

## Benefit of CRM Software for Financial Services

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Retail banking has become very popular over the past 10 years. It is about becoming customer focused, serving high volumes of clients, providing them the ability to do many types of transactions quickly, efficiently, via various methods like phone, online web based services. The goals are to acquire as many clients as possible, gaining higher market share. In this financial banking world, quantity counts more than quality. Due to these strategies, customer service can get left by the way side. The unfortunate thing for the banking institutions is, more and more customers are looking for and demanding better service if they want their money. Only in the past couple of years has customer service really become a marketing target. This has begun the competition between the big banks; that can provide the best personalized service, the lowest banking fees, reduce costs, all in the effort for clients to feel like they are receiving customized service. To put it simply, retail banking is dependent on quality of brand to lure customers.



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## 1.0 Introduction

Retail banking has become very popular over the past 10 years. It is about **becoming customer focused**, serving high volumes of clients, providing them the ability to do many types of transactions quickly, efficiently, via various methods like phone, online web based services. The goals are to acquire as many clients as possible, gaining higher market share. **In this financial banking world, quantity counts more than quality.** Due to these strategies, customer service can get left by the way side. The unfortunate thing for the banking institutions is, more and more customers are looking for and demanding better service if they want their money. Only in the past couple of years has customer service really become a marketing target. This has begun the competition between the big banks; that can provide the best personalized service, the lowest banking fees, reduce costs, all in the effort for clients to feel like they are receiving customized service. To put it simply, retail banking is dependent on quality of brand to lure customers.

Traditionally, banks had close relationships with its clients, often knowing them individually, understanding their life situations, knowing what each customer wanted and needed to be satisfied. Because of this, loyalty and large shares of a clients business was earned. Over the years though, mass marketing and increased consumerism; these customers traded these relationships to become anonymous clients. There had been a time when this was an attractive option, but as mentioned before, today that no longer is acceptable.

The standards that are 'normal' for today have undergone an extraordinary change. Gone are the days of paper based, manual systems to administer small business processes. Today's client can logon to their banks web site, or visit and ATM and do various transactions in minutes. Financial institutions need to provide this level of service and accomplish is using sophisticated workflow systems, enabling this business process automation. As soon as a customer inputs their data through any channel the bank has set up, the bank's system instantly disseminates the units of information to different parts of the organization that can handle the task accordingly. In many cases, they are handled automatically, in real time sales software without the use of humans.

These retail banks are practicing elements of an approach to marketing where client's information (potentials as well) is used to anticipate and respond to their needs. This is a practice of small business CRM. All of the banks today realized that having a small business CRM solution creates great potential in helping them achieve and sustain a competitive edge. Organizations have been modifying their small business process and structuring technology that allows them to acquire new customers, retain existing ones, and maximize their lifetime value. As a financial provider, banking organizations are no longer characterized by the products they offer, the country they're based out of, or the regulatory environment. The customer's they target characterizes these banking organizations. The level of success, which is achieved in, determined by how well the organizations handles customer data.

This customer data flows through out these institutions across various channels. The objective is to make the banking transactions easy as possible for the prospects and clients to do business. This means

any way possible, the actual branch, over the phone, on the Internet or ATM's. The task at hand now is for a bank to unify these various channels through common information and small business process automation. This automation makes things like customer self service a differentiated service that is simple and effective.

## **2.0 The need for Relationship Banking**

With products now becoming commodities, declining customer loyalty and many marketing efforts, the need for relationship banking has never been more transparent. Customer loyalty is quickly fading as banking products become commodities, and access to any competitive product information is freely available. Many new channels are quickly emerging, and observers of the industry are seeing dramatic shifts away from the industry which historically operated out of local branch networks, forcing clients to use only that branch for all of their financial needs. Now clients are demanding fast, personalized service through any channel they decide to use, at any time. Clients have come to understand that these banks need them, are leveraging this knowledge and know that there will be a supply for the demand of service. Today's client is smart and marketers can no longer bank on the ignorance of society to make profits. These clients recognize market agility, notice the real time sales software response of the services and expect the processes of their money and investments to become streamlined. They are demanding smarter decisions more often. And the one key thing for any banking institution to remember is that client's want to feel their personal and financial information is closely protected, nurtured and in the hands of the right people.

