# Tech Mahindra
## BUSINESS SERVICES



Disruptive Approach to
# Personal Banking

Relationship Manager (RM) is the single point of contact between the bank/financial institute and the customer for all financial needs of the customer. In the personal banking space, the role of a Relationship Manager is very crucial in developing a mutually beneficial relationship.



## Critical Success Factors for RM

**Trust:** Soft skills are difficult to acquire but pays quite well in the long run.

**Responsiveness:** Proactive and professional approach and responsiveness to each customer request is very critical to build a brick-by-brick relationship of trust, where financial decisions can be taken.

**Financial Acumen:** Genuine financial acumen, latest market intelligence/information, and flexibility of thinking are imperative to recommend a solution or to service the customer in a better way.

**Timeliness:** In addition to responsiveness, it has been observed that "no" is an acceptable response/solution, provided given well in time. The bad news should travel fast.

**Capability to satisfy customer requirements:** The organization standing behind an RM should have the capability to service the customer in the longer run for a lucrative/mutually rewarding relationship.

# The Evolution of Relationship Management

Performance of Relationship Manager (RM) is defined by multiple parameters, fundamentally the domain but effectively their interpersonal skills and organization ability to endure the customer experience. This paper discusses in detail about the critical factors responsible for a successful client relationship, including but not restricted to RM's financial acumen to responsiveness. Key challenges faced by a RM and its counter measures.

There is a need for a personal banking relationship management that disrupts the ongoing practices of personal banking and wealth management to provide cost efficiency by delivering robust and scalable ecosystem driven by analytics, automation, and digital practices

The paper concludes with the importance of a human factor to strengthen the partnership between the customer and the bank and proposes maximum use of technology to provide fast, simple, robust, sustainable, and scalable solutions to customer.

# Key Challenges in the Process

## Poor Connect

RM-to-Customer ratio is not manageable on a dedicated bandwidth as expected and may not be financially viable in many cases. High attrition and resource cost to retain talent is a regular concern for the HR. Changing regulatory regime demands RMs to be well educated, certified in the given area of performance, especially for client communication guidelines and product information.

In the absence of time to remain thorough in their knowledge area and with poor analytical skills, RMs are only selling solutions that are internally pushed and priced against rewards. Poor analytical skills to understand the risk appetite and match the real expectations of customer also contribute to failure of zeal or potential success in the relationship.

## Plain Vanilla Service

RM develops customer value lifecycle based on assumptions while serving the customer to a certain level. Mostly, they have very low expectations/estimations of the customer value, which is another dormant factor responsible for poor performance of effort and investments made by the banks.

Bank/FI fails to institutionalize better client/customer experience and improve predictability of client interaction.

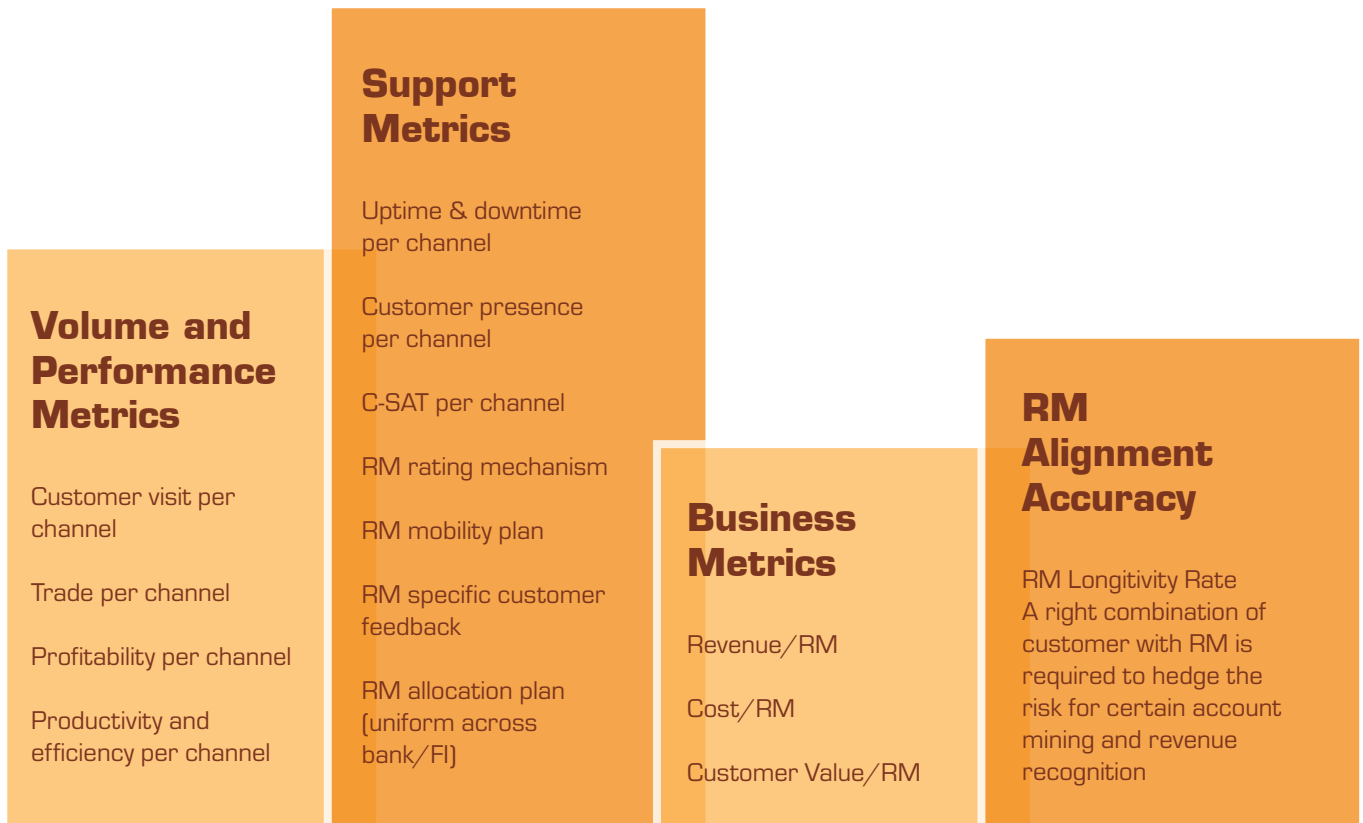## Best Practices Based Approach to Relationship Management

