



White Paper



Driving Organic Growth:

Identify and Capitalize on
Cross-Bank Referrals in
Corporate Banking

TABLE OF CONTENTS

Driving Organic Growth: Identify and Capitalize on Cross-Enterprise Referrals	2
Identifying Referral Opportunities	3
Shared View of the Customer.....	3
Enable Global Account Planning Across the Enterprise	4
Track Significant Customer Events	4
Model Extended Corporate Relationships.....	5
Routing Referrals Appropriately	5
Ensuring a Consistent Customer Experience across Lines of Business.....	5
Balancing Transparency with Regulatory, Visibility, and Data Residency Requirements	6
About NexJ Systems	6
Conclusion.....	7

DRIVING ORGANIC GROWTH: IDENTIFY AND CAPITALIZE ON CROSS-ENTERPRISE REFERRALS

Corporate banks are increasingly focusing on driving revenue growth by selling more products and services to existing clients.

Maximizing the value of existing customers makes good business sense. These customers already know and trust the firm and there is a wealth of client information in company systems that can help identify new opportunities. It is far more cost effective to sell to existing customers than to find and bring new customers onboard.

Unfortunately, data silos across regions and lines of business, and regional data residency requirements make it difficult to share information across the enterprise. Existing customers therefore continue to be a largely untapped revenue source for many banks.

The status quo is about to change, however, as these organizations redefine their enterprise referral model. No longer limited to the traditional referral model in which bankers mine their portfolio of clients to develop new relationships, the new paradigm involves enterprise-wide cross-bank/cross-product collaboration that maximizes the value of existing customer relationships. In this new world of referral management, firms will use cross-bank and cross-product referrals to gain access to a wealth of untapped revenue, including:

- ▶ Cost-effective revenue growth
 - Deepening established customer relationships is cheaper than acquiring new customers
 - A vast amount of cross-sell opportunities already exist in the customer base
 - Tapping into identified needs results in faster sales with a greater likelihood of closing
- ▶ Longer lasting, more loyal relationships
 - The more products and services clients hold with a bank, the less likely they are to defect
 - Users can share appropriate customer information from siloed systems across lines of business to deliver a superior, tailored experience at every interaction point
 - Deeper customer relationships make customers' firms feel valued

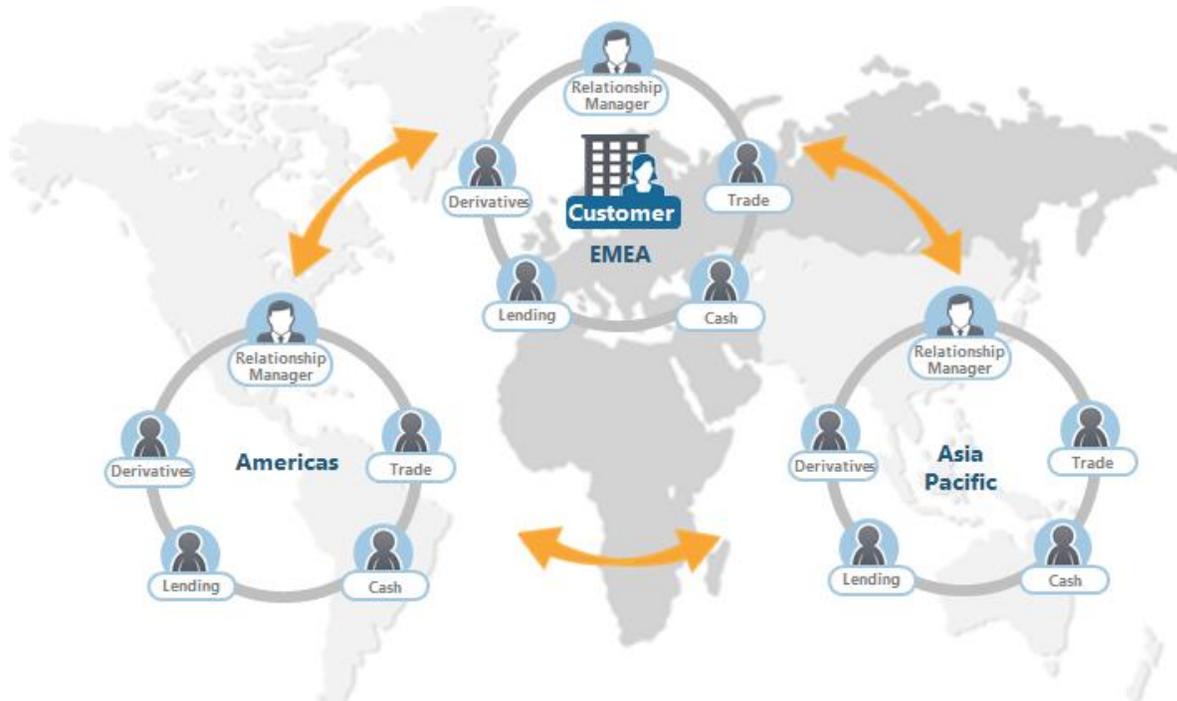
By establishing a shared view of the customer across the enterprise, firms are better able to share information and leverage workflows that support cross-bank referrals.

