

# EBOOK: UNDERSTANDING CIB CUSTOMER ECOSYSTEMS

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# FOR CORPORATE AND INSTITUTIONAL BANKING TEAMS TRYING TO COMPETE IN A MORE CHALLENGING CIB ECOSYSTEM THESE DAYS, IT'S ALL ABOUT BUILDING LONG-TERM VALUE FOR AND WITH CUSTOMER STAKEHOLDERS.

Much has been written on the most obvious trends and changes affecting financial services at the corporate and institutional banking level:

- Technological commoditization of services
- Globalization of financial products
- Diversification of customer needs
- Rise of the FinTech disruptors

Their potential impact falls into two main buckets:

**1.** Those that if capitalized on, represent significant, new commercial opportunities for CIB account teams.

**2.** Others, if ignored, could lead to a "loosening of the grip" on key customer relationships.

## BEFORE WE GET THERE, A WORD ABOUT CIB “ECOSYSTEMS”...

### Ecosystem Definition

“A **CIB** customer ecosystem is an interconnected set of entities and organizations each playing a role in the creation, provision and utilization of financial products and services.”

At a high level, a **CIB** ecosystem includes **large commercial banks, specialist providers, a client base and new disruptors**. Within the ecosystem, there are a number of key accounts and the types of organizations **RMs and others** call on of course depends on whether or not it is a **multi-national corporate setting with global commerce needs, a property or pension entity with local treasury needs or a family office/sovereign fund**.

Knowing more about the pressures and challenges the account stakeholders are experiencing and where that influence is coming from can really help make the approaches your account teams use more interesting, differentiated and compelling.

And that’s the problem. Too many **relationship managers, product specialists and other customer-facing teams** are still trying to make progress with a product-focused mentality at the very same time that the stakeholder they are trying to influence have expanded their horizons to consider **alternative portfolio solutions based on shifting needs**.

The impact: New relationship managers taking too long to get up to speed and **lower returns on capital and time**.

*“The battle for treasurers' hearts and minds is intensifying, and it's being waged over trust.”*

**BCG BNP Paribas Corporate Treasury Insights 2018**

# WHAT THEN DO CIB TEAMS NEED TO UNDERSTAND ABOUT THESE EVOLVING ECOSYSTEMS THAT'S NOT IMMEDIATELY APPARENT?

HERE ARE 3 CRITICAL INSIGHTS EVERY CIB TEAM SHOULD PAY ATTENTION TO:

## 1. Disruptors are having an impact

With the rise of FinTechs, large corporate banks are feeling the heat and are in danger of losing their grip on account and customer relationships.



In today's CIB ecosystem, new sources of competition for corporate banks are emerging at an even faster pace.

This is putting traditional relationships with heads of treasury and finance under strain as the number of innovative and alternative products and solutions increases.

### What does this mean and what can CIB teams do?

To stay ahead of the FinTech trend, field teams need to do a bit more due diligence, earlier in the opportunity cycle, to understand the **deeper needs and long-term ambitions of their corporate and institutional client base**. Companies that take the extra time to research this and come to the partnership **discussion** with new ideas will stand out from the crowd every time.

### 2. Changing Customer Needs

More demand for specialized advice, stronger interest in portfolio solutions, supply chain support and help with streamlining business processes. It's a new world of customer expectations.



As the environments within which corporate and institutional banking clients need to operate profitably and with tighter regulatory guidelines become more challenging, their corporate banking relationships are in turn, being pressure tested like never before.

#### What does this mean and what can CIB teams do?

RMs and others on the corporate and institutional banking teams need to demonstrate their ability to get out in front of these client challenges, anticipate stakeholder needs and come to the c-suite discussion prepared to discuss where they can lead in the relationship. This is also an opportunity for account leaders to educate home office peers on the types of requests and solutions customers are starting to ask for.

### 3. Changes in Globalization

As global politics is altering trade between countries, new supply routes and arrangements are being created for which traditional corporate banks may not be ready.



As this dynamic plays out, voids could develop where the delta between a "home market" corporate and institutional banking relationship, and the nature and scale of banking products and solutions associated with it, can be stretched beyond capacity as a client's global requirements continue to expand.

#### What does this mean and what can CIB teams do?

RMs need to partner with those internally and within the ecosystem to understand at a deeper level, the forces behind a client's international expansion and use that intelligence to demonstrate range and depth in the customer solution conversation.

