What I find really interesting around what’s happening with small businesses and relationship managers right now is there’s a bit of an inverse push versus pull here. In many ways, as the MetLife study suggests, with so much financial struggle upon these businesses, there is more need in the marketplace than ever before. So that’s on one side of it. On the other side, you have a workforce that is at home and unable to perform their roles in the way they have historically. No longer can we send an RM out to do a client visit to support them when they’re going through this type of need. And what’s interesting as we think about how that plays out, is how important it is that we arm the relationship managers with the right information, one; but two, with the right tools to be very successful in having these conversations in a way that frankly neither they nor their clients are used to.

What can banks do to help their relationship managers make that transition?

I think there’s a few things that jump to our minds that are really important. And I’m going to try and keep these simple, and then we’ll dig into them as we move through the discussion. But focusing on three things: creating capacity, equipping the RMs with the right insights and intelligence to help their customers; and then ultimately thinking about the service model as how we can better microsegment and drive the right information to the right clients. So those are the things that jump to us, as where customers can gain the most help from their RM.

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JR (continued): And again, what's important as we think about what's happening in this environment is that this is new to everybody. The emotional toll on the way in which we are all going through this: the way we work, the way we live is fundamentally different and the stress is so high. As we think about adaptive capacity, one of the things – and this is an area that we've talked about for years with relationship managers – way too much time spent on administrative tasks and not really on the value-add tasks that are important for their customers and for relationships, and for driving the right information and discussions to support those customers.

When we think about how we do that now with an adaptive capacity, there's a bit of a COVID gift for RMs: with them not being on the road for two days a week, they have the capacity to really think about how you redeploy it immediately to make that valuable for our customers. And again, remember how important the need is for the customers as we think about what's happening right now. If 40% of customers are at risk of losing their entire business, what are the banks thinking of doing to change that number to 30% or 20%? That's very aspirational, I know. But the banks have to be able to think about how they're there to support and build a bridge, if you will, for customers to get to the other side of this.

And that leads us to the second point around equipping with insights. So historically, if you think back to what's changed a little bit, to your initial question, the idea of equipping customers with insights to me is very different than having lunch or dinner with them, or going out to the golf course and just building that relationship and that trust through that personal interaction. The key here is thinking about how are you providing the right information. I was on with a customer yesterday talking about this specific topic, and what I found fascinating was that they were not able to actually put the camera on. It's sort of silly, but they were not allowed to turn the camera on, because of a security protocol for their company.

Translate this to the relationship manager, you're now in a position where the RM can't even show their face to the customer. That's tough when you're coming from an environment where everything has been face-to-face and personal. And it makes it an even harder headwind to be supportive and successful. So when the RM shows up, they better have something useful and valuable to say. That's the most important thing. And as we think about what that looks like, this is really ensuring that we understand the market our customers are in, the impact of COVID, the industry they're in, what kind of products they have, how we're thinking about their credit treatment as we think about the crisis, how we help them and extend support, how we think about making sure those insights are driving us to make sure that we're doing all the right things for our customer in what's going to be the most important need of their entire banking relationship throughout the entire lifecycle of that business.

And then still on this idea of insights... but insights are only going to be effective when they're applied to the right treatment strategy, right? So this goes to the service model and how you begin to transform the service model and segmentation in a way that helps your coverage model be better aligned to the right information, the right strategies for a specific industry. Restaurants and let's call them outdoor companies – so thinking about Airstream, for example – those are two very different types of situations where, if you're talking what's happening with COVID and you're running a bunch of industry information around restaurants, that's certainly a very different point of view as to how we're going to help them make it through and bridge this gap. Or if we can help them bridge that gap by putting the right information that's very specific to those clients and what's happening in front of them, and understanding inventory and the controls that they need, relative to a business that's fundamentally booming. And saying, my goodness, everybody wants to buy a camper. Since everybody wants to buy a camper, what does that look like now and how do I think about re-growing my business and meeting this demand, knowing that this is a demand spike?
JR (continued): Again, thinking about those needs very differently, and having your insights applicable to that and ensuring that you have the right capacity to support the different needs for those areas, and ensuring that the model is allowing you to load the right information in the right place.

RM: Well, let's dig a little deeper into each of these. Rishi, the first one on the list is “create adaptive capacity”. What do you mean by that?

RC: Sure. We mean redeploying capacity to higher-value interactions around advice-giving and selling. Our research and interaction with our clients suggests that RMs just aren't spending enough time with their clients now, simply because they're not able to. And when we compare this to other industries that also have B2B sales, we find all around within commercial banking they're often lagging these other industry averages. So we do feel there's an opportunity there. And we find the relationship managers are continuously juggling internal tasks, administrative-related, and also trying to do what's right for their customer.

As Jared mentioned, not being on the road now certainly does help free up some capacity that can be repurposed. But we certainly think this is an opportunity where banks can help these RMs shift more of their attention to high-value interactions with their customers.

RM: What can banks do now to help RMs build that capacity?