Banks are now seeing higher numbers in employee erosion, and this is creating problems with the limited organizational memory that is in place. Due to the high turnovers it is becoming increasingly hard for banks to sustain the excellent customer service they are marketing to the masses. How do the banks create a one 360-degree view of their clients, so it is available to anyone who works for the company from the front line sales forces to the upper management?

Align these channels, providing all staff with the unified view there by increasing the effectiveness of the sales force and call centers. The integrated data will also provide excellent information to the marketing teams for analyzing, helping them to make the right choices when introducing new products, services and enhancements to specific demographics. The 'virtual' client intimacy is made possible and controlled through sophisticated technologies allowing insights to client behaviour's, needs and where efforts will prove to be profitable.

A number of financial firms today are not reaching the full potential of information that is available to them in client relationships. Many have successfully lowered operating costs but seem to still be losing market share and higher revenue due to diversified financial institutions. We realize the key to keeping small business momentum lies in quality, depth and intimate client relationships, but we also know that today's market demands absolutely perfect corporate execution and cost awareness. What can reconcile these two primary operations to make them work together?

It makes sense that it comes down to one thing, get smarter about integrating the lines of business, data and people. Even with the best of intentions towards the efforts to align, there is always going to be another competitor who is going to become closer to operating near the highest most profitable levels.

### **3.0 Disloyalty, how do you avoid it?**

Clients today are smart, savvy, self-sufficient, and empowered. These clients are becoming more used to understanding and navigating through the oceans of information out there, deciding for themselves what the best choices are for them and who they feel they can trust the most. This is great for clients, and bad for the financial institutions, they are now put into an uncomfortable position. It will become harder to retain customers and keep them from jumping ship, when the client sees more attractive options, and they feel they are undervalued in most cases there is no vested interest any longer with your bank.

### **4.0 Not Fully Understanding the Customer**

Without a small CRM implementation, these financial service companies are tracking and measuring numbers, facts and client incidents within accounts. This cannot possibly give a strategic perspective on how best to take action and measure your client relationships. This all happens because of poorly integrated information, people and processes. A small business CRM software solution can on top of those, provide you with client patterns, associations and their dependencies. Visibility in these various aspects can provide clarity and further understanding into the key areas of your business, giving you the ability to recognize the relationship between people, incidents and influencers.

Lack of good client data management, when it comes to dealing with corporate perspectives and performance is hindering the sales force in producing the insight they need to compile the right information for success. Without small business CRM automation, the ease of consolidating and analyzing the necessary reports to make the right decisions, which will be the most beneficial for the small business, is difficult. There is a heavy burden on sales force employees to produce reports with relevant information and have it flowed manually up to the management staff. This industry generates massive amounts of data and less than half of it is being used. The data flow access is poorly integrated in these systems, and is not controlled or secured properly. So the sharing of information as mentioned above is difficult, and the workflow processes are redundant, can be labour intensive and inefficient.

Your financial services CRM software solutions will also provide increased visibility in employee performances. Executives today have very few tools to measure employee performance. The lack of tools to help keep employees on task is greatly needed, and when they are in place, tasks can be assigned and followed up on, there will be information to base employee incentive programs on, and know what area each employee needs growth in. Good data management will help the company ensure that employees are highly motivated, follow the small business standards and procedures plus take advantage of the many methods of success. When these employees are working in teams or on group

projects, small business CRM can prime employees with all of the same information, for the unification it takes to accomplish the group projects and make the outcome more successful. Each team member will know what the other is working on, how each contributes to the project and all have the same goal in sight. This reduces redundancies in client Sales Account Management Software.

