



Wachovia Bank Video Network

Growth and Blended Communications
Aligned with Corporate Business Goals!

Corporate Overview

Wachovia Bank (Wachovia) is one of the four core business segments of Wachovia Corporation, operating approximately 3,300 financial centers in 16 states throughout the U.S., as well as 40 offices internationally. Headquartered in Charlotte, North Carolina, Wachovia is currently ranked number 57 on the Fortune 500 list for 2006 and is the fourth largest bank holding company in the US.

Wachovia is expanding at a phenomenal pace, primarily through acquisitions. In 2006, the company completed mergers with three financial organizations, establishing a presence in California and bringing its total employee base to more than 108,000. In May 2007, it was announced that Wachovia is purchasing A.G. Edwards, which will make Wachovia the second-largest retail brokerage in the country. The transaction is expected to close in October 2007. The brokerage company will be run separately from the bank.

The Wachovia Corporate Communications and Employee Communications departments are responsible for keeping this growing employee base, as well as the company's customers, informed and up-to-date.

Managing Communications to Wachovia's Aggressive Growth

Jim Brzycki, Vice President and General Manager of Wachovia Video Network, joined Wachovia in 1998. Immediately upon his arrival, Jim was faced with managing the organization through a number of significant changes.

At that time, the video organization's main client was the training department. Unfortunately, or fortunately, depending on one's perspective, the video organization was not well integrated throughout the rest of the company – essentially operating in a silo-type environment.



Jim Brzycki
Vice President and
General Manager
Wachovia Video
Network

Prior to joining Wachovia in 1998, Jim was the Director of Internal Communications for Carson Pirie Scott & Co. in Milwaukee, WI, where he worked since 1987. His career in communications started more than 25 years ago, when he worked in local television as a producer/director for WTMJ-TV in Milwaukee.

Jim has a BA in communications from Marquette University where he majored in broadcast communications and minored in film.

Shortly after his arrival, the video organization was integrated into Corporate Communications, where it was better aligned with the business strategies of the company. The restructuring facilitated greater visibility into, and interaction with, other organizations throughout the company. The role of the video organization and its members changed significantly as they were positioned throughout the company as communications consultants. As a result, the video organization became recognized as having value by providing new and creative ideas beyond video-based training. Being a part of the communications strategy of the company enhanced the video organization's effectiveness and visibility.

Now named Wachovia Video Network, (V-Net) the organization is embraced as a strategic partner by corporate executives, as well as other departments (its internal clients). V-Net provides concepts and proposals that show hard value and numbers, real world perspectives and rendered payback to the company. This culmination of ideas has improved the image of Brzycki's organization in the company.

Corporate Culture – Nurtures Winning Environment

The Wachovia Video Network division is in the enviable position to pursue new, innovative ways to provide communications and information throughout the organization. According to Brzycki, "The company's management encourages individuals to take the initiative to try new things, which allows us to pursue the use of podcasting as well as desktop video and satellite delivery. Although, we may not be ahead of companies in other industries, this puts us in a unique position within the financial sector."

Brzycki continues, "We enjoy a great corporate culture, which instills a positive attitude throughout the communications department. One of the reasons for our success is this solid foundation for nurturing new ideas and innovative solutions. We are not afraid to fail."

Wachovia Video Network – A bit of History

In 1980, First Union Bank (Wachovia and First Union Bank merged into Wachovia Bank in 2001) began using video for training, communications, and major meetings. Then, in 1990, First Union implemented a satellite-based two-way VSAT (Very Small Aperture Terminal) network to support branch automation and transaction processing at 24-hour ATMs, as well as account inquiries. Wachovia (First Union) was the first bank in the country to link its branches by satellite for data transmission, establishing the company as a bleeding edge organization.

In 1994, First Union upgraded all the satellite network sites to include video capabilities, allowing the bank to provide programming and training to the branches on a regular, timely basis.

In 1998, the company elected to move its data activity to terrestrial services. However, it kept the satellite network in place for video only transmission and actually decided to enhance the build out of its infrastructure and applications. This activity coincided with Jim Brzycki's arrival, allowing him the opportunity to oversee the installation of a dedicated V-Net uplink on the roof of the company's corporate headquarters. At the time, there were about 1,200 branch offices with downlink systems. Programming was provided on a full-time (24/7) basis with one channel for corporate communications and a second channel for

training. The network was managed by Technicolor Network Services (Formerly Convergent Media Systems). Technicolor is a service of Thomson S.A.

New, innovative technologies became available, providing enterprise organizations with a wide selection of cost effective ways to deliver communications.

