

Loyalty Letter

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First Quarter 2004

Inside this issue:

ΩMEGA Invades Orlando!	1
We're 20 Years Young	3
NorthFace Winners 2003	3
Customer Profile	4
Who's Who at ΩMEGA	4
ΩMEGA Update	5
Loyalty News of Note	6

Welcome to ΩMEGA's "Loyalty Letter"

ΩMEGA is turning 20 years old this year. That's a major accomplishment for any company. On behalf of everyone at ΩMEGA, I want to personally thank all of our customers, employees, friends and business acquaintances for helping make ΩMEGA successful.

But this "coming of age" milestone challenges us to do a better job of "walking the talk" when it comes to communicating more effectively with our own customers as well as carrying the wisdom and logic of loyalty management to the business world in general.

This newsletter is part of that process...and a promise of excellence in execution.

Loyalty Letter will be issued quarterly, providing a convenient way for us to keep you up to date on news at ΩMEGA, as well as giving you a forum to express your thoughts and ideas on loyalty management issues and programs.

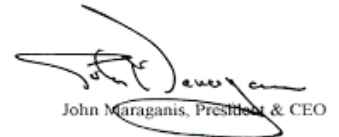
You'll hear about upcoming ΩMEGA events and services, plus insight on developments in the CRM industry.

At the same time, I invite your feedback and comments to ensure that we can

continue to exceed your expectations.

Stories in this issue include the 2003 NorthFace ScoreBoardSM Award winners, a loyalty management customer profile, and the latest on our Loyalty Management Strategy Conference/2004.

Thanks for giving us the opportunity to work with you, and we hope to merit your business for another 20 years!



John Maraganis, President & CEO

Loyalty Management Strategy Conference/2004

- An intensive two-day conference dedicated to creating and sustaining a loyalty management strategy for customers & employees
- Service executives from leading companies present thought provoking case studies
- ICCM/East Conference & Exposition exhibit floor and customer contact center solutions track

ΩMEGA Invades Orlando!

Orlando's Gaylord Palms Resort is the venue for ΩMEGA's Loyalty Management Strategy Conference/2004, the first event focused on building a loyalty management strategy by measuring the effectiveness of a company's CRM technology and employee participation to drive customer retention and loyalty.

It is being held in conjunction with Advanstar's ICCM

East, providing a unique two-shows-in-one event intended for CRM executives from sales, marketing support, human resources and customer service as well as contact center management and operations staff. Hundreds of attendees and scores of exhibitors are exhibited at this blockbuster event.

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"Building Customers for Life"

ΩMEGA's Annual NorthFace ScoreBoardSM Awards are a highlight of the Loyalty Management Strategy Conference/2004.



The Gaylord Palms Resort host to ΩMEGA's Loyalty Management Strategy Conference/2004 and Advanstar's ICCM East.

Loyalty Management Strategy/2004 sponsors include:

- Advanstar
- Rainmaker Systems
- TUV Rheinland
- Incentive Logic
- Boston Coach
- CenterForce Technologies
- Metrix
- Oracle
- Customer Interface Magazine

Special Advanstar ICCM discount on ΩMEGA web-based customer loyalty surveys

- Company Perceptions
- Product Quality
- Customer Service
- Competitive Benchmarking
- New Service Offerings

Attend any Advanstar ICCM conference and you're eligible!

Advanstar preferred pricing \$2,975 (\$5,475 value!)

ΩMEGA Invades Orlando (cont.)

The jointly sponsored event is focused on building excellence in all customer-facing operations, both from the strategic as well operational points of view. In so doing, it brings together, for the first time, CRM executives from service, sales, marketing and human resources with customer service and contact center management and operational staff. The two conferences will have track sessions specially designed for their respective targeted attendees, and will leverage the involvement of exhibitors and sponsors through shared exhibit space for all attendees.

The highlight of the Loyalty Management Strategy Conference/2004 will be ΩMEGA's fourth annual NorthFace ScoreBoardSM Awards, which recognize companies – as voted by their own customers – that have exceeded customer expectations and have established world-class customer service organizations. ΩMEGA also will establish its inaugural NorthFace ScoreBoard Customer Forum Group.