For those managers who are running territories, small business CRM applications give better insight to understanding the specific demographic of each region, the competitive landscape they're in and make the right assessments into the amount of client risk that is involved with each client account. These managers are dealing with hundreds of lenders, and poaching becomes common, causing lenders of the organizations to become disenchanted by the lack of attention from these territory managers. When managers are caught up in the labour intensive paper work which needs to be done manually, this is taking away from the face time they can spend with each lender, building stronger relations, leading to a better understanding of each one.

## **5.0 Financial Services CRM Functionality**

### **What the small business CRM solution will bring the Financial Services**

Small business CRM software applications will help the financial service companies get smarter about in how they become involved with the client relationships. By integrating sales, marketing and services generating profits will put the businesses in a more sustained environment. Whenever processes are weak, highly labour intensive or redundant, a small business CRM software solution can streamline it all. Wires of communications can no longer get crossed, and will reconnect your employees on all levels. The visibility needed will be there and bring clarity into how you run marketing projects, manage client activity, history and overall small business performances. By bringing functionality to the banking industry via CRM applications employees will become productive and stay productive in any aspect their job entails. Whether it is selling, processing, advising, or servicing the client base.

The small business CRM software solution can effect and impact the banking businesses on three levels. First, companies can begin to improve the quality and efficiencies of the client interactions. Secondly, the client base is impacted positively with the seamless interactions they will experience due to the improved quality of service, and thirdly, overall the companies will start to make better decisions based on the new, deeper understanding and insight they gain on their client from the small business CRM process. These decisions will shape how the client and market trends happen, making better profitability.

In the high stakes of finance, a certain level of intimacy is a must. Small business CRM software solutions will impact the small business process by improving speed, the accuracy of interactions and the efficiency of the company's internal processes. This enables the individuals within the company to improve their productivity at the most elementary level. Small business CRM is going to make it easier for your staff to interact with employees, bringing them the best personalized service possible, in turn generating confidence the client has with the business they are doing with you. To set the stage for such relationships, small business CRM will provide the front line employees the right tools to make the

clients relationship more profitable and become more proactive with their data. The account managers, who are involved in the building of client relationships, will spend far more time nurturing relationships with small business CRM in place, instead of being tied up with the tasks that the front line employees can be dealing with. These account managers must maximize the profitability of these existing client accounts to overcome the volatile economy and bank mergers. Profit driven Sales Account Management Software lets banks view the overall profitability of a client, and then begin to develop strategies to lessen the risk the banks carries with each account and increase profits.

There used to be one view of all customers across the many lines of business in banks. It was difficult tasks having to dissect the value a client brings, and get an overall view of profitability the bank was earning. By not understanding the value of the clientele, effort on the account manager's part was spent in the incorrect areas, on servicing and selling to unprofitable clients and sometimes even selling the wrong products to the clients. This led to a greater need for coordination between all of the banks resources. Customers need to be proactively managed to move towards higher profits, so the bank is not left with a high dependency on income from credit products. This causes the bank's capital to be tied up in loans.

## 6.0 CRM Software Strategies

**Small business CRM strategies will help to avoid all of these hurdles by**

- Creating the ability to understand the customer and the value they bring.
- Retain customers who have higher values by exceeding their expectations with excellent personalized customer service.
- Assertively cross-selling to all of the high value clients
- Segment the client's and use their specific demographics to create strategic marketing efforts and obtain the maximum profits.
- Place the right account managers with the right accounts to bring better focus and service to the client.

## 7.0 Enhancing the Client Experience

It makes a massive difference when your banking institute is presenting a seamless experience to the customer. Operational improvements create a powerful impact from the customer's perspective when there is a sudden enhancement to sluggish response times, un-addressed needs, more familiarity and consideration. This shift shows the center of what relationship banking means. By riding the company of lag time and process inefficiencies that basically frustrate the customer, you're overcoming dangerous blind spots you may have of the client. These blind spots can be hindering your small business services, the processes and harm you more than you understand. When there is no comprehension of what your

company's shortcomings are, there is no possible way to measure how this is affecting your client, how they do business with you or what can be done to rectify any issues they may have with the organization. Being ignorant to this situation will place you behind your competition, lower profits and hinder success.