Upon completion of a very thorough evaluation process in 2004, Wachovia determined that satellite was still the preferred method for delivering video and rich-media content throughout the organization (thousands of branch offices that are geographically dispersed throughout the country). Wachovia elected to upgrade to the DISH Network Business Solutions (the enterprise services division of EchoStar) technology platform. The two existing satellite channels were consolidated into one and the uplink was removed. Dedicated landlines were installed to transmit the content from Wachovia to the DISH uplink in Cheyenne, WY. Convergent continued to provide and manage the network services.

In 2005, Wachovia Video Network expanded its programming services by adding a Bloomberg Financial News channel for client viewing in the bank's branch locations. The service is provided through the Affinity Group, which is also responsible for blocking out the commercials of Wachovia's competitors. Affinity's equipment is located at the Wachovia Video Network facilities in Charlotte. From there, the Bloomberg service is delivered to the DISH uplink for transmission via a second program channel. All branch locations are able to view both Bloomberg and DISH news and financial services, as well as Wachovia corporate information, on the network's two program channels in their conference and break rooms. Currently, more than 1,200 of the branches also display the Bloomberg channel on LCD screens throughout the lobbies. Eventually, all branches will provide displays for client viewing, adding the service to approximately two-to-three hundred branches per year.

Wachovia Video Network programming is viewed by employees on an estimated 12,000 television monitors located throughout the corporate facilities and branch offices. In addition, there are about 2,500 flat screens in the branch offices for customer viewing (typically 2 per location), with the number expected to exceed 7,000.

According to Jim Brzycki, "Satellite is functioning very well. It's cost effective and it is the right approach for us to deliver live programming and content to thousands of locations." Brzycki continued, "Satellite is also critical for us when we need to make major announcements such as the recent AG Edwards acquisition. Although, we use multiple approaches to deliver notifications (such as print and e-mail), satellite gets the right/same information to employees and even clients in a timely, consistent manner."

Wachovia Video Network....What's in a Name?

What is in a Name? Good question! Sometimes, the name could have a significant impact on the success and value of an organization. One might say that it's "all in the branding."

In 2002, the company realized the need to change the name of the department that was producing and providing huge volumes of video and rich-media based content. Although the organization depended on satellite for the delivery of most of the content, Wachovia recognized the real world situation of rapidly changing innovative technologies and delivery solutions.

It was important to select a name that was an accurate representation of what the organization did and that would embrace where the industry was headed. The department's primary function is to produce video content, followed by the management of the company's satellite network that provides communications and information to employee desktops.

To render the services, the organization has extensive facilities and robust video production capabilities, as well as staffing. As a result, the department was named "Video Network." As Brzycki explains, "Both words are core to what we do, whether the content is delivered via hard media, satellite or an IP network."

Extending to the Desktops

With offices in more than 40 international cities (Europe, Asia, Australia, etc.), Wachovia is now reaching employees that are not included in the satellite footprint. Wachovia's 'My V-Net' service delivers content right to the employees' desktops for on-demand viewing.

In late 2005, the Video Network division successfully completed a pilot program to provide content to the desktops of 4,000 employees. Currently, 30,000 employees are on line. By end of 2007, all 110,000 employees worldwide are scheduled to have access to this content.

Wachovia uses the Kontiki (a VeriSign company) system to provide a peer-to-peer (P2P) file sharing service. The content is downloaded and made available for individual viewing without impacting the company's data network. In very non-technical terms, Brzycki described the process, "When an employee clicks on a desired link, the designated server will look to the closest computer(s) to acquire the requested information. The Kontiki solution breaks the file into small packets that are aggregated from servers and peer computers located throughout a variety of buildings, cities, regions and then delivers them." Wachovia hosts all content in its own server farm.



One of the key business drivers for the on-line 'My V-Net' channel was to provide a cost effective approach to deliver engaging and relevant messages to all Wachovia employees worldwide. Prior to V-Net, the only way to get information to the distant locations was to ship DVDs and other hard media formats. This was a cumbersome process, particularly dealing with the differences in standards and formats (PAL, SECAM).

Patty Perkins, Vice President of Desktop Video, took the initial concept of getting video to the desktop and brought it to fruition. Patty conducted the research of external vendors and

internal resources. The IT organization needed to be heavily involved, otherwise there was no way for the initiative to be successful. At that time, the V-Net division did not have any type of working relationship with IT. According to Brzycki, "Patty did an excellent job in building trust within IT and getting their buy-in and support. IT is now a great ally that we work with on a daily basis."

According to Brzycki, "We are excited about extending our network reach through the blend of delivery approaches. Not only is the on-line channel effective, but it resolved a number of issues and challenges. For instance, something as simple as shipping a DVD doesn't always work. It is not uncommon to find a mixture of NTSC playback and viewing devices in PAL or SECAM regions."

Aligned with Corporate Business Objectives – Consultants Value to Company

The V-Net division functions as a cost center in the company and is not intended to be a revenue generating operation. Therefore, only out-of-pocket expenses (e.g.: external staffing, support services and equipment, etc.) are charged back to Video Network's clients. The cost for the facility, production equipment and systems, and people employed by Wachovia are not charged back.

