earnix | eBook

Empowering Relationship Managers in their Digital Journeys

Make the smart decision and empower your relationship managers with the tools to optimize their business relationships and the bank’s financial performance.



Table of Contents

Executive Summary 03

What You'll Learn in This eBook 04

The Evolving Role of the Relationship Manager 05

Report Conclusions 06

Relationship Management in the Digital Age 07

The Imperative for Banks in the RM Equation 08

Customer-Facing Improvements 09

Making RMs' Lives More Productive & Fulfilling 10

Middle & Back Office Benefits 11

Empowering RMs with the Right Technology 12

How the Right Technology Delivers 14

Next Steps 15

Executive Summary

Throughout its history, banking has relied heavily on personal relationships to achieve many of its business goals. Relationship managers (RMs) have served as the “face” of the bank in **providing sound business advice, acquiring new customers, and uncovering new sources of revenue** within existing accounts.

In the digital era, a belief has taken hold in some quarters that technology can replace relationships as a key driver of customer satisfaction and loyalty. That might be the case with some personal banking customers, but the relationship manager still has a key role to play in commercial banking.

Back office and middle office gains are also there for the taking, such as improving speed to market, reducing cost and complexity in information technology (IT), and driving much more effective governance and risk management.

All with smart application of the right technology from a reliable and digital-focused partner.

The most powerful combination for banks’ success is to equip RMs with technology that allows them to extend the personal touch customers crave, the power of satisfying customer experiences (CX).

Empowering relationship managers with insights based on data, artificial intelligence (AI) and machine learning (ML) helps:

- ✓ Maintain their **vital role** in the customer equation
- ✓ Make them more **productive**
- ✓ Increase their **job satisfaction**, reducing turnover

What You'll Learn in This eBook

This eBook lays out the compelling need for arming relationship managers with the most advanced technology in order to achieve all these overarching goals.

It then presents the Earnix solution that delivers a **single, comprehensive, enterprise-wide technology solution** that can keep relationship managers "front and center" in making the bank more successful.

The Evolving Role of the Relationship Manager

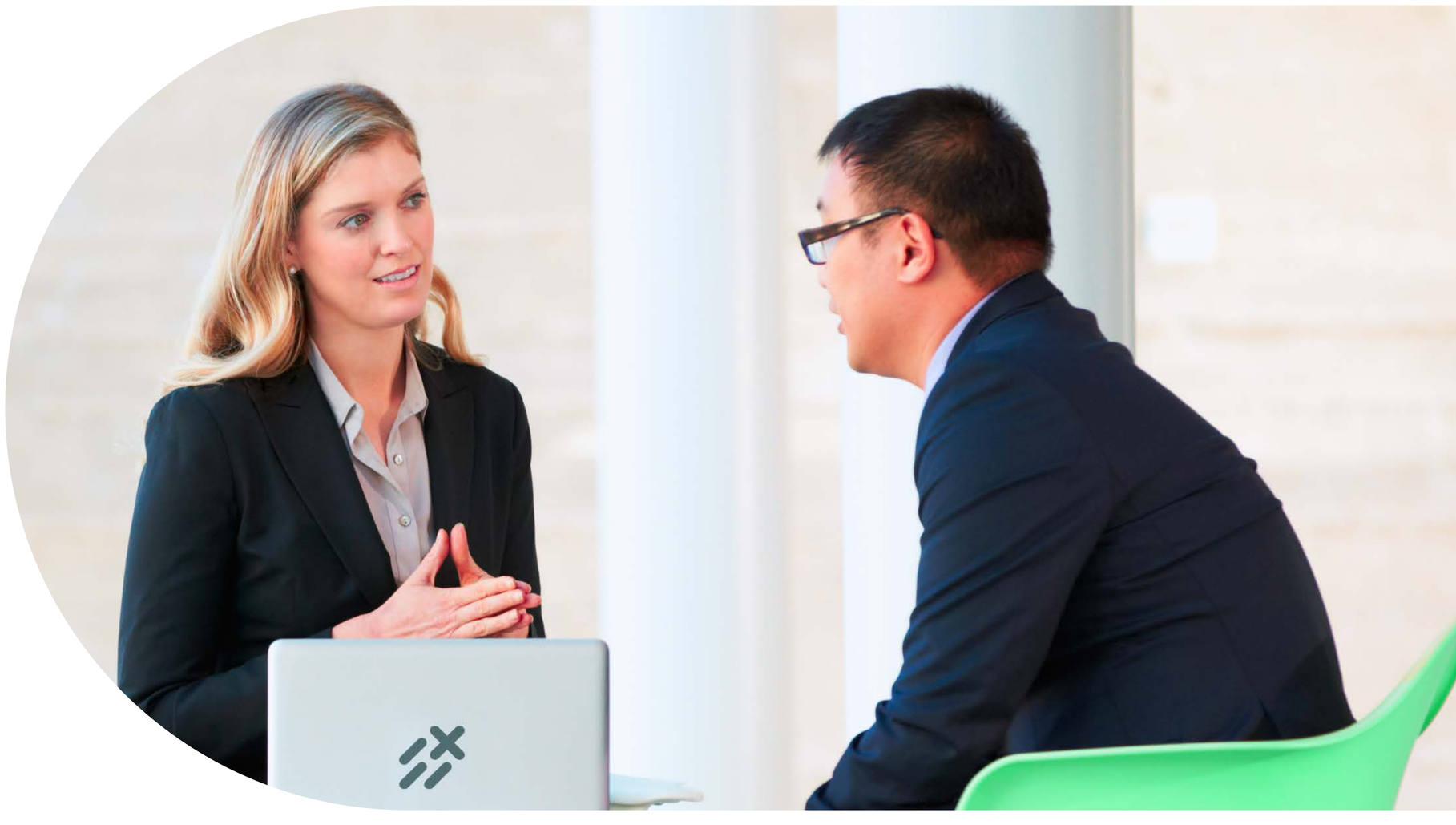
Relationship managers are one of the most visible manifestations of a bank's commitment to customer service. In a world before websites, mobile banking apps, and chat bots, RMs were often the sole "face" of the bank to their clients. They had responsibility for ensuring that their clients were satisfied, well-informed and ready for changes in the market and the economy.