With on demand hosted CRM software financial solutions in place, hosted web based Customer Relationship Management Software Solutions (online web based CRM software) will give your financial organization instantaneous benefits such as systematic case tracking, automatic case routing and case priority escalation. Managers will never worry again about customer inquiries fall through the cracks. Immediate access to case histories and customer communications will ensure service-level agreements metrics are met and even exceeded. Relationship managers can be more prepared for the customer service aspect of their meetings and any unexpected phone calls from clients. Many times these relationship managers are asking clients questions they should already know. Small business CRM will offer a system that retains the entire necessary client data, keeping the meetings more focused, client happy, impressed at the knowledge the manager or service representative has and the service they can bring to the table.

Account managers will have the time to direct their energy on selling products and enhancements instead of filling out paper work, which could be handled by the service staff. Also, with web based Banking Industry CRM, the elimination of all the legwork your sales team representatives must do in order to contact a customer or process an inquiry is taken care of through the automatic web-capture tool for Case Management and automatic case-routing system based on customizable business rules. Having your customer inquiries automatically show up on the screen of designated representatives saves everyone's time, and saves your business resources. Using web based CRM in banking; you can service more customers with fewer employees than ever before, still providing the level of service your clients have come to expect. The elimination of cumbersome data entry will keep the managers better focused and provide the ability to guide the sales processes along the right paths.

All of your institutions account managers can help keep the sales force teams on task and with small business CRM banking solutions will be the only place where you can find integrated Web based CRM (Customer Relationship Management) / Sales Force Automation (SFA) software integrated with a full Web based Project Management software solution. These highly functional Webs based Project Management software features ties all of your teams tasks and events into the Web based Project Management software tool, allowing you the manager, full visibility into all areas of your small business, keeping an eye on how your team is progressing and staying focused. This functionality helps the sales teams become more responsive to client request and inquiries, handling them in real time sales software, using the full visibility the small business CRM can bring to each client account. Having this full visibility, no more delays will happen from having to go to various departments for client information before settling client issues.

Reps utilizing the power of Web based CRM Customer Relationship Management Software Solutions tools can access relevant customer information such as products discussed, product descriptions, call

logs, preferences, financial agreements, and services used by the client and billing information, anytime, anywhere.

- Traditional small business CRM meant software on a stack of desks and a team of people for small business CRM consulting. With online web based small business CRM software solution, users get One-on-One Free CRM training.
- Long gone are the small businesses CRM consulting fees associated with Customer Relationship Management Software Implementations.
- Small business CRM solutions are much more robust and user friendly than ACCPAC CRM.
- Enterprise Editions in small business CRM solutions are a great alternative with more robust ERP software tools for 60% less

All of the specific information will be on hand available from one consolidated view, dramatically shortening the times the sales staff and account managers are interacting with clients.

## **8.0 Top Level Managers making an Impact**

Managers, now with a small business CRM application in place can begin to focus their energies and skills on understanding the trajectories of demand, the business they're in and the market they must be part of. Small business CRM will deliver stronger efficiencies in the front office so those employees are asking the right questions, taken in the right information, showing managers where to invest in more resources. These answers lie in knowing the banks operational strengths and weakness there by making truly informed decisions, which capitalize on this information. The newfound visibility will help the manager's answer the fundamental questions like:

- Who are the banks most valuable clients, what is the client's worth, whom and when have they spoken with someone from the bank?
- What segment of clients is our strongest demographic? How do we target that market effectively?
- What factors influence our strongest clients' transactional activity, and how do we anticipate their needs and leverage our products so they appeal to the client?
- What risk do we carry of each client segment moving to another carrier? What influences this move and how do we stop it?
- How do we effectively up-sell or cross sell to these clients? What is the average size of each up-sell?
- Should we enhance any products to improve our client retention rates? What sort of effort will it take to sell more of the existing packages and products?