Brzycki is quick to point out that, "It is important for the client to pay something. That way, they recognize value in what the V-Net group does and the services that we provide." He adds that by having a charge back structure, V-Net is able to properly set and control client expectation. For instance, their clients understand what they can expect to get for a \$5,000 to \$10,000 budget – not a \$50,000 production.

As communications consultants, V-Net staff members are encouraged to provide professional guidance and services throughout the company. They are pro-actively involved in the selection and implementation of communications tools and approaches. In addition, they are responsible for creating/producing content that tells the company's story – meeting the needs of their internal clients. They play an integral role in the company achieving its business goals – to provide excellent customer service and increase the revenue and profits of the company.

Although V-Net enjoys a robust facility with extensive production and distribution capabilities, everyone in the organization recognizes the importance of the content – the message. They realize content is king, and that is what must drive how the company communicates – NOT technology.

It is their responsibility to identify and support the right blend of technical systems and solutions to create, deliver, and display the content. This is a constant, ongoing process, where the staff evaluates the newest, latest and greatest technologies and integrates the appropriate ones into the infrastructure. As a result, V-Net uses a blend of satellite, terrestrial, hard media, and mobile devices to meet its communications objectives.

Customers/Clients

The V-Net division produces projects for every division in the bank, from simple documentation of meetings to high-end events with the Marketing group. Most of its works are for internal communications, such as “How to” programs (How to Approach Clients, How to Close Sales, How to...) and perspectives on how the market is performing for the company’s stock brokers and financial advisors.

Although most of its work is for employees, V-Net is producing content for external audiences as well. For instance, V-Net recently completed a three part documentary series entitled “Where Wealth Lives” that explores the historical economic experience of African Americans in the United States. It has already aired on the Black Entertainment Television (BET) network and is expected to air on other commercial broadcast outlets as well. The program is also being developed into an educational curriculum for high school students.

Programming/Content

Wachovia Video Network produces a tremendous amount of content. More than 700 projects were produced in 2006, and about 875 are projected to be produced in 2007, a 25% increase. Typically, 150 of the projects are live and distributed via the satellite network. The majority of the programs are scheduled on a regular basis. V-Net has an extensive library of pre-packaged content, which is leveraged to fill the 24/7 programming schedule. In addition, informational slides are displayed between program segments. Video Network provides closed captioning on all broadcast programs.

One of the more popular programs on the network is a daily five minute news program called *Take 5*. It airs on the satellite network every hour on the hour starting at 7:00AM, until a new one replaces it at 7:00AM the next morning. The program is also pushed throughout My V-Net to be viewed on employees’ desktops. Each *Take 5* segment is archived for three months.



Taping 'Take 5' studio segment
Rick Pressley on camera - Gigi Dixon anchor

Take 5 is a joint project with Corporate Communications; they contribute many of the ideas and topics that are featured in *Take 5*. To make things more interesting and engaging they reach out to employees throughout the organization to host the program. They typically like to feature a different on-camera anchor every week – anyone who has good on-air presence. Even their CEO, Ken Thompson, anchored an episode of *Take 5* from a golf course during the annual Wachovia Championship PGA golf tournament.

Each Take 5 segment is about two minutes and topics can vary widely based on designated daily features. For instance, on Mondays, they provide an update for the financial markets. On subsequent days, they feature human resources, community, and marketing topics as well as employee success stories. Organizational changes are popular topics. Employees are interested in getting updates on what announced changes will do for the company and how they will impact their jobs. Regular features include:

- *In Our Communities*, which covers charity events and other community activities
- *Economic Updates*, featuring Wachovia economists and their forecasts
- *WB Weekly*, which is the Monday program where Wachovia Investor Relations explains the status of the company's stock price
- *Shout Out*, which recognizes exceptional employees
- *For Your Benefit*, highlights benefit programs offered at Wachovia
- *Insights*, in which leaders discuss their strategies for success at Wachovia

Tracey Crowe is the executive producer for *Take 5*. She is the person who developed the program concept and built it from the ground up. Tracey engaged with key, influential people throughout the organization, building strong relationships with them and their respective departments.

Wachovia is pleased with the high quality, slick productions that she produces all of which are under an aggressive schedule. The script is written each morning in conjunction with Corporate Communications. The segments are then taped and edited in the afternoon. By 6:00PM, the program is completed and then goes through a rigorous approval process. Once approved, the program is then formatted and distributed.

The schedule for all V-Net programming is posted on the company's internal communications web site: *Inside Wachovia Exchange*. The V-Net home page features the Broadcast Schedule, the Video Network Library, Information and FAQs on V-Net, Production Information, and the Status on Active Projects. In addition, it features a Services site, where employees and internal clients can go to find out about the services available through V-Net.