A well-thought out strategy to seek a holistic customer connect, spearheaded by human touch, and supported by agile technology can strike the right balance between sustainability and robustness of any relationship.

The present operating model interacts via multiple channels on parallel lines without any integrated view of customer connect, which is required to seek strategic understanding of customer expectations, needs, and suitable offerings.

Make a "Customer Connect Framework", for a robust and scalable system. This can have 5 layers of influence and each layer/circle contributes to augment the relationship with the customer, establishing a proactive and structured approach to seek investments from customers.

- **Personal Channel Connect**
- **Non-personal Channel Connect**
- **Data-driven Due Diligence**
- **Alignment of Product Lines**
- **Customer Service**

# Personal Channel Connect

## Volume and Performance Metrics

Customer visit per channel

Trade per channel

Profitability per channel

Productivity and efficiency per channel

## Support Metrics

Uptime & downtime per channel

Customer presence per channel

C-SAT per channel

RM rating mechanism

RM mobility plan

RM specific customer feedback

RM allocation plan (uniform across bank/FI)

## Business Metrics

Revenue/RM

Cost/RM

Customer Value/RM

## RM Alignment Accuracy

RM Longitivity Rate
A right combination of customer with RM is required to hedge the risk for certain account mining and revenue recognition

# Non-personal Channel Connect

- Leveraging technology can help a great deal in building partnership with customer using agile and relevant service offerings.

- With the flexibility to offer any time-any product, banks/FIs can very closely integrate customers with the human and technological systems to reduce dependency on traditional channels or the RM.

- With the huge push for mobility, internet, and channels of mass communications, there is a possibility of gaining and losing the customer. A structured communication plan via integrated messaging can educate and train customers to survive and seek support from the ecosystem that banks have developed.

# Data-driven Due Diligence:
## Business Intelligence and Analytics

Actionable insights derived from regular analysis can help connect the dots between opportunity and capability with customers:

- Product-specific research and mapping to customer categories

- Customer-specific research and customer profiling

- Market-centric research and intelligence

- Forecasting of trends

- Regular offerings can release a lot of burden from the RMs and they will be able to take support of BI team in sharing the intelligence with their customers.

## Align Product Lines

- Up-sell/Cross-sell models; pattern of offerings based on identified parameters and requirements

- Branding opportunity by extending short period offers and services gives exposure to multiple service areas

- Avoid sending duplicate messages via multiple email requests, SMS, and tele calls, maintain a log of customer connect on CRM or other case management tools so that customers are not be peeved by the pestering calls and tinkers.

## Customer Service – Maintain the Human Touch at the Core

- Schedule or calendar of customer connect using an online, cost-efficient mode is essentially required

- A centralized system of follow up and close customer request can affirm an impression of a smart bank/FI and ensure loyalty of customer

- As the engagement is long term, there are ample opportunities to build and regularly capture customer requirements, feedback, risk appetite, and educate them

- Customers hate surprises, ensure that all information is given to them beforehand

# Benefits

- With eased out customer RM connect, attrition of RM has a significant impact in reducing the rate. RMs are able to develop an approach plan with their key customers and can also share the prospects with their virtual counterparts to tap other opportunities.

- Customers maintain their relationship with the Bank/FI where they are getting an experience of co-creation and learning opportunity. In a more trusting and informed environment is conducive for faster and higher investments.

- Secure higher investments per customer.

- Improve customer satisfaction.

- Digital assurance, optimized channels, and business agility.

# Transformation Process with TechM BPS

Tech Mahindra's Customer Connect based ecosystem is spread over four layers Digital, Automation, Analytics and Consulting.

### Digital
Digital channels have transformed the way we do business, with unified desktop and omni-channel experience we can create multiple avenues of customer management utilizing IoT and disruptive principles.

### Automation
Wealth management involves multiple processes in the back end and front end. Our RPA(Robotic Process Automation) offering can be successfully used to automate several tasks leading to significant cost benefits, reduction in errors, and improvement in real-time visibility.

### Analytics
Data inputs from across the customer journey and value chain from actionable insights proposed by machine learning algorithms will help analyze the trend and forecast demand, cost, and timelines.

### Consulting
Tech Mahindra's proprietary Virtual RM Framework ensures that the transition is completed in 15 to 18 weeks. With several decades of process management expertise, we can quickly identify cost take out opportunities.

# Customer Story

TechM BPS has deployed this approach for a leading South African bank and has given significant impetus to channel optimization. The client is keen on optimizing the presence of their customers on each channel and reduce cost per channel. A comprehensive project on channel migration has facilitated mass migration of customers from offline mode to online mode, and helped our client save ZAR 10 Million+.

# Conclusion/Summary

The TechM BPS Customer Connect Framework offers a predictable approach to reduce dependency on relationship managers in the wealth management space by affirming and utilizing the human factor to strengthen the partnership and leverage technology to make businesses robust, agile, and sustainable. Data-driven marketing makes the ecosystem stronger in the long run.

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