WHITEPAPER

Engaging Relationship Bankers in Treasury Management Go-to-Market Strategy

How can you build and strengthen partnerships and collaboration within the bank as you're working on go-to-market (GTM) strategies and execution? By understanding the goals and objectives of relationship banking and collaborating across teams, your bank will bridge the gap between your clients and your treasury management priorities. This growth will lead to share of mind across teams, share of access within the customer's organization, and share of relationship wallet when it comes to key banking decisions.

This short paper captures some aspects of the conversation from a roundtable hosted by Strategic Treasurer and Deluxe during December 2022. Roundtable delegates included treasury leaders at global, super-regional, and regional banks. Some relationship bankers joined in the discussion as well.

Share of Mind, Access, and Relationship Wallet

If everyone is busy, what can move relationship bankers in the direction you need? What are their key roles and motivations?

Since a relationship manager (RM) acts as the quarterback for the bank's services and credit, they have many options and many people who want them to run their plays. Staying top of mind is a balance between two important ideas:

1. *Discuss the value.* Since treasury management is a foundational aspect of each of their customers, a certain level of proficiency is required by corporate bankers. Accordingly, treasury teams must make continual progress on keeping the RM aware of the main value the bank's treasury offering brings to the table. Making this link through regular dialogue, both in front of customers and apart from customers, can solidify the learning.
2. *Be an advisor.* It makes a massive difference when the banker is comfortable knowing the treasury management team will protect and strengthen the relationship and provide the special teams expertise. This is largely achieved by building a track record of successful actions and care with the relationship. This is the trusted advisor part of the job.

Relationship planning sessions indicate the right type of strategic connection. Being asked to respond to an account analysis statement with no context is a clear indication that more work has to be done with the relationship team.

For relationships with RMs and corporate customers, the maxim that "people don't care how much you know until they know how much you care" holds true. A growing share of their wallet isn't possible over time without a growing share of their mind. This is based upon earned trust and consistent execution over time.

An Open Technology Ecosystem

The world of treasury is highly digital and is leaning in to become more and more connected. Technology partners are essential to achieving the type of growth and success that is desired. How should we think about competition and cooperation?

The concepts of open banking and open treasury are about connectedness and efficiency. No bank can build all the systems and services they need on their own. They require partners to make this work. These partners are primarily financial technology firms (fintechs) who can help deliver the full solution set to the bank's customers. In the past, fintechs were largely considered disintermediators of the bank's clients (and their wallets) and were used as a last resort. Now, the mindset has clearly changed, and a more cooperative environment has emerged in place of this "competitor" view. Fintechs can allow for faster development and deeper connections with customers and are additive to the relationship. The bank's strengths as a long-term advisor, provider of credit, and secure deliverer of treasury services allow them to maintain their leading relationship role.

It takes an ecosystem to deliver for the clients, and more effective delivery improves the relationship. Clients want what is best for them — advice, services, and commitment. The trusted advisor can deliver services across a range of players safely within their ecosystem.

Technology can change long-standing relationships. It is seemingly part of every process and is essential for long-lasting and growing relationships. The more connected and embedded a bank's services are into the client's processes, the more vital they consider the relationship. Becoming part of the extended process requires a level of trust. This trust is earned over time and through commitment.

Focus on Differentiation

Perhaps the biggest impediment to growing a relationship and adding sales is the inertia and the effort required to get things moving. New sales are greatly limited due to an inability to see how much better things can get.

RMs often learn first by understanding the fundamentals and then focusing on key points of differentiation. Being able to point out the areas of differentiation and challenge a company to examine these differences and develop healthy two-way communication is the mark of all successful bankers. One-way information dumps are both ineffective and intolerable.

The RM likely has the strongest understanding of the company's economic and value drivers among anyone at the bank. Nearly every treasury service has a connection point to cashflow, business risks, and overall efficiency. The RM has the ability to help the client see the strong connection between the offering and their business drivers and can best tailor the conversation. To help them do this, the treasury team at the bank must help the RM understand the key features and points of differentiation. This allows for a sale of operational services to be directly connected to the company's strategic imperatives.

Overcoming real impediments requires this level of conversation. Significant impediments often include:

- *Management priorities.* There is only so much time, energy, and money available to meet management priorities. Limited resources get ranked and calibrated. Help the company and the RM properly calibrate the options they are evaluating.
- *IT resources.* Often the biggest hurdle is having enough IT resources available to onboard a new service or a new bank relationship. This, too, requires the link to the strategic to ensure resources are assigned. However, many treasury services are becoming easier (or perhaps less difficult) to implement. The treasury team, and not the RM, has to be well versed in helping to properly size the work effort and show how the bank or fintech can take on much of the more involved work.

Final Thoughts

Shortening the time to revenue requires making a strong link to the corporation's value drivers.

Creating the link to the corporation's value drivers requires an engaged RM team who understands the key differentiators and is comfortable making the connection and pressing the conversation in a gracious but firm manner. It also requires a team approach, which includes the RM and the specialist team (treasury). The team approach requires the same goal and the same set of plays. It requires that the different roles be clearly defined and carried out effectively. This further requires preparation and the right partners, including fintechs that are also aligned.