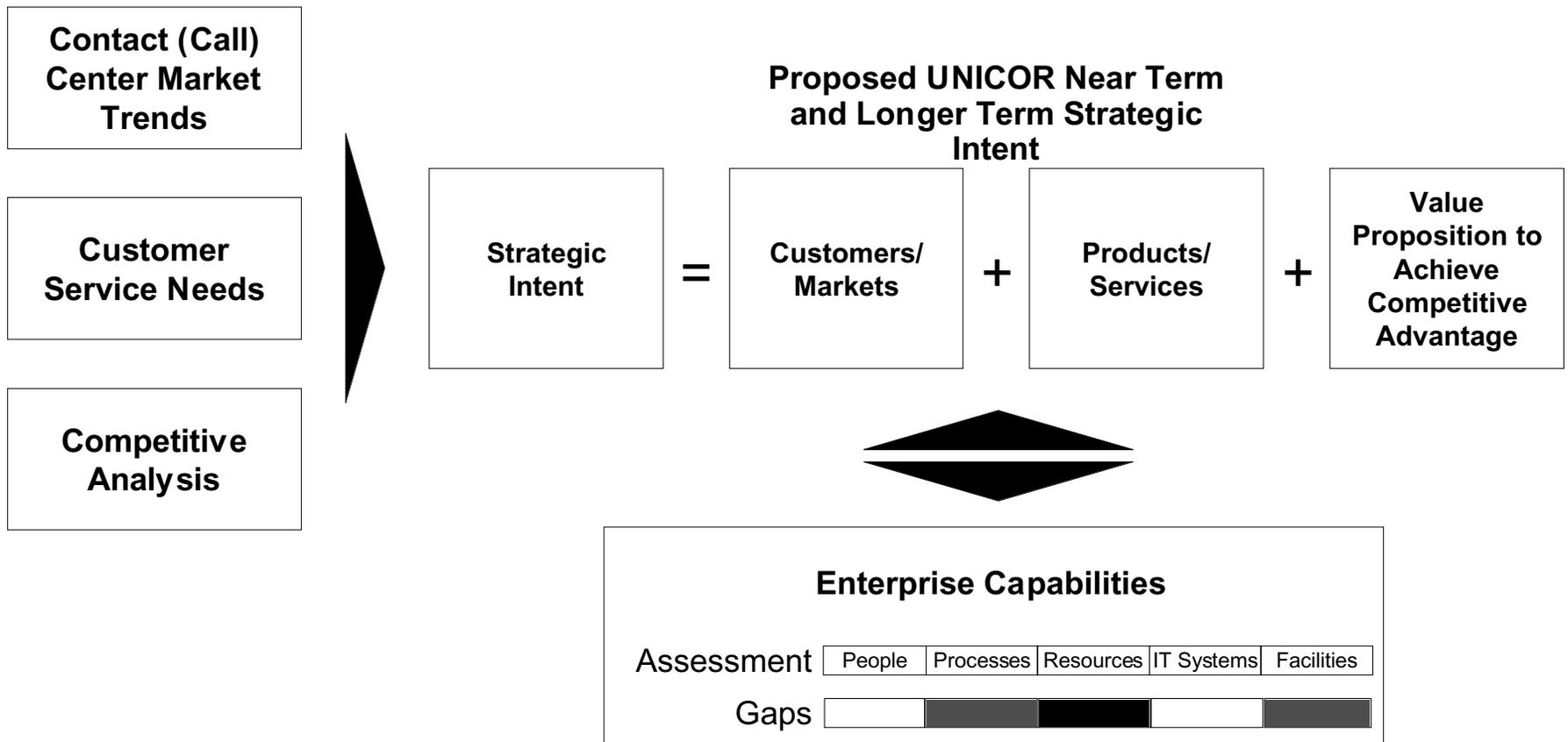


UNICOR: Pursuing Contact Center Opportunities
Executive Summary - Final Version

January 17, 2002

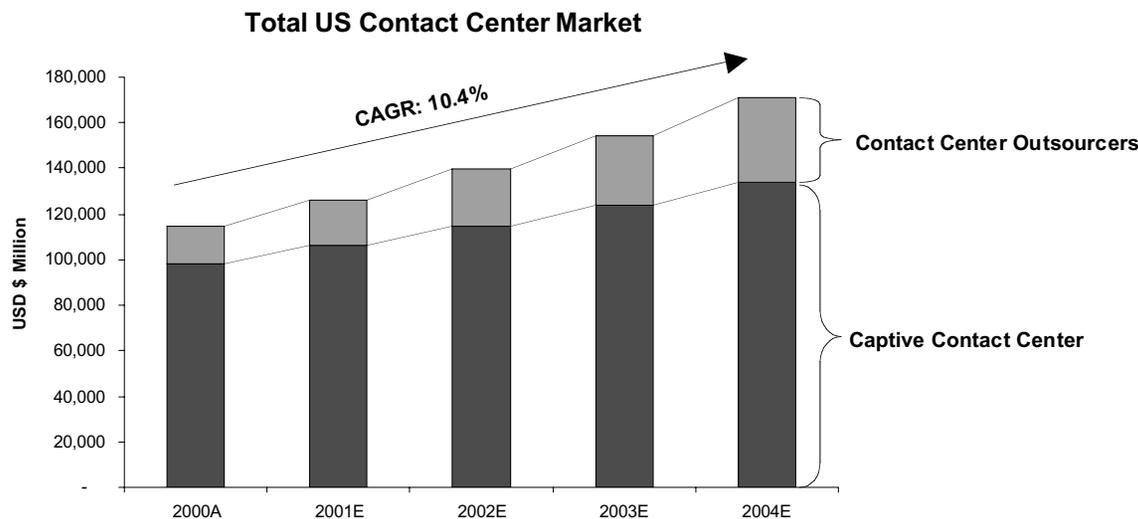
PwC leveraged its strategy and contact center know-how to assist UNICOR assess their growth opportunities by diversifying into new call center services

¥ PwC helped UNICOR define its strategic intent based on external factors (market, customers and competition) and internal enterprise capabilities



Total US Contact Center market is a US\$ 114 Billion Dollar industry growing at 10.4% Compounded Annual Growth Rate (CAGR) and it is composed of in-house, captive operations and outsourcing Contact Center service providers

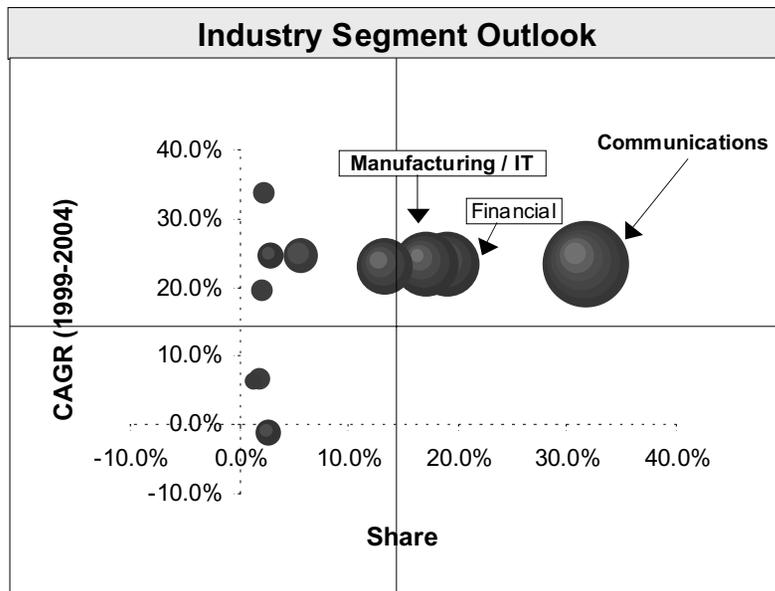
- ¥ Total sales or spend in the contact center industry in the US reached \$114 Billion in 2000 and is expected to grow to \$171 Billion by end of 2004
- ¥ Captive operations are defined as companies in-house contact centers operations which serve the companies customer base. These operations are typically reflected in the companies P&L statement under SG&A expenses.
 - Captive operations are estimated to be a US\$ 98 Billion industry growing at 8.1% CAGR
- ¥ On the other hand, Contact Center service providers are external companies providing Contact Center services on behalf of their clients to their clients customer base.
 - Total revenues of Contact Center service providers in the US are estimated to be \$16 Billion growing at 22.6% CAGR