The RMs focused much of their time on the development of personal relationships, including getting to know clients outside the business setting, and always being there for those clients during expansions and downturns.

They have been the classic "trusted advisor" of the bank-client relationship.

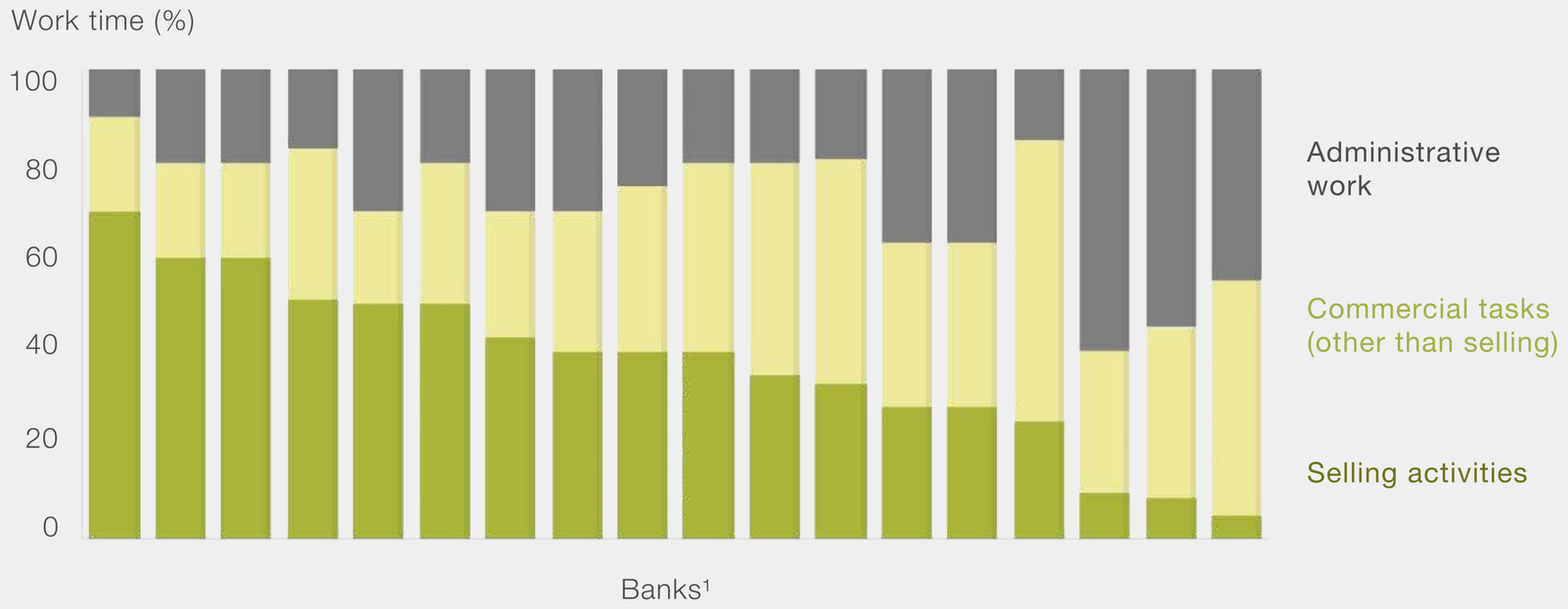
Unfortunately, burdened by administrative and non-selling tasks, RMs' time has not always been as productive as possible in this respect.

