

NUCLEUS  
RESEARCH

ROI: 75%  
Payback: 2.1 Years

# BRIGHTPLAN BREAD FINANCIAL

ANALYST  
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## THE BOTTOM LINE

Bread Financial achieved a 75 percent ROI upon implementing BrightPlan and recovered its initial investment in the platform 2.1 years after deployment. After recognizing high levels of associate stress and subsequent high turnover rates and absenteeism, the organization realized that its current financial wellness initiatives were insufficient and sought a new solution to tackle these issues. Nucleus found that the deployment of BrightPlan, paired with other factors, translated to a reduction in turnover by approximately 22 percent and an annual savings of more than half a million dollars.

## THE COMPANY

Bread Financial is a tech-forward financial services company providing simple, personalized payment, lending and saving solutions. Driven by a digital-first approach, data insights and white-label technology, Bread Financial delivers growth for its partners across verticals through a comprehensive product suite, including private label and co-brand credit cards, installment lending, and buy now, pay later (BNPL). Headquartered in Columbus, Ohio, Bread Financial has approximately 7,500 global associates.

## THE CHALLENGE

Leaders at Bread Financial noticed high financial stress among its associate base. This was especially true within its call centers, which makes up approximately 60 percent of the workforce. The high stress levels were characterized by high turnover, increasing leaves of absence and associate responses to pulse surveys where “money” was identified as a top source of stress. To address these issues, executives at Bread Financial began to search for a more robust financial wellness offering with the goal of improving associate experience and reducing financial stressors across its workforce.

**Cost : Benefit  
Ratio** | **1 : 1.4**

## THE STRATEGY

For several years, the organization has offered its associates a series of financial education workshops called “Dollars and Sense.” However, as money-related stress continued to rise, it became clear that a more robust financial resource was needed to support associates’ personal financial goals. Bread Financial’s internal wellness team, LivingWell, came across BrightPlan and was impressed by its capabilities which were noted to be innovative and differentiated from competing alternatives. Previously, the organization had offered a 401(k) advice benefit that would incur costs to the associate for investment guidance. This did not align with the organization’s diversity, equity and inclusion goals, and the reduction of barriers related to financial advice was a key factor in the selection process. The company’s LivingWell team was excited to offer a holistic financial resource to associates at no cost, and Bread Financial leaders liked that BrightPlan offered fiduciary advice, a focus on total well-being, and could meet associates wherever they are on their financial wellness journeys. Rather than only having access to financial education, associates now had a digital

solution in the palm of their hand that can help them set specific money goals and increase their financial confidence.

After making the decision to select BrightPlan, Bread Financial began its implementation in 2020. From contract signature to launch, the deployment timeline was approximately 120 days, with quarterly sessions to review results. The platform initially launched within Bread Financial's United States-based locations in April 2021 and has since expanded the platform to its 800 associates in India as of April 2023. The organization continues to expand its service offering with the vendor to better support the evolving needs of its associate base. In 2022, Bread Financial and BrightPlan partnered on a new and unique service called "Money Navigation," which allows associates to learn about all Bread Financial benefits that deal with finances within one easy-to-access location, benefiting utilization.