RC: So we've identified three operational levers that we think banks can pull to help make the greatest impact. The first one is streamline. And that involves reimagining and redesigning inefficient processes, and redesigning them in a way that is very customer-centric. We started to see this in the industry already with how banks have begun redesigning the onboarding process for many products, and also onboarding to the bank in general.

The second is automate. There are quite a few manual tasks that RMs often encounter on a day-to-day basis. And there are now more tools available than there ever have been before in this space that could help automate these tasks, and reduce the manual effort for RMs.

And then the final one is assist. Assist can be thought of in two ways. Traditionally, assist has been handled around adding other resources and other roles around the RMs to move the capacity away from the RM. But there's also now virtual assistants and AI-driven solutions that are fairly new to markets, but that we're seeing leading banks take advantage of. And these solutions can really help do things like capture notes, create calendar invites, set objectives and action items. So when you put those together, they can make an impactful difference on how much time you're able to alleviate from the RM's day-to-day activities.

JR: There's an important point here around the capacity and how banks, one, define it; and then think about it. And Rishi, all those points are fundamentally spot on. What I see happening, if you think about this again, you've got a couple of days that are freed up, if you will, because you're not traveling. And what I see happening is that the role of the relationship manager is changing as we speak. And it's frankly changing rather organically. So banks have a choice here to allow each RM to define what the new way of working is for a relationship manager, or they need to put a strategy in place, and also think about how we do this, and bring the RMs along as part of that journey. Because they're going to know what works best.

If I've been a relationship manager for the last 15 or 20 years, and I am very relationship-centric and focused on being out in front of folks, and all of a sudden I'm staring at a computer screen. And like the example before, I can't even turn my camera on. I'm scared, one. I don't know what to do and I'm trying to figure that out on my own without the support that I need to be successful.
JR (continued): On the other side of that, you've probably got some folks who are relatively new as RMs, who are more digitally savvy and thinking about how they can capitalize on the fact that they're grounded to be more effective. So how do you bring those two things together to define the way in which you're going to build that capacity, and then define how you're going to deploy that capacity more effectively? And I just can't state it strongly enough. The strategy here is the bank's decision to make right now. It's changing—it's probably never going to go back to the way it was. So how are we going to drive this to make sure that this time we take the opportunity and we drive to a truly digital relationship manager type of model?

RM: Jared, you also mentioned that relationship managers need to be equipped with deeper, more timely insights. Why is that important and what can banks do to achieve this?

JR: So we talked a bit about the criticality of this, because of the environment we're in. Relationships are always going to matter. I don't want to discount how important that point is. But when you pick up the phone or you start a video conference and you don't have the insights, there is somebody else who's going to be there with the insights, especially when customers are in this type of need that they are now. Consider the fact that if I am running a small business, I am scared. I'm talking to who knows who? My parents, my suppliers, and hopefully my banker. But it shouldn't be in that order. It should be I'm talking to my banker, because I trust my banker to have the right insights and the right experience to tell me and guide me through this.

So it becomes very obvious why and how this is so important. And I can't stress enough how important it is that banks think about this with the level of empathy that they just haven't even comprehended in the past.

What banks can do to achieve this is to begin to deploy these tools that actually make this pretty simple and straightforward for the RMs to use. For years, we've been trying to put insights into RMs hands to make and drive these meaningful conversations. But we have probably done that through CRM tools and through static PowerPoint presentations, and not in a way that is unique and specific at the client level. So when I think about how we drive this forward in a very different way, if you fundamentally switch a CRM tool or Salesforce or Dynamics or whatever to something that has historically been a management tool to say how does my sales pipeline look—are you closing these deals?

Truly, to shift from a management tool for me to make sure my RMs are doing what I need them to do, to one that is full of insights and value—that shift is so critical. And when I look at that CRM tool and I put this information out there, if I'm an RM and I'm being told to use it, I'm going to begrudgingly do that. But if I see insights that help me have a better, more thoughtful conversation that is specific to my client, to the industry, to the geography; then I can have that conversation very straightforward, and it's a gravitational pull that says, this just makes me better. And that is so critical. This just makes me better, therefore, I'm going to use it. That's how banks have to do it. And bringing those tools and bringing those insights forward is really, really critical.

RM: How can banks leverage data to derive and then deliver those insights to the right client at the right time?

JR: You go back to COVID. There's been no time in human history when this thing could have happened and been as successful as it has been. Technology is helping drive us to be effective. We're having this webcast from all of our homes. And those things are pretty fascinating. When you think about that as it applies to data, we are now in a position where there are just droves of data available for us to be able to drive into and build those insights, and to be able to get them in front of our customers.
JR (continued): So we're now seeing commercial banking firmographic data, client specific information, industry data. Bringing that together with the bank's information datasets provides us the ability to start doing just that, and building up some simple and straightforward use cases.

RM: Can you give us an example?

JR: I can. There's plenty of ideas out there, but let me stick with this idea of a new COVID-related example. So if you think about a new boutique retail shop that has recently opened up. And this is a customer of a bank for let's call it 3 to 6 months, a relatively new relationship. The first thing we should be able to do – and I'm thinking about this customer, and we'll come back to it – is understand: are they in a COVID hotspot? Texas or Florida, for example? And are they in a heavily populated area? Is that something that we're seeing? Are we able to see that they're in a tourist location? Are they heavily dependent on tourist dollars? That firmographic data that starts to help us be able to segment, that is fairly straightforward in some respects, and it's easy to get to, right? But that view of the customer also allows us to start to think about what their circumstances look like. So that's the first part of that example.

