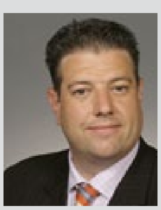
The Financial Services CRM Advantage

High-impact relationship banking.

Guiding high-value clients towards business success and profitability is the revenue-critical mission of every financial services relationship. Over time, as a pattern is established of smart decisions, decisive action and financial success, the account team earns a position of valued partner. In high-stakes finance, this position is the operational equivalent of striking gold.

In this business paper, you will read how financial services companies are using customer relationship management to converge people, processes, and products more effectively to earn the position of valued partner, and embark on true relationship banking — with the end result of growing business momentum.

Abstract
The fact is that those firms that have more productive teams spending more time in front of clients have a distinct advantage. In this guide, we outline specifically where the automation and personalization capabilities of CRM technology can help position your firm to capitalize on the Financial Services CRM Advantage.



About the Author
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High-Impact Relationship Banking

Whether you're managing, lending or investing it, the business of money comes down to individuals and companies entrusting their most important asset to you. Acute accountability is a part of life in this industry — especially when it comes to servicing a high-value book of business.

Signing high-value clients is a cutthroat game. But keeping them satisfied is the biggest challenge, and the biggest potential payoff. It's a very narrow window for success, and huge losses are associated with failure.

The intensity is often the appeal for people who thrive in high-value segments of the financial services industry. The key pillars of high-stakes finance — capital markets/corporate finance, commercial banking, private banking, and asset management — demand extraordinary concentration and decisiveness of action.

It's a vastly different world from the high-volume, low-value financial services found in retail banking.

In a single corporate finance deal, hundreds of millions of dollars can be at stake. It's imperative that the client feels total confidence and trust at all times, and that concrete, quantitative objectives are met. Because fortunes — and incredibly valuable clients — can be lost in the blink of an eye.

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In contrast, retail banking is about serving thousands of clients with limited value, en masse. Losing market share is not as much a question of failure to service a single account, but failure of operational process many thousands of times over.

Put simply, the critical difference between these industry segments is that retail banking is dependent on quality of brand, while high-stakes finance is dependent on the quality of individual relationships. Rather than focusing on the acquisition of new clients, relationship-dependent finance organizations such as private banks or commercial lenders focus on growing the existing book of business. Through profitable, intimately nurtured relationships.

Over time, as a financial services account team establishes a pattern of smart decisions, decisive action, and financial success, they earn the position of valued partner. In high-stakes finance, this kind of relationship is the operational equivalent of striking gold.

With so much at stake, the modus operandi of high-stakes finance today is to improve business momentum, relationship by relationship. High-value focused financial services organizations need to pay a level of attention to relationships that goes well beyond what companies in other industries would normally invest — especially if the goal is to achieve valued partner status. The sheer scale of investments makes this a literal truth. A matter of a few key accounts can undoubtedly swing the pendulum closer to profitability, or closer to foundering.

Without the right approach, the relationship banking mission can be a costly one. For financial services organizations — whether they are providing investment advice, funding large commercial projects, guiding the holdings of high-net-worth individuals, or managing asset portfolios — it is vitally important to have the tools to properly, intimately service these high-value relationships.

With increasing market noise, product commoditization, and declining client loyalty, the need for relationship banking has never been more clear.

Consider the following:

- Client loyalty is rapidly fading as products become commoditized, and access to competitive product information is freely available
- New channels are quickly emerging—industry observers see a seismic shift from away from an industry that historically operated exclusively out of local branch networks, to one of a multitude of new distribution channels, and clients are demanding fast, personalized service ('just in time and just for me') through all access channels, at their convenience
- Banks have seen a significant shift of assets to the mutual fund & securities markets
- Banks have employee attrition problems causing limited organizational memory
- 'Virtual' client intimacy is now possible through sophisticated technologies allowing insights into client behavior, needs, and profitability
- Regulatory reform is opening the industry to new entrants and competition is intensifying
- Client profitability is limited

> "To win, the intensity of client contact, focus, and knowledge must increase."

In today's shifting financial services landscape, building and sustaining business momentum requires an intense focus on the client — having instant and intimate knowledge, and using every interaction to demonstrate that knowledge and build client loyalty. It also means providing the channel of choice to clients, and aligning clients to appropriate channels.

