PREFACE

THE JOURNEY

This e-Commerce Strategy marks the beginning of a journey for Ziegler, a journey down the path of e-Commerce. E-Commerce is actually misleading. A more correct term is e-business, for e-business really encompasses what the journey is all about. It is about effectively using technology and sound business practices to further the goals of a business. It is about prioritized opportunities. It is about knowing your business and seeking ways to improve it through the effective application of all technologies, not just Internet based technologies.

If you think that this plan is about "creating a cool web site", you are only partially right. Right in the sense that a decent, marketing oriented web site, the most pressing need for Ziegler at this time, will be one of the results of this plan. If you were thinking about ways to use the Internet to enhance North Tracks Funds' relationship with its distribution channel, you are getting close. If you see the opportunity to reduce costs by placing Asset Management's client statements online, you're getting closer. If you can help shape the vision of managing compliance risk and improving employee productivity, we're getting even closer. If you see opportunities to increase revenues and employee productivity, you have hit the mark.

E-business is hard work. It requires resources (both monetary and employee time), planning, discipline, vision, creativity and commitment, just like traditional business efforts, all at cyberspeed. A Commitment to, as Jack Welch of GE put it, seeking out ways to "digitize all aspects of our business".

I believe that you will find this plan educational, informative, strategic and tactical. This plan will not shatter your businesses nor does it present the next dot com IPO opportunity. However, it does present a solid foundation to build from. A foundation that we can use to stimulate our organization to think and create opportunities to use technology effectively.

Admittedly, this plan is very marketing centric. This was by design. Therefore, I have included a suggested framework for continuing the e-Business strategic planning process. I have also included some Market Trends that in and of themselves may open your eyes. The list of opportunities that I developed is really only the beginning. I have made an attempt to prioritize these from my limited perspective of your businesses. With your help, we can properly prioritize these.

For those of who are asking, "How much and when will it be done?" you will not find concrete answers in this plan. There is too much work left to even begin to answer that question. To do this right requires a process, a process that I believe in, a process that I have used throughout my fifteen years of experience, and a process that I believe is the "best practice". That being said, and unlike the popular IBM commercial, I do believe that if we follow the process this plan is executable and executable within the resource constraints of this firm.

Not everyone in the organization will be pleased - "Why can't I have my own site?" "I don't like the colors or the pictures"; "We should be doing this first". I view this as healthy criticism and recognize the power in that type of feedback. It means our people, your employees, are thinking about the technology. This type of thinking should be encouraged, for within these people are ideas that could be very powerful.

Like any journey, there will be unforeseen forks and bumps in the road. But knowing that and having the flexibility to change and adjust is just as powerful as planning itself.

THE END

The end is the vision of the journey. The vision to embrace technology and see the power it has to transform our business and our lives.

EXECUTIVE SUMMARY

OVERVIEW

Ziegler will, using a content management system as a foundation, build an infrastructure for the deployment of client centric Internet sites and other Internet based opportunities. Ziegler will leverage this infrastructure to help it achieve its business goals by seeking out opportunities to effectively apply the technologies to the needs of its stakeholders and business operations.

THE FIRM

The Ziegler Companies, Inc. ("ZCO") and its wholly owned subsidiaries are principally engaged in investment banking, financial advisory, investment advisory, asset management, retail brokerage, fixed income institutional sales and trading, and related financial services. These services are provided to institutions, businesses and individuals.

ZIEGLER AND THE INTERNET MARKETS

It is apparent within the Internet Market space that Ziegler needs to transform its Internet presence from a liability to an asset. Ziegler's current Internet strategy is a fragmented approach with a complex and long history including a site re-branding, multiple vendors, and an inconsistent and hard to use interface. The sites lack content, both in breadth and depth. Of all of Ziegler's Internet properties, North Track Funds is the best, displaying a rational approach to navigation and design.

There is no question about the importance of the Internet to today's businesses. Just a few years ago, some thought it was a fad. Now over 168 million people use the Internet. In fact, the Internet population has grown to the point that statistically the demographics of the online world reflect those of the offline world.

Additionally, research indicates that Financial Information sites are typically the most sought after sites. With personalization, a full array of Internet Financial Services, information, educational resources and even online financial advice available from other full service brokers, Ziegler's clients have plenty of choices. These sights are attracting our clients and attempting to sell them products and services. Without a compelling and competitive Internet offer, Ziegler will find it challenging to compete effectively in the future marketplace.