The second, if we just continue down the path here, this new customer, new boutique retail shop, so they haven't broken even. And just before COVID hit, what did they do? They secured a long-term lease on a commercial space. So all of a sudden we're sitting here with some information that says: we have a high-risk industry. It's retail. It's in a high-risk COVID hotspot. And they're selling non-essential goods and services.

All right, so if we think about those things together, we're starting to be concerned. And we're starting to see the idea of machine-learning and deep algorithms helping us to drive this forward. So if you think about that, and add that we see that driving into lower cash flow, potential liquidity crunch, heavy fixed assets, overdue mortgage payments. All this is really, really concerning if you are a bank. And then how are we going to help this situation? Think about what we can do for them, right? So this is where we now have identified this in our tools, and we say, we have to think about how this parleys into what we already have in some predefined courses of treatment or treatment strategies. Or that this situation says, okay, this is relatively new. We think there's some opportunity here, but clearly there's a restructuring need at best, or at worst we're going to have a potential write-off.

So we're going to begin that analysis. We're going to go through some behavioral. Let's see what's there and move that forward. And at this point, all of this is information that the bank has collected essentially systematically to put in front of the credit officer and the relationship manager. And we contact the client before they contact us in crisis and say, I'm here to help. And all of that is there, and that information is there. And we've talked to this client. We helped them through this scenario to say, we can help you restructure this and drive you through this, and understand the impacts of PPP, et cetera.

So those are some examples, a fairly complex example, of the different ways in which we see banks right now being able to pool the power of data and analytics to work to help customers through these scenarios.

RM: Interesting. The third step commercial banks need to take is to transform their service models. Rishi, why don't more traditional models work anymore?
**RC:** We find traditional models are probably not as effective as they could be. They normally rely on grades such as customer size, which is based on revenue, credit need, and then the industry those folks are working in. But however, our research suggests that if you look within those subsegments, there’s a multitude of different dimensions that vary, even when looking at a customer that is in a specific credit or size segment. And we think to help maximize the customer lifetime value and how a bank can service those customers, picking at those distinct dimensions that are further detailed and granular within the segmentation model that currently exists can be important things to tease out and to form new interactions, coverage and engagement strategies that are most impactful to your clients.

**RM:** So what might be a more effective way for banks to segment and then service their customers?

**RC:** There's a few key variables that we see to be highly effective when they're overlaid with each other to achieve some of these impactful results. The first one is value, and really looking at how valuable a customer is to a bank in terms of product holdings, interactions, and what their future projections are based on some historical evidence and insights we have from other clients. The second is behavior. Just because a customer holds a certain product or fits into a specific dimension of lifecycle, I think it goes a step further to really see how they're using that product and how they're engaging with the bank. What channels are they really relying on, and how frequently do they contact their RM versus using digital channels? By factoring in behavior, you can engage with a customer in a more tailored approach that is best suited to them. And the third one is firmographics. Now this is similar to what Jared was alluding to in his example. By taking a combination of demographic data and geographic data, you can really narrow into very specific life events or environmental events that may be impacting that customer, so just like the COVID hotspot example that Jared alluded to.

We find if you overlay value, behavior and firmographics, it's a great place to start, to begin to get to a much more detailed and granular engagement model that could help you have a tailored conversation with your clients at the right time and talking about the right items that are impactful to them, while also limiting the impact to the capacity and the loading on your RMs, because they’re now engaging in a more strategic manner.

**RM:** So what’s the bottom line for banks? How can implementing these three actions improve RM performance and boost revenue?

**JR:** We’ve been talking about this for a decade, and now is the time to move forward. The tools exist and the need exists. The RMs are in a very different environment than they’re used to, and they’re scared. They don’t know how to proceed. They’re looking for help. They’re looking for tools. They’re looking for ways to do business in an environment that’s more challenging than ever. At the exact same time, our clients have a once in a lifetime crisis that's in front of them, and banks who react favorably to help their customers across this bridge, if you will, are going to be the ones that have customers for life. Those who can't figure out how to do just that are going to lose these customers, and they're going to fall behind.

But simply put, the need is here. The technology is available. And we have the opportunity right now to define this strategy, as opposed to just let it happen to us. It's changing as we speak. The RMs are just figuring it out on their own, and the banks that define the strategy, that think about their customers, that drive towards digital, they are the ones that are going reap the benefits of better client satisfaction, improved revenue, reduced credit losses – more so, I even think, than ultimately long-term sustained relationships.
RM: Well, so how can our listeners find more information on all of this?

RC: Sure. The full report on our empowered commercial banking relationship managers can be found at our website at accenture.com/commercial-bank-rms.

RM: Well, Jared and Rishi, thanks so much for your time, and thanks to our listeners for joining us. Stay safe, everyone.