Most financial services firms are not achieving the full potential of their client relationships. They may have successfully reduced operating costs through cost-cutting initiatives, but are still losing market share and profits to diversified financial institutions.

We know the key to growing business momentum lies in the quality, depth, and intimacy of client relationships. However, we also know that today's market demands supreme corporate execution, and cost vigilance. How can these two primary missions be reconciled?

Both come down to one thing: getting smarter when it comes to integrating business, data, and people. And doing it now. Because for every financial services organization that leans, with the best of intentions, towards business as usual ("we just need to get better at what we do"), there will be another that gets closer to operating at a higher, more sustainable, and more profitable level ("we just need to get smarter at how we engage in each client relationship").

Today, clients are more savvy about their choices than they ever have been. They recognize real-time response and market agility, and expect the processes of managing and growing their finances and investments to be streamlined. They want you to help them make smarter decisions, more often. Most important, clients need to feel they — and their financial assets — are closely guarded, constantly nurtured, and under the wing of the right people.

For those companies that choose to operate at a higher level, the sum of all the above parts is Relationship Banking.

The Challenge Report: The Financial Services Company

The challenges facing financial services companies tend to fall into one of two larger issues: the high rate of client attrition, and a general lack of visibility.

High Rate of Client Attrition

Clients today are highly savvy, self-sufficient and empowered consumers of financial information, advice, and products. Whether individual or institutional, clients are becoming more adept at navigating the sea of information, self-directing their financial assets, and 'comparison shopping' for what they perceive to be the best advice. This is good for clients, but puts the financial services companies serving them in a precarious position.

The high rate of client attrition underscores the importance of relationships—that clients view your company as a valued partner with a proactive, deep, and vested interest in their success.

> "It all comes down to one thing: getting smarter when it comes to integrating business, data, and people. And doing it now."

Lack of Visibility

Most financial services companies track, measure, and take action on the numbers, facts, and one-off incidents within accounts. With CRM, you track, measure, and take action on relationships, which is a larger more strategic perspective. You see the trees, but also the associations, patterns, and dependencies that make up the forest.

In a financial services organization, visibility is the ease of access, clarity, and degree of understanding into key areas of the business—a recognition of the links between people, incidents, and influencers.

Many companies struggle with blind spots in revenue-critical areas:

Poorly integrated information, people, processes. This industry generates massive amounts of data. Equally important is how the dataflow is accessed, controlled, and secured. Critical data elements are often poorly integrated, which means collaborating and sharing information is difficult and workflow processes are labor-intensive, redundant, and inefficient.

Lack of management perspective on corporate performance. Teams are typically burdened with extensive reports that flow manually upward to management. Management must consolidate and analyze these reports for visibility into performance, and to make the right business decisions. But without automation to ease the process and analytics to recognize trends, these reports are a hassle to produce and do not deliver the insight they should.

Lack of visibility into employee performance. Executives typically have very few tools to tell them if employees are reaching out to assigned accounts. When campaigns are initiated, they have no tools to track the follow-up to these campaigns — for instance, calls-to-close ratios are often not available. In addition, management often lacks an efficient system to manage incentive compensation in relation to individual performance. When incentive pay is poorly tracked or distributed, companies miss the biggest opportunity to ensure employees are highly motivated to follow best practices, and take advantage of every possible method to succeed.

Lack of visibility into coverage team activities. Banks use a team approach to commercial accounts and high-wealth clients. A team would be primed by the corporate lender and could include small business banking, accounting, audit, legal, and sales & marketing. Many times each team member does not know what the other team members are doing, causing no end of problems and redundancies in account management.

Ineffective territory management. Territory management is typically a manual, labor-intensive process using spreadsheets. When dealing with hundreds of lenders across many locations and levels, territory assignments and management is a very challenging issue. Poaching is common, causing key lenders to become disenchanted with an organization. Territory management also extends beyond geography to include territories defined by industry segment. For example, commercial bankers are challenged to make the right assessment of client risk without understanding the industry and competitive landscape.