Source: Strategic Telemedia, IDC and PwC Analysis

Outsourcing Penetration
¥ Given that the outsourcing segment will grow at almost 3 times the rate of captive operations: <ul style="list-style-type: none"> — Outsourcing penetration will represent 21% in 2004 from 14% in 2000

An overlay of industry segments, contact center services, and UNICOR security constraints provides an initial indication of two industries and three contact center functionality areas that should be the focus for the strategic intents



Source: IDC and PwC Analysis

Contact Center Services
¥ Inbound Customer Support / Account Management
¥ Order Capture / Entry
¥ Technical Support
¥ Outbound Customer Support / Account Management
¥ Sales Inbound
¥ Sales Outbound (Telemarketing)
¥ Help Desk
¥ Others

Source: PwC Analysis

- ¥ The two industry sectors are: Communications and Manufacturing/IT
- ¥ The ability to serve attractive financial industry segment and sales functions are limited by UNICOR s security considerations
- ¥ The three target services are: Inbound Customer Support / Account Management, Order Capture / Entry and Technical Support

FINAL COPY

For Discussion Purposes Only

India has already positioned itself as the global hub for offshore contact center providers, offering all types of services to US-based companies in the most attractive industries identified by leveraging its inexpensive and highly qualified labor force

¥ Offshore contact center services in India are expected to grow at 45% CAGR. India has the second largest English speaking population in the world, its labor force is inexpensive and is highly qualified

Profiles of Select India-based Contact Center Service Providers

Contact Center Service Providers	24/7 Customer.com	Daksh.com	Global Telesystems	iSeva	IT & T
Type of Service	Availability	Availability	Availability	Availability	Availability
E-mail management	Offered	Offered	Offered	Offered	Offered
Web Chat	Offered	Planning to offer	Planning to offer	Offered	Offered
Desktop Sharing	No plans	No plans	No plans	Offered	Offered
Knowledge Management	No plans	No plans	No plans	Offered	Offered
Voice Call	Offered	Planning to offer	Offered	Offered	Planning to offer
VoIP	No plans	Planning to offer	Planning to offer	Planning to offer	Planning to offer
Fax Solutions	No plans	No plans	No plans	Will offer by 2003	No plans
Telemarketing	No plans	No plans	No plans	Offered	No plans
Analytical eCRM	No plans	No plans	No plans	Will offer by 2003	No plans
Region					
United States	95%	100%	5%	100%	100%
Europe	0%	0%	95%	0%	0%
Asia / Pacific (Excluding Japan)	5%	0%	0%	0%	0%
Industry Focus					
Communications					
Financial					
Manufacturing / IT					
Retail / Services					
Utilities					
Healthcare					
Government					
Wholesale					
Travel / Transportation					
Process Manufacturing					
Education					

UNICOR s appears to have a favorable competitive position vis- -vis domestic call centers due to competitive labor costs and versus off-shore centers due to native U.S. language skills

Off-shore Contact Center Cost Advantages

Labor

¥ Lower offshore wages significantly reduce per annum labor costs by as much as 73%

Telecom Network

¥ Leased circuit capacity combined with international long distance cost will continue to substantiate the cost benefits from offshore operations