Facilities/Capabilities/Staffing

Based on the volume of video projects the V-Net organization produces, it is logical to assume that the company has a substantial production facility. In fact, Wachovia has one main studio at its headquarters in Charlotte, along with smaller regional facilities in Oakland, California and San Antonio, Texas.

In addition, V-Net maintains remote live shot cameras at offices and/or trading floors in Charlotte, Baltimore, Boston, and Manhattan to originate market analyst interviews, which are provided to major news media and financial markets. All remote live shot cameras are connected via the Vyvx network back to Wachovia's master control center in Charlotte.

Wachovia's V-Net is primarily a Sony and Avid facility, including Sony cameras, DVS9000 video switcher, and XDCAM recorders. In addition, Wachovia uses Sony DV cameras and Beta SX recorders for the quick, down and dirty remote productions. They have six edit suites, using Avid Adrenaline systems connected to a Unity server. Once the content is

edited, V-Net converts it to about a dozen different file formats for delivery, e.g.: MPEG-4, MPEG-2, QuickTime for iPods, Flash, Windows Media, and three WMC formats for audio.

“We are fortunate to have such a nice facility,” Brzycki said. “It’s probably comparable with small market television stations.” However, the department is running out of space and is considering the possibility of expanding or moving the operation to a new facility.

Wachovia’s V-Net division has 18 full-time employees at the Charlotte facility and uses more than 20 outside contractors on a regular basis. Due to recent acquisitions, V-Net now has an additional eight employees in its Oakland facility and three in San Antonio. According to Brzycki, the staffs in Oakland and San Antonio are responsible for producing content and providing support for financial services that are headquartered out of their respective facilities.



Take 5 production control room
Tracey Crowe, Take 5 executive producer
Dana Reynolds, Technical Director

Due to the large volume of video production, Wachovia’s V-Net turns to an outside services firm to crew many of the remote productions that are shot throughout the country: Crews Control. In fact, Wachovia is one of Crews Control’s largest clients, providing support services on a daily basis.

Lessons Learned – Brzycki’s Reflections

Through the implementation of the many technologies and innovative solutions, Brzycki has great visibility into what is going on in the marketplace. He has a clear understanding of what will work in Wachovia. However, he concedes that there is always more to learn.

Here are a few lessons that he has learned over the past few years.

- Be very pro-active in reaching out to other people in the organization – establish partnerships. This can be a significant key to anyone’s success in any organization.

I don’t believe that I did enough of this at the outset. I now reach out to find ways to help other business units, the company.

- Market your services, talents, and capabilities throughout the organization – build your branding.

I am quite proud of the fact that everyone on the staff is an ambassador for V-Net including executive producers, engineers, and production assistants. It is a critical part of our culture.

- Reach out to your peers in other organizations, even those that compete in your industry. Do this directly or through professional organizations.

I belong to the Communications Media Management Association (CMMA), which has proven to be invaluable to me. Through regular meetings, discussions, and other forums with members and partner company representatives (vendor sponsors), I am able to learn, share ideas, and stay current.

- Back up everything. This cannot be emphasized enough. All programs, production tips, and other content are archived by project number. V-Net maintains the original master of everything recorded over the last three years at Wachovia. A duplicate library is maintained by Allied Vaughn in Atlanta, Georgia. They transfer all of the content to archival DVDs and also fulfill orders for hard media.

We started the library in 1980 when the department started. At the time, the primary format was one-inch and three quarter inch video tape. In 2004, we started converting everything to DVD and now have about 80% converted. A complete library of DVDs is stored in both Charlotte and Atlanta. It's good to have the multiple copies for disaster recovery protection.

Brzycki's Vision – Foreseeing Industry Trends – in the Enterprise

We'll always be searching for new and innovative ways to meet the company's business objectives. What is the best, most cost effective way to create and deliver the content to our employees and customers?

The demand for content we produce is increasing at a torrid pace. We already deliver content to televisions, desktops, and flat screens. We are evaluating the use and value of mobile devices. Of course, if successful, we'll also have to look at the creation and/or re-purposing of content for the various delivery platforms. At this time, we do not produce content for specific devices. Everything is distributed in the multiple formats.

In a way, we are becoming very much like the IT department - where we are converting content to data files, which are edited on computers with software applications, then are distributed throughout our network infrastructure. As video and computers continue to converge, we will inevitably find ourselves working more closely with the IT and telecom departments. Fortunately, we have an excellent working relationship already, which will help us with the future implementation of new and upgraded solutions.

High definition (HD) is here! We are tracking the technology and advancements. Eventually, we will need to upgrade our systems from SD, especially if and when we move into a new facility.

Bottom line, we are excited about the overwhelming amount of new technologies and approaches that better enable us to do our jobs.