Customer Relationship Management: What Is It?
Customer Relationship Management, or ‘CRM’, is a category of software applications used by companies to connect data, people, and processes across the customer-facing front-office (sales, marketing, service, and partner management). The simplest essence of CRM’s mission is to help companies know how their customers like to do business, so that customers keep coming back to buy more.

Not all CRM is equal — when qualifying vendors, make sure the suite of software applications has good breadth of capabilities across all customer-facing functions of your company. It should be capable of delivering everything from cash management flagging, ROE visibility, and portfolio allocation planners to relationship modelers, influence trackers, trading portals, research distribution engines, and more.

All these applications should work together seamlessly. They should also be available to deploy in modular phases, starting with only the components that address your most important business objectives. Even if you initially deploy one function (i.e. sales force automation), it is crucial that you have room to grow your solution, plugging in new functionality (i.e. marketing automation) as you measure ROI.

To learn more about what Customer Relationship Management looks like for the Financial Services industry, keep reading. This paper will provide specific examples of CRM at work in the areas of client retention, responsiveness, and internal efficiencies.

Divisional Challenges: What Keeps Your Leadership Team Awake at Night

The leaders of high-stakes financial services companies have a unique dialog within each division. No matter what the challenges, complexities, or visibility holes, the demands and questions of the top executives reflect critical success and failure points.

Capital Markets / Corporate Finance
Don’t miss a single deal again! We need to better manage our working group. Roadshow execution needs to be flawless.

Capital Markets / Institutional Sales & Research
We need to double our sales hit rate. How closely does our coverage team collaborate? We need to market events-driven investment advice. Do top-tier clients want personalized research? We need to distribute research via more channels.

Commercial Banking
Is the cash management team collaborating properly with the commercial bankers? Are we maximizing reach among top-tier clients? Do we consistently enforce our credit policy? Do we know who our profitable clients are? We need to personalize our client interactions and mass mailings, to make them worth what we invest in them.

Private Banking & Asset Management
Is our clients’ confidence in the markets waning? What are we doing to re-instill trust? We need to market events-driven investment advice. Do we base financial plans on client profiling? Do we serve our most profitable clients differently? What are we doing to create a more personal touch, and improve client loyalty?

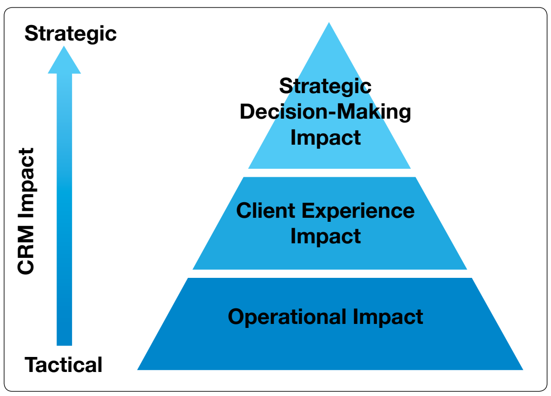
The Solution: CRM For Financial Services

Financial services companies who aspire to operate at a higher, more sustainable, and more profitable level are those who say, “We need to get smarter at how we engage in our client relationships”. Customer Relationship Management (CRM), a suite of software applications for integrated sales, marketing, and service, is the necessary ‘get smarter’ tool to enable relationship banking.

Where processes are weak, laborious, or roundabout, CRM streamlines. Where the wires of communication are crossed, CRM reconnects the right people sensibly. And where visibility is lacking, CRM brings clarity into the market, client activity, history and preferences, and overall business performance.

CRM delivers a great deal of functional, process-based tools to help employees be more productive in selling, marketing, and servicing the client base. In the next section, we’ll examine how operational level improvements map to increasingly profound impact at higher, more strategic levels of business.

Mapping The Results of CRM: The Spillover Effect



When financial services companies embark on CRM, three basic levels of impact can be measured.

The first level is primarily operational, with companies improving the quality and efficiency of interactions.

The second level of impact is client-based, when a more seamless experience improves retention.

The third level of impact, the most profound, occurs when companies make smart business decisions based on a new, deeper insight on the client and market trends that will shape profitability.

Let’s examine these three levels of CRM impact.