Agenda Highlights

Wed., Feb. 25

8:30 am	Opening Remarks	John Maraganis, CEO ΩMEGA
8:45	Key Note Panel: "Service Leadership That Builds Loyalty"	Sony/BAYER/Kronos/Boston Coach
10:00	Cashing In On Customer Loyalty	Rainmaker Systems Inc.
10:40	Service Strategies that WOW Customers	Anthony & Alexander
11:25	Capturing Customers' Experiences Is Not Enough	Metrix, Inc.; Oracle
1-3 pm	NorthFace Loyalty Profile Case Studies	NetScout, Kronos, Boston Coach
3:15	Key Metrics that Retain and Grow Customers	Swanton Associates
3:45	Turning Loyalty into Gold	CRMI
4:15	The Road to Best in Class Goes Through Benchmarking	Anthony & Alexander
4:45	Closing Remarks	
6 pm	Birds-of-a-Feather Networking Session	

Thurs., Feb. 26

8:45 am	Recognizing and Rewarding the Human Factor	Incentive Logic
9:30	Meeting ISO 9000 Customer Satisfaction Requirements	TUV Rheinland
10:30	Contact Centers for Profit	CenterForce Technologies
11:15	Visit ICCM/East Exhibit Hall	
1-5 pm	NorthFace Loyalty Profile Case Studies	Checkpoint, Symantec, Merant
5:05	Closing Remarks	
6:00	NorthFace ScoreBoard Dinner and Awards Presentation	

NorthFace ScoreBoard Winners 2003

ΩMEGA has announced that a record 37 companies have qualified for its 2003 NorthFace ScoreBoardSM Award. Over 275 projects, many international in scope, were judged from some 75 companies in the U.S. and abroad.

Now in its fourth year, the NorthFace program recognizes companies that, as voted by their customers using a specific survey methodology, have achieved excellence in customer satisfaction for four consecutive quarters. Most of the firms are repeat winners.

“The NorthFace Award goes beyond recognition,” said John Maraganis, ΩMEGA president & CEO, who will present the awards at the company’s Loyalty Management StrategyConference/2004.

“These world-class companies have direct, tangible evidence about the ROI of customer loyalty. They demonstrate how

partnering to solve customer problems builds retention and loyalty, and drives revenue and profit growth.”

ΩMEGA CONGRATULATES THE DISTINGUISHED NORTHFACE AWARD “CLASS OF 2003”!

FOUR CONSECUTIVE YEARS:

CYTYC CORP.
HAEMONETICS CORP.
JEOL USA, INC.
KRONOS INC.
VISX, INC.

THREE CONSECUTIVE YEARS:

3M TOUCH
BAYER DIAGNOSTICS
DATA DIRECT TECHNOLOGIES
DATEX-OHMEDA, INC.
MERANT
MICRO FOCUS INTERNATIONAL
NEWMARKET INTERNATIONAL
PRIMAVERA SYSTEMS, INC.
RISO, INC.
SONY BUSINESS SOLUTIONS & SYSTEMS CO.

WATERS CORP.
ZOLL MEDICAL

TWO CONSECUTIVE YEARS:

ALFA WASSERMANN, INC.
ANALOG DEVICES
BOSTONCOACH
CHECKPOINT SYSTEMS
CYBERSOURCE CORP.
DIONEX CORP.
FAC SERVICES
INTERNOSIS

FIRST-TIME WINNERS:

AFFYMETRIX, INC.
AKIBIA, INC.
BOSTON SCIENTIFIC
CARL ZEISS, INC.
CHRISTIAN BROTHERS INVESTMENT SERVICES, INC.
FLIR SYSTEMS, INC.
HENKEL LOCTITIE
HUBER + SUHNER
MRO SOFTWARE, INC.
PER-SE TECHNOLOGIES
PLANETGOV, INC.
SYMANTEC CORP.



John Maraganis (left), president & CEO of ΩMEGA, presents a 2002 NorthFace Award to Alfa Wassermann Inc. executive Dennis Gershowitz (second from right), VP and GM, and his colleagues.

NorthFace ScoreBoardSM

The Most Prestigious
Awards Program
Honoring Service
Excellence

We're 20 Years Young

There’s nothing like a flood to make your first days in business memorable. ΩMEGA had just opened office space in Cambridge, Mass., on November 21, 1984. The next morning there was three feet of water in our office from a water main break. We figured we’d have to sink or swim with our new business, but we weren’t thinking that literally.

ΩMEGA was founded by John Maraganis who, as principal of Data Group, had introduced

“fieldwatch,” the first off-the-shelf CRM software. John soon added Harry Rich, who today is VP of worldwide sales at ΩMEGA, to join the new venture. For the following eight years, the company operated as a value-added reseller (VAR), providing CRM software and management consulting services to firms in multiple industries.