As the baby boom continues to age, the client base that Ziegler relies upon to for bond sales will be more Internet savvy than the current +60 group. Consider the over 60 Internet users age group today. While it is the smallest age group, it is currently the group that uses the Internet the most.

Within the business to business world, the challenge is just as apparent. Over 42 million people log on to the Internet. While it may be obvious that office use of the Internet will continue to grow, what is interesting is that use of Corporate Information sites and Finance sites to conduct research have grown the fastest. This implies that Corporate Information Sites and Financial Sites are critical marketing assets.

OBJECTIVE BASED TRANSFORMATION

Ziegler needs to transform its Internet presence within the context of its core business initiatives:

- Manage For Respectable Returns
- Focused Approach To Markets Served
- Create Strength Through Niche Marketing
- Position Firm As Best Of Breed, Trusted Advisor Within Markets Served
- Penetrate Client Base -Increase Share Of Wallet

To support these initiatives Ziegler will use the Internet to:

- Enhance the Brand Value Of The Firm
- Enhance (Retain) Client Relationships

· Support And Enhance Revenue Generating Activities
· Reduce Client/Channel Support Costs
· Support Employee Recruiting And Retention Efforts
· Enhance Perception And Relations With External Constituents

To accomplish these objectives, Ziegler will

1. Build to meet the marketing needs of Ziegler and each business unit first
2. Using a prioritized approach, build/buy/integrate applications that meet very specific needs of our constituents or offer opportunities for productivity gains

CLIENT CENTRIC STRATEGY

Ziegler will compete within the Internet Space by focusing on the Health Care, Senior Living, Church and School, Registered Independent Advisor/Broker Dealer and Individual Investor customer segments. Ziegler will further differentiate itself within these segments as a client intimate, full service provider of financial and investing advice and products, leveraging the firms underwriting experience, intellectual capital capabilities and best of breed product reputation.

This competitive position will be executed in part by Ziegler's Internet Branding Strategy. Ziegler's Internet Branding strategy has both strategic components that will guide style execution and tactical elements that reinforce the strategic components.

To further support this competitive position, Ziegler will adopt a Client/Market Focus as its core strategy for site structure. This can be described as follows:

· Build individual, targeted sites that encompass the intersection of our capabilities and our audience needs
· Ziegler.com becomes a portal through which visitors access sites targeted to their specific needs
· Individual sites are used within the marketing mix of our business units
· Where practical, sites have a common "Internet Brand Presence" with shared functionality, common interfaces and content and leverage our core Internet technology base

To meet the needs of our primary target audiences implies that the following sites be created

Core URL's	Audience Segment	Description
Ziegler.com	All	Ziegler Corporate Site
Ziegler.com/shareholders	Shareholders	Investor relations section
Ziegler.com/mediarelations	Media	Media Relations Section
Ziegleradvisors.com	Consumers	Wealth Management Site
Zieglerseniorliving.com	Senior Living Clients	Senior living site
Zieglerchurchloans.com	Church Loan Clients	Church Loans Site
Zieglerhealthcare.com	Health Care Clients	Healthcare Site
Zieglersalesandtrading.com	Institutional Investor	Institutional Site
Zieglercareers.com	Potential employees	Ziegler Careers Site
NTFbroker.com	RIA's, Broker dealers	Brokers Only site (NTF)

BUILDING A FOUNDATION FOR OPPORTUNITY

Ziegler has several Internet opportunities to explore:

· Reduce costs by placing Asset Management's client's statements online
· Help manage compliance risk using the Internet & Intranet for work flow improvements
· Zplanet performance and usability enhancements

Stretch opportunities include

· Enhancing lead and sales generation through the use of dedicated Local Sales Bond sites
· Enhance investment banking methodologies through project Portals/Extranets
· Expanding Ziegler research to include consumers, not just institutions

Whiles these and other opportunities may make it difficult to determine which project should be done first, what is not difficult to discern is the need for a foundation - a technical infrastructure that

can be leveraged across all opportunities as they arise. Fortunately, Ziegler's minimal investment in technology to date, perceived as a weakness, can now be transformed into strength. Ziegler does not have a legacy of Internet systems that need redevelopment or integration.