Level One: Operational Impact

Making the right connections: increasing EFFICIENCY and QUALITY of interactions.

The first level of impact that CRM brings is the improved speed, accuracy, and efficiency of internal processes, or improved productivity of individuals. At the most elementary level, CRM makes it easier for employees to interact with clients in a way that generates confidence — by enabling employees to treat special clients specially. In high-stakes finance, this level of intimacy is an absolute must.

In order to set the stage for relationship banking, CRM gives front-line employees the tools to own client relationships more proactively and profitably. For instance, account managers spend more time nurturing relationships, and less time wrapped up in redundant, tactical-level details such as internal multiple-screen data entry that do not add value to the client experience.

With CRM, redundant, laborious processes that once jeopardized the integrity of client relationships are redesigned. Let’s consider some key CRM-driven improvements at the operational level that smooth the path to happier and more profitable clients.

Minimize labor-intensive processes with automation. Move paper-intensive processes and records online (clients, products, status), and make the right connections for anytime, anywhere access. Then, add simple functionalityto streamline tedious workflow. For instance, add short and long-term client communication tools to plan ahead for most important clients, and collaborate with the coverage team. Add call-reporting tools to quickly, intuitively log information from client calls, such as products discussed. Automate call reports to capture client needs and preferences, spot up- and cross-selling opportunities, and add dynamic document assembly to automatically generate contracts and financial agreements in PDF format.

Unify multiple islands of data to a single platform. Link transactional and relationship data together to gain a consolidated, 360-degree view of all products held and services used by clients at any point of contact. Profile client base on wallet share, credit history, profitability ratings, financial account portfolios, assets, and products and accounts held with competing institutions.

Guide teams step-by-step to efficiently identify and close opportunities. Add functionality that automatically creates easy-to-use action plans. With step-by-step best practices that incorporate each client's financial or business life stage, make it easier for employees to proactively identify up- and cross-sell opportunities.

Proactively manage portfolios. Portfolio management tools flag which area of a client's portfolio requires attention.

Add this functionality to consolidate profile and risk tolerance information, and share with a third-party application that calculates optimal portfolio mixes.

Streamline team collaboration. With team call planning functionality, quickly plan client calls such as investment reviews. Designate and automatically schedule activities for other team members on a client account with a clear action plan, ensuring that clients receive personalized, consistent service.

Establish & unify new interaction channels. Connect all channels, and synchronize contact center, coverage team, and Web interactions. Allow each client to choose their preferred communication channel for optimum convenience (web, email, phone).

Clearly, financial organizations see dramatic impact from CRM at the tactical level. The productivity of individuals will increase, and labor and paper-intensive processes will be streamlined. Let's look at the next level of impact, and see what happens when these operational improvements become apparent to clients.

Level Two: Client Experience Impact
Presenting a more seamless experience to the client and knowing what you need to do to RETAIN.

The operational improvements described above manifest themselves powerfully from the client perspective. It's a sudden lack of friction, sluggish response, and unaddressed needs, and a sudden abundance of focus, familiarity, and consideration. This fundamental shift represents the heart of what it means to be engaged in relationship banking.

Clients today are more savvy than ever, and more likely to shop around for better, more timely, and more intimate service. In high-stakes finance, the sheer magnitude of what's at stake means there is no such thing as tolerable lag time. The process inefficiencies that simply frustrate the customers of other kinds of companies are dangerous blind spots for clients of financial services companies — the kind of blind spots that literally cannot be afforded.

Financial services firms operating in the capital markets segment, for example, need to have a high level of system availability to be highly responsive to client needs. A delay of even 15 minutes on a stock trade can tip the scales from profit to loss. Similarly, in a market where interest rates on loans fluctuate a great deal, being able to respond to commercial clients in a timely manner can make a big difference in the cost of financing for the client.

Consider a few examples of how properly-implemented, finance-designed CRM enables a more seamless model for interacting with clients:

Relationship officers or account managers are prepared when they visit clients. A CRM system will remove the need for the relationship officer to ask clients questions that they should already know the answer to. There is no reason, for example, why an account manager should ever have to ask a client about existing accounts. The CRM system offers them an easy way to know that information before they set foot in the client's office.