The company made a strategic shift in 1993 to focus solely on providing loyalty management strategy services, which remain

its core business today.

The first service introduced was the CARE (Customer Satisfaction and Retention) program that is designed to measure, monitor and increase the quality of the product and service provided to customers.

By 1995, ΩMEGA had outgrown its office space and moved roughly 30 miles northwest to Chelmsford, Mass., the company’s current headquarters.

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John Maraganis (second from right) and Harry Rich (right) launched ΩMEGA in Cambridge, Mass., in 1984.



Kronos (Nasdaq: KRON) had FY 2003 revenue of more than \$400 million. Based in Chelmsford, Mass., it employs more than 2,000 people worldwide and has some 40,000 customers.

Customer Profile: Kronos Inc.

Kronos Incorporated is a single-source provider of human resources, payroll, scheduling, and time and labor solutions. Founded in 1977, Kronos is a publicly traded company, and in January 2004 marked its 96th consecutive quarter of revenue growth compared with the same period in the previous year.

“Despite this long history of impressive growth, we recognized the need to consolidate and quantify customer feedback,” says Norm Young, service quality manager at Kronos. “In 1995, we engaged ΩMEGA to launch a customer satisfaction program for our North American customers. A campaign of regular phone interviews with our

customers has helped us improve in areas such as product performance, phone support, on-site service and overall customer loyalty.”

Over the years, the initial relationship survey was augmented with three transaction surveys. ΩMEGA now conducts four surveys each month for Kronos, making approximately 10,000 customers contacts annually. Recently the program has been expanded to include international customers.

ΩMEGA provides a series of charts and graphs known as the ScoreBoardSM, a proprietary reporting methodology.

The results have been impressive. For example, consolidated ScoreBoard reports for

all of 2003 show Kronos customer loyalty levels for both telephone support and field service at 94% and a rating of 4.2, which ΩMEGA defines as “exceeding customer expectations.”

“We use customer feedback through ΩMEGA to keep us focused on improving service to our customers,” says Young. “Incentive programs based on the results drive a friendly internal competition. We know very high satisfaction levels lead to increased customer loyalty, which opens the door to continued growth.”

Who's Who at ΩMEGA: Client Services



Rich Castellano, executive VP and chief customer officer

Each Issue of *Loyalty Letter* will profile a different individual or group at ΩMEGA with whom customers have regular contact. Appropriately, the first such group is Client Services.

ΩMEGA's Client Services organization, led by Rich Castellano, executive VP and chief customer officer, is the group responsible for making sure that all client projects are managed and delivered in the most efficient, professional and effective way possible.

Rich is assisted by Tony Santilli, general manager of Anthony & Alexander (A&A); Joe Camirand, director of client services; Susan Reardon, telecenter director; Chip Butler, information systems manager, Elaine Schiripo, supervisor of the Loyalty Research Center; and Bill Moore, director of

the Customer Relationship Management Institute (CRMI).

“We often get involved with companies before they become actual clients,” Rich says. “We participate in the early stages of a sales campaign so we can learn first-hand what the prospect is striving to accomplish with a loyalty management program. That way, when they become an ΩMEGA client, we know what resources and programs they'll need, and we already know some of their key people. This helps us to hit the ground running and to make sure clients get the support they need to

ensure successful programs.”

In addition to coordinating all formal contact with clients, Rich and his team also serve as a liaison on behalf of clients with other organizations within ΩMEGA. Many of these requests come through Loukas Nakos, Lisa Gamache, Paul Burke and Chris Morrissey, relationship managers, who are assigned to each account and report directly to Joe Camirand.

“Many times clients request specialized consulting services in the area of loyalty management,” he says. “So I bring in the experts at

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Who's Who (cont.)

Anthony & Alexander, our management consulting group. And, when clients want to increase awareness of customer or employee loyalty within their companies, I call on CRMI to present a 'Turning Loyalty Into Gold' seminar.

Rich's team can mobilize other Ω MEGA resources for telesales and telemarketing programs, for renewing end user service contracts and other projects, such as lead generation and profiling.

"We're Client Services," Rich says, "and we strive to live up to our name every day. We want our customers to expect us to assist them in every phase of loyalty management."

Ω MEGA Update

Service Survival Series

Bill Moore, director of Ω MEGA's Customer Relationship Management Institute (CRMI), recently delivered the Service Survival Series (SSS) on-site seminars on customer relationship skills at Hologic, Thoratec and Zildjian.

More than 100 technical support, field engineering and customer service personnel were trained on customer care, dealing with difficult people, problems solving skills and time management.