This new enterprise referral model is powered, largely, by advances in technology – specifically, the ability to integrate siloes of customer information into an enterprise view of the customer that can be shared across lines of business, without violating regional data residency requirements or sacrificing line of business-specific workflows and best practices. By establishing a shared view of the customer across the enterprise, organizations are better able to leverage information and workflows that support cross-bank referrals in a way that was not previously possible.

Integrated CRM plays a key role in a successful referral management program, coordinating the many moving parts of a cross-bank referral initiative to help corporate banks:

- ▶ Identify and collaborate on opportunities across regions and lines of business
- ▶ Route referrals to the right individual or group in a timely manner
- ▶ Ensure a consistent customer experience across lines of business
- ▶ Support regulatory and privacy requirements

Therefore, to maximize the value of the existing customer base, leading financial services organizations are implementing integrated enterprise CRM solutions to manage cross-bank referral initiatives.



IDENTIFYING REFERRAL OPPORTUNITIES

Cross-sell opportunities abound in large banks. It's critical that staff across the enterprise not only recognize these opportunities but also learn how to gain information at each interaction that can be used to create future referral opportunities.

A key challenge lies in helping individuals across the organization identify opportunities for referrals. This can be difficult to achieve in an organic manner as there are many factors involved – referrers must not only understand the customer's existing portfolio, needs, and relationships, they must also understand their organization's offerings across all lines of business. Furthermore, staff must be provided with organic opportunities to expand the firm's knowledge of the customer.

Integrated CRM allows users in different roles and lines of business to more easily identify cross-bank referral opportunities owing to its ability to:

- ▶ Create a shared view of the customer
- ▶ Collaborate on account planning across the enterprise
- ▶ Track significant customer events
- ▶ Model extended corporate relationships

Shared View of the Customer

Traditionally, the different lines of business in financial services organizations operate independently. They typically have siloed software systems and data sources containing information that is not shared across divisions. Integrating customer profile, financial, transactional, and interaction information into a shared view of the customer enables all staff to act on previously unavailable customer knowledge to drive new sales opportunities.

A shared view of customer information can help staff across the enterprise understand each customer's current business and potential needs. For regulatory and privacy purposes, this view must be tailored with appropriate security to display core information to users as well as supplementary data that will differ by user role, division, and region.

Armed with this view, any authorized employee will be able to quickly view the products and services held by the customer, recognize opportunities for referrals, and record data gathered during the interaction that could point to a future cross-sell opportunity.

A comprehensive customer view created through integration with line of business-specific systems and updated in real-time with new information from interactions across the firm is a key component of a cross-bank referral initiative, as it makes previously unavailable or difficult to access information available to more users across the firm, allowing them to grow their business. For example, a commercial customer might mention to her relationship manager that the parent firm is in the midst of a corporate spin-off. While this information may not be of immediate use to the relationship manager, it provides valuable cross-sell opportunities for the firm to provide capital markets, commercial banking and insurance services to the newly formed company.

Enable Global Account Planning Across the Enterprise

Integrating enterprise data has another key benefit: it enables teams of relationship managers and product specialists to collaborate on proactive annual account planning to maximize customer value across the organization.