Account managers focus more intensely on selling. Account managers should spend less time at the office filling out paperwork or entering data, and more time in the field with clients. If data is entered into the CRM solution on-the-fly after each client visit (for example, call reports), there is no cumbersome entering and re-entering of data by your sales staff or administrators. After all, they are there to sell, not to push paper.

Account managers are more responsive to client enquiries. With a CRM system, client enquiries are all handled in real-time with absolute visibility into existing accounts, history, and preferences. Account managers will have instant answers, demonstrating confidence and trust to the end-consumer. All bank representatives are empowered to provide a higher level of client service.

The entire team demonstrates a constant familiarity and deep knowledge of client needs. With working group list management within corporate finance deals, for instance, gone are the laborious efforts to maintain and communicate the entire working group for each syndicate firm. The coverage team has instant access to every member firm, and the individuals working the deal (whether M&A, Equity offering, or Private Placement).

Response time to client needs is near instantaneous. Timely communication between Institutional Sales, Research, and Trading is mission-critical. With CRM, the delay in obtaining relevant industry or specific ticker information from the most appropriate source (Research Analyst), is dramatically shortened for Sales when interacting with a key client.

The second level of CRM impact is where relationship banking takes root — in which clients tangibly notice an extraordinarily seamless experience and a more attentive partner in their success.

Next, let's examine the third and most profound level of CRM impact in which companies begin making high-level decisions more intelligently.

Level Three: Management Impact

Understand greater trends and demands to make smarter business decisions for momentum.

At the most profound level of impact, your company will no longer waste effort trying to squash square pegs into round holes (in a very saturated market). Instead, you will conduct client interactions and create new offerings based on a clear understanding of the trajectories of demand, your business, and the market.

Think of your company as a collection of assets. Products, people, cash. Data, expertise, relationships. The trick to maintaining momentum in a challenging business environment is simply figuring out the right mix — identifying that point at which all your assets converge 'just so', to result in profitability.

With CRM having delivered stronger efficiency across the front office, how do companies figure out where to invest the additional resources, time, and money that's been saved? The answer lies in knowing and owning operational strengths and weaknesses, and making highly informed decisions that capitalize on the good, and minimize the not-so-good.

- Who are my most valuable clients? What are they worth? Who do they know? Who have they spoken to from my organization? When?
- If I close deal X with client segment A, what are the chances of up-selling to close deals Y and Z?

- What is the flight risk of each client segment? Who are the influencers and what are the risk factors in this segment?
- What kinds of factors have influence over our most valuable clients — people, market flux, life, or business stages? How can we anticipate these influencers, and counter or leverage them accordingly?
- Why is our average up-sell rate and deal size smaller among certain client segments?
- Should we create more variations of deal Y, or do we need to expand efforts to sell more of the existing configuration?
- Should we be even trying to sell in this particular region / target market / competitive arena? Does our win rate make it worthwhile?
- Are there any specific tactics that our top performing managers do that our lower performers aren't aware of?
- Do we have offerings now with market potential that we aren't promoting enough?

The moment that CRM's visibility helps a company to answer the most fundamental 'what next' questions is a breakthrough one, in which a new collective confidence is gained. It is that invigorating moment when the company begins directing the strategic path of its assets — its people, products, client relationships — from deep insight gained from smart, timely analysis of business performance.

It's good business sense to 'play to your strengths'. In high-stakes finance, your strength lies in a small community of high value accounts, either individual or institutional. An analytical approach based on a CRM system helps companies to deeply understand these accounts and their influencers, and grow the value of this revenue-critical community.

It's a matter of identifying the right mix of expertise, information, and high-margin products or services, combined with a weighted approach favoring your most valuable clients. This is the 'sweet spot' — that point at which all the right assets intersect for maximum business momentum.

KNOW YOUR	...THEN IDENTIFY THE RIGHT MIX OF	..TO GROW YOUR
Highest-Value Clients	Marketing Campaigns	Client Value
Highest-Margin Products/Services	Advertising	Wallet Share
Market Trends	Events & Seminars	Win Rate
Industry Trends	Product Interest	Up/Cross-Sell Rate
		Product/Service Penetration

CRM Suited to Financial Services

When selecting a CRM system for Financial Services, there are two categories of selection criteria to consider: System Suitability and Vendor Suitability.