- Is this area or region right for the target marketing we'd like to do at the specific groups of clients we have? Who is our competition, what type of products do they have?
- Where can the managers improve their actions and the team's actions to provide better service to our clients? What is the client demanding from the team?
- Do we already have the capabilities to meet our client's needs, but aren't using them to the full potential yet?

By finally having the ability to follow the strategic path of the bank's assets - the people, products, client relationships, all from the deep insight gained by analyzing business performances in a timely manner, your financial institution is going to become a serious player in the competitive field of Relationship Banking.

Using this analytical approach to business through a small business CRM software system helps companies to truly understand where the institutions strengths are and using that information to play up on these strengths, a collective confidence is gained from the new breakthrough. These accounts provide much information on the influencer's of more or less client transactional business, and the growth and value of revenue. When it comes down to it, it is a matter of identifying the perfect mix of expertise, information, products and services all combined with the managers understanding of the clients. After the direction has been set and the target is in sight, this spot of convergence is the point in which all the right amount of assets intersects together to form the highest point of small business momentum.

It has always been the smartest choice to play up on your strengths when in competition, and it is no different in the relationship banking industry. Using small business CRM in everyday banking has proved to be the best approach, and has helped companies truly understand their clients, their actions, the influencers, and elevate the value of each client using these strengths to earn the highest revenue.

## **9.0 CRM Software System Suitability**

The key to making your small business CRM software system work for you is making sure that the one you have selected and are customizing is developed just for your small business situation and needs. By making sure that you have everything that is necessary and important to the fundamental and secondary needs, making the adoption of the small business CRM application pain free is embraced by all levels of employees positively.

A financial institution must comprehend the need for the right mix of functionality to reach all levels of employees. The potential this brings is going to contribute to the small business CRM growth and relevancy of it to help expand the role it plays in making your financial institution a customer service success.

The next step you'll need to consider when implementing a small business CRM software system is the amount of features it has, and whether you can build on those features in the future. In most cases you'll only ever need the ones you use on a regular basis, but it is good to know that if a time ever arises when the need to add something new to the software, it can be done. In the traditional small business CRM software solution, it can cost large amounts of money to implement new features or have them customized, but with a web based or on demand hosted CRM software service, these types of requests can be dealt with in a be cost-effective and timely manner allowing your small business to implement them faster than installation small business CRM software.

The primary need for Financial Institutions is the 360-degree view that was spoken about earlier; this provides a holistic view of the client and builds a competitive advantage on the powers a client relationship holds. To instantly recognize every product and service the organization has creates a platform for interaction, which is organization wide and always takes advantage of the client knowledge, which is now owned by your company.

This platform recalls the clients service preferences, contact history, credit scores, profitability ratings, and account portfolios. The small business CRM software system will route all of this information, prospects to help choose the optimal blend of clients, timing, offers and approach.

This capability will help your sales teams to identify and see the opportunities, by automatically flagging products when there is the occasion for cross selling or up-selling, all in real time sales software, closed loop sales. The marketing area can also use this information to know where and when their marketing efforts will pay off, what specific demographic they should focus their efforts on helping to facilitate the tracking, results and ROI analysis. Lastly, the small business CRM software system you choose should leverage all of the existing systems connecting data from front and back end offices into the consolidated 360-degree view.

Small business CRM software systems should smooth the progress of customization by making it easier to modify how customer data is categorized and used. Many developments happen over time and they can impact how account managers or teams operate; new products, data requirements, account creations, reporting capabilities all have an impact. You are always going to want a small business CRM software system that helps you to enhance and bring forth your small business strengths. This can be made possible when a small business CRM software system is designed from the ground up based on the specific needs to change, flex and meld throughout the implementation process. Try to avoid generic or stagnant systems, where you're small business must adapt to the vendor's systems, which becomes an extremely difficult task. The small business CRM software solution you choose should always have their door open for further development, adjustments always having an eye on the cost to keep the return on investments visible.

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## **11.0 More Information**

For more information regarding our products and services please visit our site at:

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