Ziegler will use a content management system as its Internet Infrastructure. Ziegler will build a site development engine using the technical infrastructure of Zplanet to gain:

· A common structure built with a series of content templates, functions and applications that each business units will be able to place content into
· Distributed responsibility and ownership
· Content Management and distribution
· Content Sharing: Write once use many
· Support of the firm's electronic distribution strategy
· Multiple site control
· Common development platform
· Common, integrated, multiple-site functionality (Library, Contact Us Database, Glossary, etc.)
· Common Interface, Branding and Style Conventions
· Version Control
· Workflow management

Ziegler's content management system will be developed using a tiered approach, separating data, applications, and presentation layers. XML will serve as the core underlying technology for the system. XML extends the capabilities of application developers to separate data, applications and presentations into discreet layers, which increases portability of information from system to system and device to device - the same data can be sent to cell phones, PDA's and PC's merely by altering the presentation layers.

Ziegler has adopted the best practice of separating server system functions by deploying production, staging and development servers. These systems have firewall protection, virus scanning, un-interruptible power supplies, load Balancing, and backup services. Change control procedures have been put into place. Server Configuration best practices have been adhered to. These systems will conform to Ziegler's Disaster Recovery Plan and are currently offering daily, full backups with monthly archives to CD/DVD for remote storage. Security monitoring software will be used periodically to scan the servers for security vulnerabilities.

The general software environment for the servers is Microsoft Centric to provide for scalability, maintenance and reliability. These software applications conform to Ziegler's internal standards as established by the Services and Technology Group.

PROMOTING OPPORTUNITY

Ziegler will implement both an Internet Communications Plan and an Internet Marketing Plan to promote the site both internally and externally, respectively. The initial plans will focus on announcing the launch of Ziegler's new Internet presence. On going site promotional activities will be developed post launch.

The Internet Communications Plan will encompass all of the necessary communication efforts to announce Ziegler's new Internet presence to its employees. The Internet Marketing Plan can be summarized as those activities that are designed to increase web site traffic and awareness including Search Engine Registration and Optimization and Site Promotion.

METHODOLOGY AND RESOURCES

During the project life cycle, Ziegler will use the standard phased process of Discovery, Design, Development and Deployment. A phased approach recognizes that proper planning and information gathering will result in superior results. Much like building a house, this phased approach assures that all of the proper steps are followed.

Ziegler's New Internet presence will impact current Business Processes in two respects: Workflow and resource and staffing requirements. The content management system will control workflow through roles and responsibilities similar to those in place for Zplanet. There are two resource and

staffing requirements with respect to this plan, Pre Launch and Post Launch. Pre launch will require the formation of a team to work through the entire process. Post launch will require staffing within each business unit for daily maintenance and system utilization.

Ziegler and its vendors will follow the project management practices outlined in the *Project Management Body of Knowledge* as published by the Project Management Institute. As part of its best practice philosophy, Ziegler and its vendors will create project plans which detail for each required task, work effort, duration and scheduled start and end dates. This will allow Ziegler to work within with "time budgets".

MEASURING SUCCESS

Ziegler will be using WebTrends Software for Web Site Traffic Analysis. WebTrends Reporting Center, a server log file analysis tool, captures visitor behavior across multiple-server web environments. Several categories of metrics will be monitored to measure the success of Ziegler's Internet presence including:

· Traffic Analysis
· Downloaded Files
· Internet Marketing Activity
· Visitor Data Collection
· ASP and other measurements:
    · Pershing Statistics
    · Emplanet Statistics
    · Zplanet Statistics
    · Envestnetpmc statistics

TIMELINES AND BUDGETS

The following are best guess estimates. A formal timeline will be developed as part of the project planning process.

Task		Start	Finish
I.	Discovery	March 2002	April 2002
II.	Design	April 2002	May 2002
III.	Development	March 2002	September 2002
IV.	Deployment	September 2002	November 2002
V.	Communications	October 2002	January 2003
VI.	Ongoing Maintenance	November 2002	

A formal budget for this plan has not been developed at this time. However, a budget request was submitted in December of 2001 based on a very limited knowledge of Ziegler's plans and requirements. A more formal budget will be developed as part of the project planning process.

CONCLUSION

Due to competitive pressures and business opportunities, Ziegler will, using a content management system as a foundation, build an infrastructure for the deployment of client centric Internet sites and other Internet based opportunities. Ziegler will use proven technologies and best practices to design build and deploy these initiatives. Ziegler will leverage this infrastructure to help it achieve its business goals by seeking out opportunities to effectively apply these technologies to communicate, collaborate and conduct commerce with its stakeholders whether it be productivity or revenue gains.