¥ Where unregulated, VoIP can further reduce telecom costs as settlement rates are avoided

Real Estate & Taxes

¥ Leasing costs per square foot are 40-60% lower in many Caribbean areas and elevated discount levels can be achieved

¥ Reduction in international corporate tax rate and elimination of equipment duties can be achieved as well

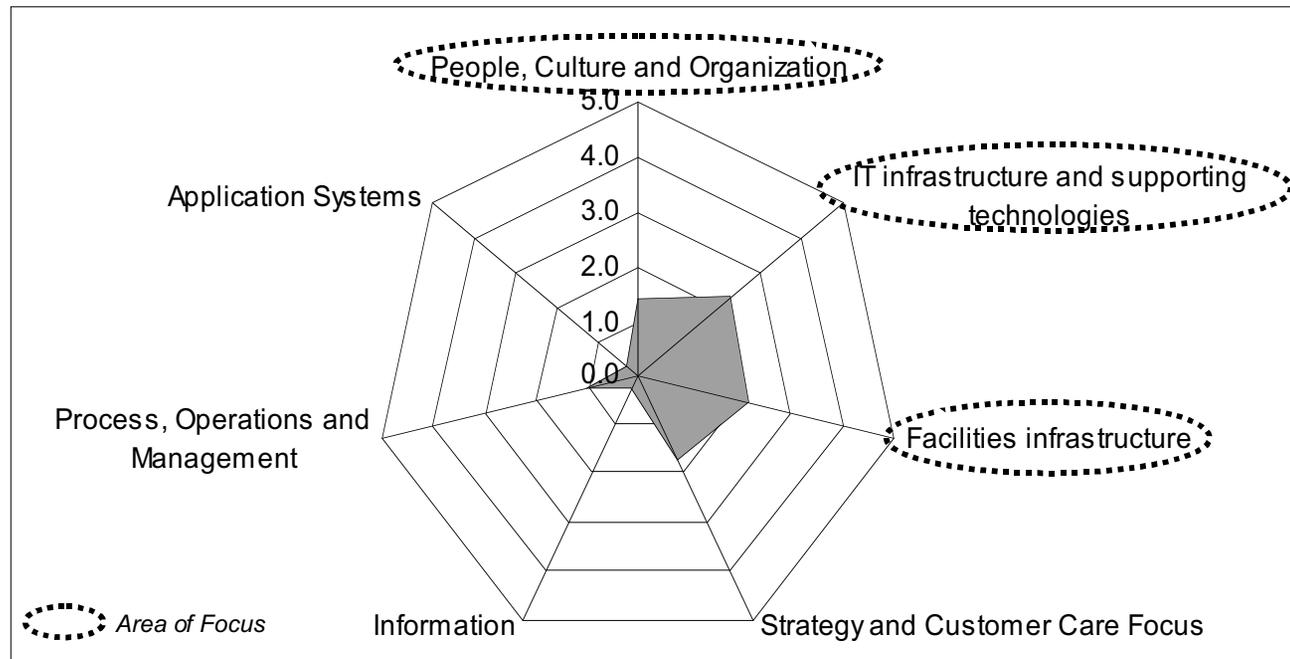
However, UNICOR offers similar cost advantages to off-shore centers but also native U.S. language skills not available to off-shore centers

We conducted a capabilities assessment at UNICOR s Elkton and Lexington centers in which we focused on the areas of people, information technology and facilities and found some strengths and weaknesses

<u>Area of Focus</u>	<u>Strengths</u>	<u>Weaknesses</u>
¥People, Culture and Organization	¥Willingness to work, low turnover, division of labor	¥Ease of team building, specialized training
¥IT Infrastructure and Support Technology	¥IVR configuration and back office	¥On-line capabilities, obsolete terminals (Elkton), vendor partnership
¥Facilities Infrastructure	¥Facilities, services and security already in place	¥Expansion is constrained by the size / available space of individual facilities