"Each seminar is customized through a process of interviewing key management and high performance personnel," Moore says. "The end result is showing how they can improve productivity and customer satisfaction at the same time. It

takes dedicated, motivated and skilled employees to attract and retain customers. The CRMI SSS seminar is a key ingredient to a company's loyalty management strategy."

Taking Data to the Next Level

Ω MEGA has formed the Loyalty Research Center (LRC) to produce the high-quality Customer Satisfaction Annual Reports, summary sheets, survey scripts, executive briefings and other research documents delivered to customers through Client Services and Anthony & Alexander.

"We analyze research data and format it for maximum clarity, impact and usefulness for customers," says Elaine Schiripo, supervisor of the LRC. "We also consolidate our research data to



"It takes dedicated, motivated and skilled employees to attract and retain customers."

-Bill Moore, CRMI

maintain a central database for benchmarking. Further, we develop marketing materials (e.g., white papers, case histories) that help clients leverage their loyalty management strategies.

Like Emeril, Ω MEGA is kicking things up another notch!

We're 20 Years Young (cont.)

Revenue and headcount would grow 10-fold over the following five years.

In 1996, the company launched its Goldmine outbound services operation, which soon led to the Telemarketing Outsourcing (TOPS) program, focused on prospect qualification and lead generation services; and the Revenue Optimization and Retention (ROAR) program, which concentrates on generating service revenues through a

comprehensive telesales campaign.

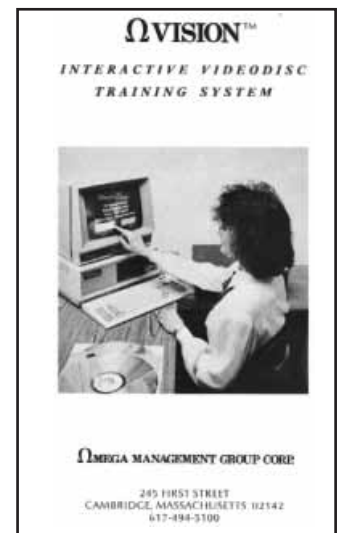
The Anthony & Alexander consulting and professional services group was added in 1999, by which time Ω MEGA had grown to 45 employees and had become a multi-million dollar business.

Ω MEGA greeted the new millennium by establishing the Customer Relationship Management Institute (CRMI), which presents the

popular "Turning Loyalty into Gold" nationwide seminars.

Today, Ω MEGA continues to grow, adding staff and expanding services to continue to help companies "Build Customers for Life."

The flood is history, and the future promises clear skies ahead.



A product brochure from the early days of Ω MEGA

“Exceeding customer expectations makes clear financial sense. The cost to acquire is much greater than the cost to retain.”

- Tony Santilli
General Manager
Anthony and Alexander Group

ROI is Increasing Among CRM Projects

CRM Magazine reports that, according to a recently completed ROI study from IDC, “The Financial Impact of CRM,” successful implementations of CRM applications have yielded returns ranging from 16 percent to more than 1,000 percent. IDC also found that technology-related savings account for only 7 percent of the average return, while benefits accrued from increased productivity and business process enhancements account for 51 percent and 42 percent of the return.

Prediction for 2004

According to Chris Selland of Reservoir Partners, “CRM will become a growth market (and fun) once again. It’s been easy, given all the talk about ‘failure’ surrounding CRM, to lose sight of the fact that CRM is ultimately about making customers happy and growing a business. 2004 will be a year of tremendous change, but also a year when the success stories once again become prevalent.”

Charting the Course of CRM

Recent Q&A survey data from CRM Magazine:

Q: What barriers do you expect in a CRM implementation?

A: Budget: 16.6%
Timelines: 4.7%
Training: 2.3%
End-user adoption: 42.8%
Customization: 9.5%
Integration: 23.8%

Q: What is the hottest area of CRM?

A: Call center outsourcing: 13%
Embedded analytics: 14%
Hosted CRM: 39%
Mobile SFA: 12%
Online marketing: 10%
Cross-/upselling in the contact center: 13%

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www.omegascoreboard.com



**The Experts in Loyalty Management
Strategy and Marketing Since 1984**

ΩMEGA develops and implements customer and employee loyalty management programs that leverage client investments in their CRM technologies. ΩMEGA loyalty management services include employee and customer surveys. The analysis of this data provides companies with the information necessary to increase employee/customer satisfaction, retention and loyalty, resulting in increased revenues and profits.

