Gartner

Commercial Banking Leadership Council

How Technology Reshapes the RM Role

The advancement of banking technology has presented a difficult decision for commercial banking executives: How to reformulate the responsibilities of the RM.

The crux of the decision lies in the balance of two factors: Capacity and control. Across credit, sales, service and administrative tasks for the RM, technology is expected to significantly reduce time spend. According to Gartner, technology is expected to free up 31% of RM time spend. **Given this excess capacity, how should RMs spend their time?**

At the same time, technology enables the bank to centralize control over credit, sales and service in ways that used to be entirely in the hands of the RM and had been difficult for the bank to monitor. Similarly, technology can begin to help banks create insights that help RMs educate and advise clients. **Given the bank's new capacity for control over — or support for — an RM's activities, what kinds of RMs should banks hire?**

While capacity and control each have clear and independent implications on the future of the RM role, when combined, we see four emerging RM archetypes: Sellers, growers, advisors and builders. These archetypes are based on how technology can reshape the RM role and add value to the bank.

Potential Effects of Executive Decisions on RM Role Capacity and Sales Process Control

Role Control Decision: Do RMs require a more generalized or a more specialized skill set?

	Less RM Time per Customer RM Value Driver: Know the Bank	More RM Time per Customer RM Value Driver: Know the Customer
Specialist Profile RM Value Driver: Advice	**Growers** Leverage: Product Penetration	**Advisors** Leverage: Revenue per Customer
Generalized Skills RM Value Driver: Efficient Engagement	**Sellers** Leverage: Overall Sales Volume	**Builders** Leverage: New Client Acquisition

Role Capacity Decision: Should RMs have more time, or should the bank increase overall sales volume?

Option 1: Sellers

The "Sellers" model involves reducing RM time spend per customer and generalizing RM sales skills. Executives who decide to adopt this model feel confident in their bank's ability to produce a high volume of leads. The bank capitalizes on technology being able to serve the customer effectively with little direct RM-customer interaction. The "Sellers" model mandates that infrastructure be put in place to allow a seamless customer buying experience and a seamless customer service experience.

Option 2: Builders

The "Builders" model relies on RMs to spend more time for each customer, while serving a wide variety of customers. Each RM must have a deep knowledge of their specific customer, rather than a deep knowledge of a specific product or market. The RM relies on a relationship with each customer to service the customer effectively and help the customer achieve its business goals.

Option 3: Growers

The "Growers" model is defined by a larger portfolio size per RM, meaning less time per RM, but depends on RMs having a specialist skill set. The bank determines who the RM will pursue, but the RM is tasked with partnering with bank technology to give specialist insight to the customer and provide a smooth purchase and service experience.

Option 4: Advisors

The "Advisors" model means RMs will spend a lot of time per customer and have specialized skill sets. RMs will have fewer clients but focus on the ability to get to know each customer very well in their defined specialization. The bank will hope to capture certain highly profitable markets with its specialized deployment of product offerings and RMs.

Each model depends on the bank committing resources to aligning fully with one or the other. Instilling the appropriate infrastructure for each sales strategy is a requirement. Read Gartner's guidance to understand more about the advantages and disadvantages of each strategy.