Results in these areas and our general impressions of interviews were used to provide a relative score in other areas of importance

PwC Preliminary Assessment of UNICOR s Contact Center Capabilities



Given segment attractiveness and fit with UNICOR s capabilities, we suggest focusing on providing order capture / entry services to communications and manufacturing / IT companies in the short term and additional services to communications in the long term

Near Term Intent

- ¥ UNICOR could offer to the **Communications and Manufacturing / IT** segments, voice based **order capture / entry services** with greater cost effectiveness to its high volume / low value customer base
 - Communications and Manufacturing/ IT are the most attractive, non-constrained, industry segments
 - Voice based order capture / entry builds upon UNICOR s exposure to contact center services at Lexington, Kentucky and addresses security concerns from other channels (i.e. e-mail, co-browsing)
 - Cost-effective service offering value proposition relies on UNICOR s labor cost and native English / Spanish speakers competitive advantages

Longer Term Intent

- ¥ Once UNICOR establishes a presence in the most attractive segment, it may want to pursue up selling opportunities by offering to the **communications** segment, voice based **inbound customer support** and **technical support** for **Value-Based Care** with greater cost effectiveness to its high volume / low value customer base
 - Communications segment will remain as the most attractive segment, UNICOR may want to target new entrants as opposed to incumbent providers due to union issues.
 - Voice based inbound customer support and technical support are attractive. However, to address security concerns from other channels (i.e. e-mail, co-browsing), UNICOR will need to develop work-around or partnership capabilities to offer such services.
 - Cost-effective service offering value proposition relies on UNICOR s labor cost and native English / Spanish speakers as competitive advantages in the context of Value-Based Care
- ¥ Also, UNICOR may want to broaden its offers to **manufacturing** and **retail** industry segments as a next step

UNICOR will need to close key business and contact center capabilities gaps in order to capitalize near term strategic intents. Actions to close gaps vary from organic development to alliances and partnerships

Strategic Intent	Key Capabilities Required	Current UNICOR s Capabilities	Possible Actions to Close Gaps
<p>1) Offer to the communications industry, voice-based order capture / entry services with greater cost effectiveness</p> <p>2) Offer to the manufacturing / IT industry, voice-based order capture / entry services in a cost effective fashion</p>	<ul style="list-style-type: none"> ¥Sales and marketing to commercial customers ¥Infrastructure people, technology and processes in place to support a significant increase in volume handled ¥Negotiating / lobbying skills specially when dealing with union issues 	<ul style="list-style-type: none"> ¥Sales organization in place focused on selling products and services to government agencies mainly ¥Order capture / entry, status inquiries, and waivers for internal operations with estimated volume of 150,000 calls per annum (vs 4 Million + per month from leading contact center service providers) 	<ul style="list-style-type: none"> ¥Internal development of sales and marketing capabilities, people, technology and processes, and negotiation / lobbying skills ¥Partner with contact center service provider in the U.S. to fill sales and marketing gaps and complement U.S. provider s service offering by providing people and facilities. Service focus should be repetitive, script-based inquiries.

Internal		PROS	CONS
	<ul style="list-style-type: none"> ¥UNICOR maintains full independence: <ul style="list-style-type: none"> —Source industry know how in as-needed basis —Configure / design facilities at will —Ability to offer solutions to multiple contact center providers 	<ul style="list-style-type: none"> ¥ Requires major investments ¥ Requires development of commercial Know-How ¥ Requires establishment of a customer base ¥ Needs to source training to develop industry expertise 	
Partner	<ul style="list-style-type: none"> ¥ Investments are shared among partners ¥ Partners have customer base established ¥ Specialized industry Know-how smoothly transferred (I.e. Training) 	<ul style="list-style-type: none"> ¥ Need to deal with profit oriented partner ¥ Limits ability to offer services to other service providers (exclusive agreement most likely needs to be established if partner invests) 	