System Suitability

Everything you Need, Nothing you Don't: Simplicity is a Powerful Thing
One of the most important philosophies to follow when selecting, designing, and building a CRM system is that of developmental precision — or making sure you get everything that's necessary, and no more. Employees, the most important contributor to CRM success, will adopt and embrace a system only if it doesn't overwhelm them. To make sure you develop CRM with precision, understand the concept of Breadth versus Depth.

'Breadth' refers to how comprehensive a CRM system is. If CRM has breadth, it has the right mix of functionality stretching across all the client-facing teams in your company. CRM with breadth has the potential to contribute in every function of your company, even if you don't do it all at once. Breadth is important when you want your CRM to grow, to stay relevant, and expand its role in your success.

Meanwhile, 'Depth' refers to how much functionality a CRM system has. If CRM has depth, it has an almost limitless number of features. It's like an iceberg — chances are good that you'll only ever need what you see above the surface of the water. But the excess adds to the cost of purchasing and implementing, and you'll be weighted down by the massive amount of unnecessary features living in your system. Most important, overwhelmed users will be disenchanted right from the outset.

Instead, your CRM vendor should deliver the majority of what you need out-of-the-box, specially designed for the financial services industry, and even more specially for segments like capital markets/corporate finance, commercial banking, private banking, and asset management. The remaining, specialized functionality that makes your system yours should be quickly added through cost-effective customization. That way, you've got everything you need. And nothing you don't.

To illustrate the right kind of functionality breadth for financial services, let's look at some key features that stretch across the organization — a basic functionality 'starter kit'

> "The moment that CRM's visibility helps a company to answer the most fundamental 'what next' questions is a breakthrough one, in which a new collective confidence is gained."

The primary requirement for financial services is that CRM delivers a 360-degree holistic client view, since it is what builds competitive advantage and powers relationship banking. It means being able to instantly recognize all products held and services used by the client at any point of contact in any channel — including instant recall of service preferences, contact history, account portfolios, credit score, profitability rating, influencers, and even services or accounts held at competing institutions. It creates a platform for interaction, both proactive and reactive, that is organization-wide, and takes advantage of client knowledge to drive each interaction.

Once the holistic client view is established, the CRM system should route information and leads to suggest optimal blends of clients, timing, offers, employees, and approach.

Customize to Play to your Strengths

CRM should enhance your unique differentiators, bringing out the richness of your strengths. To make this possible, you need a system designed from the ground up to change, flex, and meld into the heart of your company. Avoid generic or static systems to which your company must adapt — an intensely more difficult task. Instead, CRM should help you recognize what works in your company, transforming 'you at your best' into a repeatable, institutionalized, step-by-step model for business.

By its very nature, a CRM system should always have an open door for continued development and tweaking, with a focus on incremental return on investment. Your system will never be set in stone — and you shouldn't want it to be.

Consider just a few of the daily developments that impact how the account or coverage team operates — account creation, call report generation, changes in back-office data requirements, introduction of new products, re-assignment of territories and account teams, and the launching of new target markets (regions, states, product, client segments).

Within your sales team, it should help to identify and capture opportunities, automatically flagging products when there is an opening for up- or cross-selling. This is achieved with real-time, closed loop sales, and client management, which requires powerful analytics for better targeting of specific client segments.

In the marketing arena, it should link leads, opportunities, and product sales to specific marketing campaigns, facilitating results tracking and ROI analysis.

For your service organization, it should recommend the most convenient time to contact clients, and alert when they need guidance most urgently. Finally, the system should be a good corporate citizen, meaning it should leverage existing systems. Connecting data from transactional and back-office systems should be achieved through simple integration, enabling automatic updating of client profiles, financial portfolios, credit information, and account balances.

A CRM system should facilitate customization by making it easy to change the way in which customer data is organized and used. Think of a puzzle. Most CRM vendors glue the picture to the puzzle pieces. If you want to change the shape of the puzzle pieces to better suit your needs, it's very difficult to do so without breaking the picture. Ideally, the picture (client data) should be kept separate from the puzzle pieces (how the client data is organized). This means you can change the shape of the puzzle pieces — or how client data is organized — any way you want, without disturbing the actual data itself. The 'picture' is glued to the 'pieces' only when the data is used.