Relationship managers can leverage customer analytics to determine existing products and services held by the customer and to identify possible gaps based on the customer's needs, relationships, and circumstances. They can then enlist the help of regional and product specialists for multi-region, multi-product opportunities.

With integrated campaign management and comprehensive reporting and analytics, organizations can regularly mine their existing customer base for new opportunities. The resulting information can drive campaigns that span multiple lines of business and route referrals to product specialists across the enterprise. Authorized users can control the process by defining the campaign steps and escalation processes and monitoring the progression of referrals through the campaign.

This ability to conduct global account planning and promote the output to targeted campaigns enables firms to control costs and deliver personalized service by marketing only to those clients who have a need for the product or service offered.

Analytics can also help produce deep data-driven insights about customers and predict future actions based on past behavior. These predictive models can identify the ideal targets for cross-sell referral opportunities.

Track Significant Customer Events

Referral opportunities often arise as a result of company events, such as an acquisition, spin-off, or IPO. An integrated, enterprise CRM solution enables users to leverage information gained through a customer loyalty program, customer insights program, social media, news, and interactions in multiple lines of business to take advantage of previously unknown cross-sell opportunities.

Integrated CRM enables any user to capture key data at any point in an interaction and share the information across all lines of business through the comprehensive customer view. A customer loyalty program provides the regular touchpoints required to learn more about customers and their needs. Information and notes captured in the enterprise solution can then be used to drive future cross-sell and upsell opportunities.

Companies can also leverage analytics-driven insight selling to identify opportunities by tagging customers with global macro-economic, regional, sectoral, or company interests. An integrated CRM solution with insight selling capabilities can then populate the client profile with relevant information from analyst research documents which can help generate ideas for new opportunities and automatically suggest appropriate products.

Social media and news monitoring can further enhance the customer profile with corporate information that organizations can use to better understand customer needs and identify referral opportunities. Analytics can then be applied to mine the information available through the social network, and predictive analytics applied to drive intelligent, proactive interactions.

Driving Organic Growth

This strategy of leveraging events to drive cross-sales becomes even more valuable with an integrated CRM solution that tracks events and provides intelligent alerting to eliminate the need for manual recognition of significant new data. The CRM solution can be configured to identify information of importance to various lines of business, automatically notify the appropriate user of the opportunity, and escalate the opportunity if it is not followed up on within a defined time period.

Model Extended Corporate Relationships

Customer relationships are a rich source of referrals and cross-sell opportunities. An integrated CRM solution with robust relationship modeling capabilities enables firms to create referrals in the context of related companies and commercial relationships. Users can update and add key relationships as new data comes available and this information would immediately be available to other users for cross-sell, upsell and new interaction opportunities. Relationship modeling could also enrich the event tracking described above by modeling corporate events. For example, a product specialist could create a parent-child relationship when advised of an acquisition. The CRM solution's intelligent alerting model would then prompt the appropriate insurance salesperson to contact the firm about consolidating insurance coverage for the acquired company.

ROUTING REFERRALS APPROPRIATELY

Once identified, it's critical that referrals be routed to the right person and acted upon promptly. Referrals often relate to a real need so it's important that they be followed up on quickly to avoid missing the opportunity to close an easy sale. Referral follow-up can help build the client relationship by fulfilling promises and delivering a full-service experience.

Enabling staff to easily identify the appropriate referral recipient from different lines of business is a common obstacle in enterprise referral programs. Staff that don't know how or where to direct information run the risk of losing or misdirecting referral opportunities. Organizations must therefore provide users with a solution that is simple to use, enables them to submit referrals to the appropriate person, track status and compensation, and receive referrals with customer information. An integrated CRM solution can provide numerous ways to handle routing effectively:

- ▶ Business rules can be used to drive the referral process beginning with referral creation and routing. Once the staff member enters the referral information, intelligent routing can automatically send the referral to the proper recipient or work queue and provide follow-up prompts or escalation if referrals are not acted upon within a specified timeframe. Once the routing step is complete, the same workflow can ensure best practices are followed throughout the remainder of the referral process.
- ▶ Shared work queues can be set up for teams of users or specialists by division or product. Staff can manually select the appropriate work queue from a list or business rules can be defined to automatically drive the referral assignment (e.g. by geography, investable assets, specialty, etc.) or next-available selection as part of a workflow.