The bank has relied heavily on RMs to **drive revenue** through new customer acquisition, new product promotion, and upselling and cross-sell opportunities.



Consider this research from Boston Consulting Group (BCG)[1]

RMs spend significant time on non-revenue-generating tasks



1. https://www.bcg.com/publications/2021/from-commercial-relationship-manager-to-client-whisperer

Report Conclusions

As can be seen, even at the highest-performing bank in the study, only about 70% of the RMs' time was spent selling, and it was dismally below 10% at the worst-performing institution.

Administrative tasks accounted for as much as 50% of the RMs' time, **detracting from client interactions**, likely reducing customer satisfaction and exposing the bank to unnecessary portfolio risk through the loss of client monitoring.

Technology holds great promise for improving on this situation, for both the bank and the RM.

Relationship Management in the Digital Age

Today, accelerated by factors such as the pandemic and rapid-evolving technology, RMs are just one “face” of the bank among many.

In today’s digital world, clients now expect their relationship manager to not only be the person they can reach for real-time advice and feedback; they expect their RM to be better informed than ever, and to have technology at their fingertips that will lead to smarter, more timely decisions.

When contemplating new products and services, **clients expect their RM to still be their “trusted advisor”**, but one with even more focus and an impeccable sense of timing. Clients have come to expect a high degree of personalization in their lives as digital consumers.

It’s a combination of human interactions and enabling technology that Boston Consulting Group has termed “bionic banking”.[2]

The value-add equation has shifted from predominantly person-to-person to one that includes both technology and technology-enabled person-to-person service. As BCG puts it: “A bionic approach to relationship management helps RMs work more successfully with the ir clients.”

> Digital technologies and predictive analytics can **help RMs understand how and when customer needs are changing**—and identify the best and most relevant time to engage.[3]
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>
> Andy Young
> Managing Director, Accenture