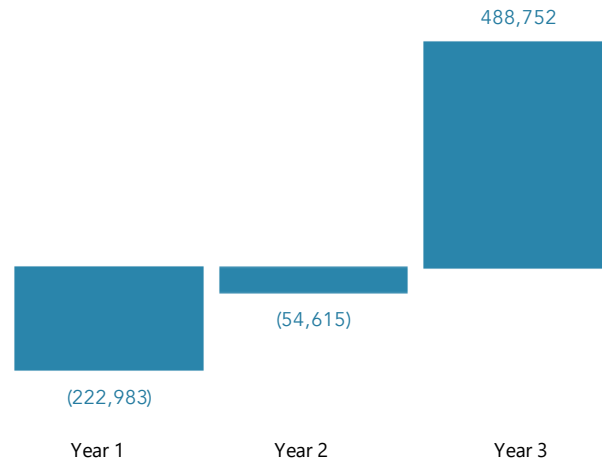
## TYPES OF BENEFITS



## KEY BENEFIT AREAS

Upon the implementation of BrightPlan, Bread Financial was able to reduce its annual turnover rate by 22 percent, retaining approximately 336 associates annually. Nucleus found that this reduction in turnover rate translated to savings of just over half a million dollars each year. Additional services, including money navigation for Bread's new hires, survivor support for beneficiaries and retirement readiness have improved overall associate well-being and financial confidence.

## CUMULATIVE NET BENEFIT



## KEY COST AREAS

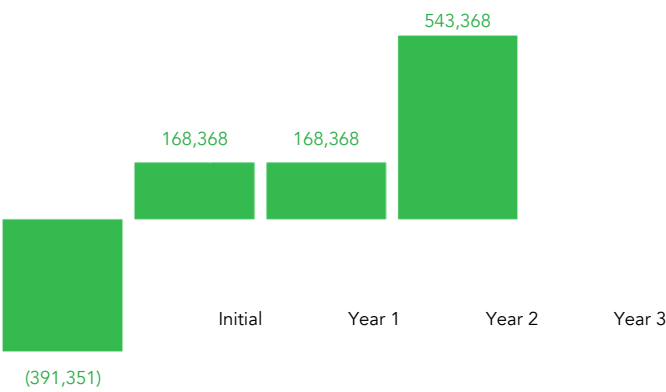
Cost areas of the deployment include subscription costs for BrightPlan (based on monthly associate headcount), initial personnel time spent implementing the solution, and ongoing internal support for the platform.

## LESSONS LEARNED

When asked what advice they would impart to other organizations looking to implement a similar solution, Bread Financial noted the importance of reinforcing to associates that their data is kept secure and confidential within the BrightPlan platform. It is also important to highlight that the solution meets associates wherever they are on their financial wellness journeys - regardless of whether they feel confident and secure, or stressed and concerned about their situation. A key differentiator during implementation was branding BrightPlan as a LivingWell program rather than a corporate-branded product because of the trust that the program has built in the eyes of associates.

Leaders also noted that after launching the solution, it is helpful to consider unique ways to continue to reinforce BrightPlan as the go-to financial wellness resource. For example, partnering with the vendor to host a workshop on an educational topic that's important to associates, or putting reminders in the company newsletter about utilizing the unlimited one-on-one financial planning sessions.

## NET CASH FLOWS



## CALCULATING THE ROI

Nucleus Research analyzed the costs of software, hardware, personnel, professional services and user training over a three-year period to quantify Bread Financial’s total investment in BrightPlan technology.

Direct benefits quantified include reduced associate turnover. Unquantified benefits include an improvement in financial confidence and overall associate well-being.

## FINANCIAL ANALYSIS

**Annual ROI: 75%**

**Payback period: 2.1 years**

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	561,120	561,120	561,120
Indirect	0	0	0	0
<b>Total per period</b>	<b>0</b>	<b>561,120</b>	<b>561,120</b>	<b>561,120</b>

COSTS - CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
<b>Total per period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

COSTS - DEPRECIATION	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
<b>Total per period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	375,000	375,000	375,000	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	16,351	17,752	17,752	17,752
Training	0	0	0	0
Other	0	0	0	0
<b>Total per period</b>	<b>391,351</b>	<b>392,752</b>	<b>392,752</b>	<b>17,752</b>

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(391,351)	168,368	168,368	543,368
Net cash flow after taxes	(215,243)	92,602	92,602	298,852
<b>Annual ROI - direct and indirect benefits</b>				<b>75%</b>
Annual ROI - direct benefits only				75%
Net Present Value (NPV)				196,136
<b>Payback period</b>				<b>2.1 years</b>
Average Annual Cost of Ownership				398,203
3-Year IRR				42%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.