ENSURING A CONSISTENT CUSTOMER EXPERIENCE ACROSS LINES OF BUSINESS

As cross-bank referrals introduce multiple points of interaction, it's more important than ever to deliver a consistent, high quality, customer experience. The goal of cross-bank referrals is to drive revenues and deepen customer engagement for longer-term relationships. An excellent customer experience must therefore guide every aspect of the referral management process, from asking for referrals at the appropriate time to tailoring service at every stage of the referral to maintaining high quality service across all lines of business touched by the customer. Organizations must take every possible step to ensure existing relationships will not be damaged by inconsistent service, repeated requests for information, or uncoordinated customer touches.

The solution lies in leveraging automation wherever possible to standardize referral management and customer service best practices. Integrated CRM allows for this and delivers:

- ▶ Automated workflows that standardize processes in accordance with company policies and industry best practices.

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- ▶ A comprehensive customer view that unifies customer and interactions data from multiple lines of business. This allows every user to easily access key customer information such as tier, products and services held, corporate structure information, last contacted, etc. To ensure compliance with regulatory and privacy rules, however, flexible security by user role is required to limit the view to core information plus any other data necessary for the user.
 - ▶ Integration of back-office systems can pre-fill forms and deliver customer-specific information directly to the referral recipient so customers don't have to provide their information repeatedly.

BALANCING TRANSPARENCY WITH REGULATORY, VISIBILITY, AND DATA RESIDENCY REQUIREMENTS

One of the biggest challenges of implementing an enterprise-wide referral program is balancing the need for transparency and oversight across lines of business and regions with regulatory, privacy, and regional data residency requirements.

Cross-bank referrals, by their very nature, introduce complex security requirements. Individuals in different roles and departments all require access to the same data in varying degrees, which results in complex data visibility rules. Corporate banks need a solution that enables users to share a common view of the customer across regions and product lines without moving data from its country of origin to meet regional residency requirements. To comply with regulatory and privacy requirements, security capabilities must provide:

- ▶ Transparency of program effectiveness for management
- ▶ Transparency of core customer data for all staff
- ▶ Restricted visibility of customer information by:
 - Line of business
 - Product or service
 - Region
 - User role
 - Any other segmentation dictated by the organization

A sophisticated CRM solution with flexible security by user role can limit the customer view to core information and any other data that is necessary for the relationship. It also enables organizations to change visibility on the fly to ensure compliance with company best practices and regulatory and privacy rules.

ABOUT NEXJ SYSTEMS

NexJ Contact for Finance is an enterprise CRM software solution designed specifically for the financial services industry. It combines industry-specific enterprise CRM functionality integrated with information from multiple CRM solutions, applications, and data stores to provide banks with comprehensive knowledge of the customer across the enterprise. By transforming information from a transaction- or account-based view to a customer-centered view, large enterprises can better sell to and service their customers.

Banks use NexJ Contact for Finance to centralize, streamline, and automate customer-centered processes so firms can gain new customers, drive loyalty, attract and retain top talent, and increase assets under management while ensuring compliance with regulatory requirements.