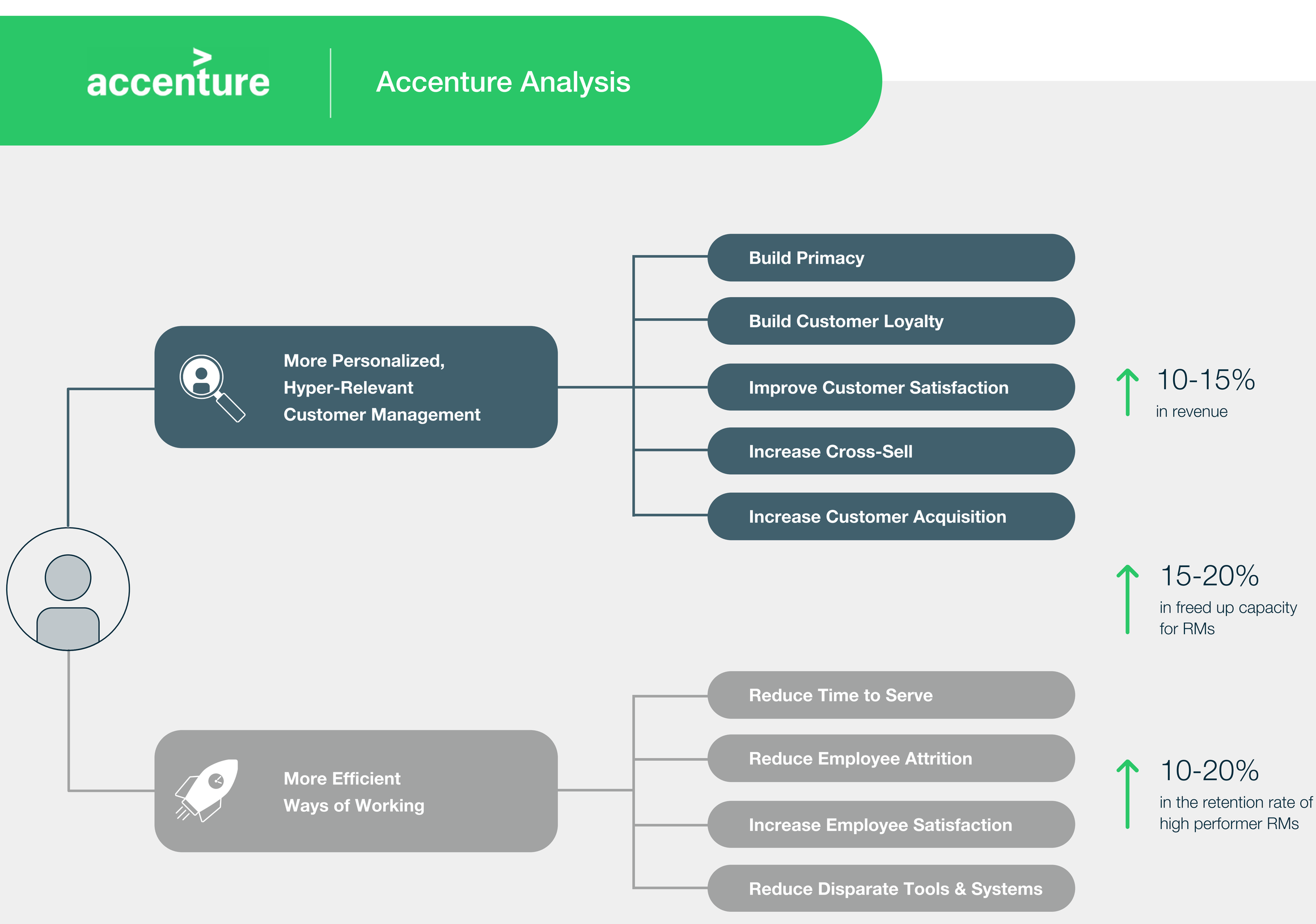
2. https://www.bcg.com/publications/2020/bionic-banking-may-be-the-future-of-banking
3. https://bankingblog.accenture.com/why-is-the-empowered-relationship-manager-so-important-right-no

The Imperative for Banks in the RM Equation

To thrive in the digital age, **banks must empower RMs** with the tools to meet and exceed heightened customer expectations. In addition to providing the best possible customer engagement, the effective use of technology can be expected to improve the bottom line of the bank.

This graphic (below) from Accenture highlights sources for improvement and estimates of the potential outcomes:

accenture | Accenture Analysis



Customer-Facing Improvements



Some effects of the right technology are to help **restore and enhance the people-driven value** that clients have found in their relationship with RMs–primacy, loyalty and satisfaction. While many lament the fact that technology can break the bonds between people, this is an application of technology that can restore and strengthen those bonds, breathing new life into front office operations.

There is a significant revenue upside to providing RMs with the right technology, estimated to yield a **10-15% improvement**, by providing a spot-on set of recommendations, at just the right time, to increase cross-sell and new customer acquisition.

BCG | Boston Consulting Group (BCG) Analysis

> With the right implementation of data-driven tools and approaches, commercial banks can significantly **grow their revenues** by about **20%** to **35%** within two to three years.[4]

4. Boston Consulting Group, op. cit.



Making RMs’ Lives More Productive & Fulfilling

As the Accenture chart on page 8 points out, the right technology can also lead to productivity gains for the RM. By their estimate, **10-20% of RMs’ time can be freed up** for more productive tasks, whether tending to their accounts, pursuing new revenue opportunities or simply being more efficient in their work.

As the right technology frees up more time and capacity for RMs to do their jobs, it can also make their jobs more satisfying, as shown in the Accenture graphic.

> The right technology can lead to **productivity gains** for the RM.