The secret to how the Pivotal CRM team does this is called metadata, or data about data. We keep it separate, accessible, and highly changeable. It means that as your client base, product offerings, holdings, or industry targets change, your CRM system can adapt without interruption to critical systems, and with minimal cost and effort. So that it stays relevant, aligned, and meaningful.

Vendor Suitability

Get the Right Approach, Knowledge and Experience on Your Side

Most software vendors take a broad-brush approach when it comes to serving vertical markets. They develop a solution that attempts to serve a broad vertical category such as 'financial services'. In contrast, the Pivotal CRM team takes a Headstart approach that identifies more specific, microvertical segments — such as capital markets, commercial banking, private banking, and asset management — that have a clear set of more specific common needs.

We develop precisely-tailored offerings with microvertical-designed functionality, and then work with each customer to further tailor the system. Pre-configured business rules and workflow, highly adaptable data models, and robust customization tools make it easy and cost-efficient to change and adapt to create an absolute ideal. The system is designed to be backwards-engineered from your most critical corporate objectives, existing processes, and operational and brand differentiators.

Your CRM partner should have a deep and intimate understanding of industry trends, business requirements, and processes, including knowledge of common people challenges within the financial organization; the sales cycle; industry regulations; the tradition of paper-based processes; common financial offerings; standard business processes and best practices; profitability models and methodologies; and the need for simplicity for end-users.

The vendor you choose should also have hands-on experience helping financial services companies find and follow a clear path to the right business results. CRM is not a software purchase — if it were, it would be relatively easy. Companies who excel at CRM see it for what it is — a results purchase. This means working with your CRM vendor to go far beyond a one-time software ROI assessment, to report sustainable, meaningful business results.

The key is closing the loop. Once you've identified your phase one business objectives, make sure your CRM vendor baselines your performance. This is to assess your progress before, during, and after deployment. Combine all those perspectives, and you gain the full picture of your business trajectory (and CRM's impact on it). This is institutionalized accountability. With comprehensive, precise results- measurement built directly into your CRM system, you will clearly see the numbers and charts on how your business is improving over time.

Proven Results: Financial Industry Success

Capital Markets

Like all investment firms, RBC Capital Markets, the equity capital markets division of one of the largest US securities firms, operates in a very demanding business environment. They are challenged on a daily — even hourly — basis to deliver targeted advice based on extensive research at exactly the right moment. How to balance the need to dispense considered recommendations within tight time constraints? And how to get this information to the right customers?

To support these goals, RBC Capital Markets began using the Pivotal CRM solution in 1996 to create, develop, and maintain relationships with their customers. Since then, it has evolved to become the nervous system for RBC Capital Markets' unique and proven business processes.

"In today's environment, 10 or 15 minutes can mean a 10 or 15% value change of a portfolio," says Ted Mortonson, Director of Institutional Sales, Research and Trading.

"Portfolio managers' jobs depends upon performance — day after day, week after week. So if we can give them an edge with value-added content, and they believe they have an edge through us, we become a valued partner."

Thanks to the Pivotal CRM solution and Pivotal Instant Action™ — a sophisticated task automation and information delivery system, RBC Capital Markets tightened the information triangle between its sales, research, and trading departments. Today the right information is available for the right people when it's required. For everybody involved, this can mean very large returns.

"When you're talking about buying blocks of 500,000 or a million shares, there are three key points of contact,"says Mortonson. "Where the portfolio manager touches the research team, the trading desk, and the sales representative. What we've done with Pivotal CRM is to link these three groups with each other and then with the customer, through a series of push technologies, complex filters, and business rules. And that's key to RBC Capital Markets' success. We can't just throw capital at companies the way a J.P. Morgan or Goldman Sachs can. We can't compete on that basis. Where we need to beat them is on relationships, intellectual capital, and value-added research, and that's where Pivotal CRM helps us excel."