Driving Organic Growth

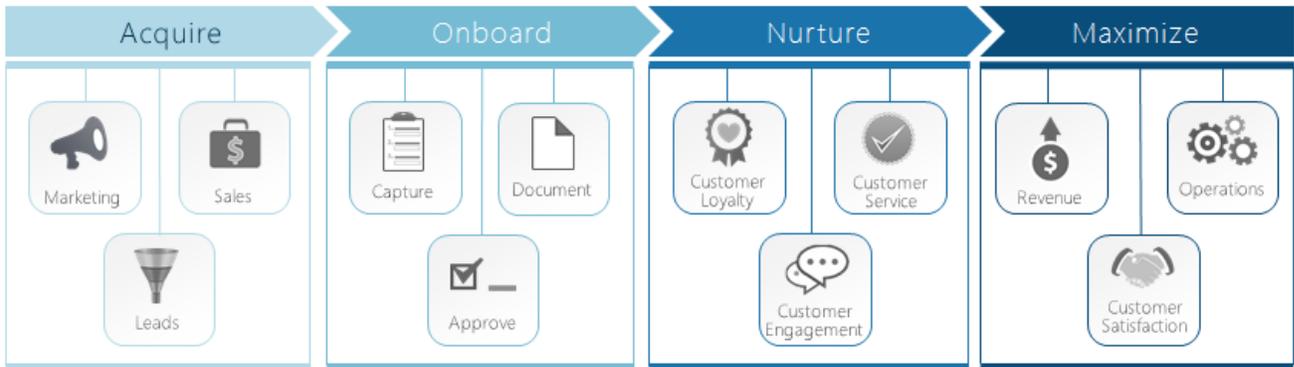


Figure 3: Enterprise CRM supports entire client relationship lifecycle

NexJ integrates with multiple disparate data sources and provides key functionality to support a comprehensive cross-bank referral initiative. NexJ provides users across the enterprise with a comprehensive customer view that can be customized according to role, line of business, or combination of security rules. NexJ's robust relationship hierarchy and intelligent service model enables users to model complex relationships and track events in the context of customers and related companies to easily identify and act on referral opportunities.

Referrals can be easily routed to the appropriate individual or team using NexJ's automatic, intelligent routing and work queue capabilities. Organizations can define business rules to drive the assignment and escalation of referrals according to flexible criteria such as geography, area of expertise, client tier, etc. Referrals can also be routed to teams of users, who can check referrals in and out of the queue to ensure responsive service.

NexJ automates workflows and delivers a wealth of actionable information and insights directly to users to facilitate cross-region and cross-product collaboration, drive intelligent interactions, enhance customer service, and dramatically increase profitability. Features include:

- ▶ Comprehensive customer view with complete interaction history
- ▶ Actionable dashboards and embedded analytics
- ▶ Runtime configurable, automated workflows
- ▶ Call lists with dynamic call scripting
- ▶ Bi-directional Microsoft Exchange synchronization
- ▶ Enterprise mobility for smartphones and tablets
- ▶ In-context third-party application integration

NexJ's comprehensive security model enables large financial services organizations to manage the entire referral management initiative in accordance with best practices and regulatory requirements. NexJ provides a highly configurable security model that enables organizations to define complex data visibility and functionality privileges by user role, line of business, and any other company requirement. To satisfy regional data residency requirements, firms can use the NexJ solution to build an enterprise customer view. The NexJ Enterprise Customer View enables firms to create a common view of the customer across all lines of business without sacrificing line of business-specific customer perspectives, workflows and processes or moving data from its country of origin.

CONCLUSION

Cross-bank referrals provide an excellent opportunity for banks to increase revenues and deepen customer engagement. Growing the business from within strengthens the entire company by bolstering the individual lines of business.

To capitalize on the abundance of cross-sell and upsell opportunities inherent across the enterprise, all staff across the organization must be able to effectively identify and route referrals, and deliver a consistent customer experience at every

interaction. Integration of enterprise data sources and systems is critical to overcome the siloed operations of financial organization's lines of business. In other words, staff must have ready access to the necessary data to understand their customers' needs and management must be able to track customer interactions and put the right strategies in place to ensure that cross-selling does not backfire.

Organizations looking to maximize each customer's value across the enterprise must put the right solution and processes in place now. A cross-bank referral model requires a sophisticated integrated CRM solution with referral management capabilities to manage complex data, workflow, security, and transparency requirements across multiple lines of business and regions. Thus equipped, financial services organizations will have overcome the greatest barrier to driving revenues and customer engagement across the enterprise.



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About NexJ Systems

NexJ is a provider of cloud-based software, delivering enterprise customer relationship management (CRM) solutions for the financial services, insurance, and healthcare industries. Our next-generation, people-centered software combines industry-specific functionality with information from multiple applications and data stores to provide comprehensive knowledge of the individual. Organizations use this knowledge to provide superior sales and service by enabling proactive interactions that influence behavior.

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