Their toolsets can be simplified and their tools made easier to use, which is particularly important to the “digital natives” banks hope to attract as new employees. Processes can be simplified, freeing up more time for RMs to execute the client-facing tasks that drive value. These improvements can add up to reduced attrition and the avoidance of costs incurred by turnover and recruitment.

Middle & Back Office Benefits

The right technology and partner can also yield serious advances in operations that are not visible to customers.

Middle Office

Critical middle office functions such as **governance and risk management** can benefit from the same technologies. The huge volumes of customer data the backend already has in its possession allow for “what-if” analyses and simulations of everything from the introduction of new products to risk-based pricing to the effects of proposed regulatory and security changes.

Back Office

In the back office, the application of new technologies can lead to a **simplification of IT infrastructure**, with its attendant cost and complexity reductions. Based on Software-as-a-Service (SaaS) and cloud-based application development and deployment strategies, new, more modern technologies can lead to lower overall costs and quicker reaction to changing business and market conditions.

Empowering Relationship Managers With the *Right Technology*

With so much promise in empowering relationship managers with the technology that will drive bank profitability and their own success, there is no question that the time to move is now.

The banking technology universe is vast, with many vendors jostling for your attention. You need more than technology—you also need **a dedicated partner** to help guide your decisions and implementation.

Earnix delivers solutions that can directly contribute to the success of relationship managers and their banks.

A key function of RMs is to place enticing offers in front of their clients and prospects, and to do it in the most targeted way possible.

Empowering Relationship Managers with the Right Technology (Cont'd)

Personalization

Analyze customer data to uncover behaviors that signal their receptivity to potential offers, allowing RMs to:

- ✓ Cater to the individual needs of each customer, no matter how many customers that RM is managing
- ✓ Package bundles of products and services that will appeal to each customer individually
- ✓ Fully leverage the power of data to ensure proactive engagement, improved customer retention, and increased loyalty

Pricing

Use simulations and "what-if's" to point to the pricing strategy that best meets customers' needs and the bank's business objectives. With it, RMs and banks can:

- ✓ Turn raw data into smart pricing decisions
- ✓ Deliver pricing to any customer touchpoint, in real-time, to make attractive, individualized offers
- ✓ Continuously monitor the performance of pricing strategies, allowing for adjustment and pricing optimization in real time

Customer Centricity

Knowing when to deliver that offer is just as important as the offer itself. Earnix empowers RMs to present an offer when customers are most receptive:

- ✓ Drive proactive, real-time customer engagement and open up new revenue sources
- ✓ Improve response rates
- ✓ Automatically trigger product offerings, based on internal customer/external market or economic events and more

RM Support

Use simulations and "what-if's" to point to the pricing strategy that best meets customers' needs and the bank's business objectives. With it, RMs and banks can:

- ✓ Turn raw data into smart pricing decisions
- ✓ Deliver pricing to any customer touchpoint, in real-time, to make attractive, individualized offers
- ✓ Continuously monitor the performance of pricing strategies, allowing for real-time price adjustments



How the Right Technology Delivers

With all these Earnix capabilities implemented in a SaaS, cloud-based configuration, banks can avoid the time lag and heartache of internal development.

Implementation of the Earnix solution from start to finish takes just a few months, instead of the years that internal development can take, **saving many years of expense and overhead** for software maintenance and updates.

Connections to existing infrastructure (through application programming interfaces, or APIs) take place in steps, rather than subjecting the IT team to a “rip and replace” scenario.

Next Steps

Earnix is the optimal solution for enabling relationship managers to drive a compelling customer experience, expand the book of business within existing accounts, and improve new customer acquisition. Make the smart decision and empower your relationship managers with the tools to optimize their business relationships and the bank's financial performance.

Contact Earnix today to:

1

Get an **evaluation** of your needs

2

Review your implementation **options** and timelines

3

Partner with a technology provider who can help **deliver** on your vision

Unlock Better Customer Experience at **Earnix.com** ⟶

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Earnix is a leading provider of mission-critical systems for global insurers and banks. Through Earnix, customers can provide prices and personalized products that are smarter, faster, safer and in full alignment with corporate business goals and objectives. Earnix's solutions offer systemized, enterprise-wide value with ultra-fast ROI. Earnix has been innovating for Insurers and Banks since 2001 with offices in the Americas, Europe, Asia Pacific, and Israel.