Commercial Banking

The Pivotal CRM team has made just as deep a commitment to solutions in the commercial banking sector. With increasing competition, commercial bankers must be equipped with the tools and information to increase sales effectiveness, enhance client service, and increase share of wallet. The Pivotal CRM commercial banking solution enables users to consolidate, maintain, and manage client information in one centralized location.

Based on their three-tier, meta-data driven architecture, the Pivotal CRM solution features a "smart desktop", one-click access to critical information, and pre-configured workflow and business rules. It seamlessly integrates with existing legacy banking systems, providing users with a complete view of client information and transaction history. And the solution is already making a difference to commercial banking firms. For example, Banque Entenial, one of the top financial institutions in France, selected Pivotal CRM to enable employees to quickly collaborate across the bank's real estate, banking services, and asset management divisions.

In December 2002, Pivotal CRM won the coveted Microsoft award for the 'Best CRM Software Solution' in France for the success of its implementation at Banque Entenial. The award winners were selected based on detailed analysis of client success across a range of critical business metrics including business benefits, scalability, ease of adoption, integration with other applications, and technical architecture.

Meanwhile, Farm Credit Services of America, the largest farm credit organization in North America selected Pivotal CRM to improve the quality of client service, create collaborative team selling for products and services, improve competitiveness, and gain market share. According to Jim Greufe, director of CRM, Farm Credit Services of America, "Pivotal CRM was the right choice for our business — they worked closely with us to understand and adapt to our business needs. Using the flexible and intuitive Pivotal CRM software, we have streamlined our financial processes and enhanced the way we do business with our clients."

Private Banking & Asset Management

Managing other people's assets is a business based largely on a deep understanding of clients' needs and underlying investment strategy. It is a highly competitive business — institutions and private clients that use asset management services are sophisticated investors that demand fast, value-added service. As a result, private bankers and asset managers must tailor investment solutions to meet the specific needs of each client — whether they are individual retail investors or institutions.

For example, Dresdner RCM Global Investors — the global asset management division of Dresdner Bank, based in London — recognized that in order to continue building on its solid client base, the company would need to further enhance and customize the way it handled relations with major institutional and retail investors.

After an extensive evaluation of the top CRM vendors, the company selected the Pivotal CRM solution as part of its strategy to meet the sophisticated investment needs of its clients. According to Graham Kellen, CRM project manager, Dresdner RCM Global Investors (UK) Ltd., "Pivotal CRM is a critical system to our business — it allows us to deliver a higher level of service, using timely information about our clients. It was a strategic investment that delivered quick ROI. Using its intuitive interface to assemble and present information, then profile and segment our client base, we gained new seven figure sales from cross-sell and up-sell opportunities almost immediately."

Conclusion

The key pillars of high-stakes finance—capital markets/corporate finance, commercial banking, private banking, and asset management—demand that every client feels total confidence and trust at all times, and that concrete, quantitative objectives are met.

We know that signing high-value clients is a cutthroat game. And that keeping them satisfied is an even bigger challenge. CRM makes the process of winning deals more efficient. More importantly, it makes the likelihood for long-term relationship 'warmth' and retention more bankable.

For those who thrive in the intensity and acute accountability of high-stakes financial services, CRM is a breakthrough tool. It is a collective jumpstart that raises the bar for the competition, and that helps every account team earn a more profitable position of valued partner in client success.

Pivotal CRM for Financial Services

Pivotal CRM for Financial Services offers comprehensive, integrated, industry-specific capabilities that increase insight into operational performance, streamline processes across the firm, and improve responsiveness to client demands. With discrete CRM offerings for institutional asset management, mutual fund wholesaling, capital markets, private banking/wealth management, and commercial banking, Pivotal CRM for Financial Services puts critical relationships at the core of organizational strategy in a way that fits the unique business processes of financial services firms.

With financial services firms around the world using Pivotal CRM solutions, CDC Software has proven time and time again its ability to meet the needs of the industry. The Pivotal CRM approach ensures a faster implementation with a lower total cost of ownership by delivering financial services solutions on the scalable and flexible Microsoft® platform, which supports easy customization, integration, and deployment. Financial services firms can rapidly and cost-effectively adapt Pivotal CRM to meet changing compliance and operational demands and grow with their business—meeting their business needs today, tomorrow, and in the future.

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