LinkedIn Sales Solutions

Adapting to commercial banking's new opportunities

Use targeted insights to start productive conversations with clients

Testing commercial banks' adaptability

By the end of 2020's first quarter, commercial banks' lending activity had increased rapidly, as trading in the leisure, hospitality and entertainment industries paused indefinitely, and business owners' savings dwindled. In March of that year, UK banks approved an extra £34.1 billion in loans than they had just a month prior.[1] By January 2021, the annual growth rate for SME borrowing had soared to 25.8%.[2] Coupled with persistently low-interest rates, profit margins for banks across the globe are still being squeezed.

However, the commercial banking sector has proved its resilience during an incredibly challenging period. Many of the sector's largest institutions, such as Lloyds Banking Group, have recorded a surprisingly buoyant performance; its pre-tax profits of £729 million for 2020's final quarter were far greater than the average analyst's profit forecast of £471 million.[3] Banks in the US also beat predictions, with JPMorgan Chase reporting $30.16 billion in revenue (exceeding the predicted $28.70 billion) and releasing $2.9 billion from its loan default reserves.[4]

Across the wider world of banking, the endless obstacles have been met head-on. 80% of banks said they had surprised themselves with their agility, cost-cutting and digitalisation efforts[5]. Customer appetite for digital banking solutions has only become more voracious, too; just 6% of banking customers say they haven't used any kind of online service offered by their provider.

Commercial banks also have a unique opportunity to leverage their advisory services, offsetting revenue squeezes in other areas by helping businesses with capital restructuring, for example, in the wake of COVID-19.

Yet this area of business development is at risk of trailing behind, **as 45% of sales completed rely on a personal connection with a key decision-maker**[6]. Unless teams are embracing digital connections, they risk missing out on business-critical deals.

[1 and 2] Bank of England, 2020, Money and Credit Statistics March 2020
[3] Financial Times, 2021 - https://www.ft.com/content/6b40ede0-c0c9-49dc-b671-79c274641c05
[4] CNBC, 2021 - https://www.cnbc.com/2021/01/15/jpmorgan-earnings-q4-2020.html
[5] https://www.consultancy.uk/news/25772/how-COVID-19-is-changing-the-operations-of-uk-banks
[6] https://thefinancialbrand.com/105215/digital-sales-marketing-omnichannel-pandemic-COVID-19-google/

Adapting for good

The commercial banking landscape has been changed forever by the COVID-19 crisis. Organisations need to choose their next moves carefully to make the most of the new opportunities arising, including:

- Companies will need long-term funding support to repair the damage of 2020.
- Virtual ways to connect are being embraced with enthusiasm.
- New ideas triggered by the pandemic could bring fresh customers for commercial lenders.
- It's never been easier to find and distil data to inform your strategic decisions.
- More decision-makers than ever are posting and engaging with content on LinkedIn.

Bridging the attitude gap

The past year hasn't been easy for the commercial banking sector, but it's proven that breaking with tradition and embracing new approaches is possible. Despite this, the world's largest banks remain split on whether a return to the pre-pandemic office and sales culture or a hybrid approach is the way forward. Commercial banks now need to capitalise on their ability to adapt and find new avenues of opportunity that complement tried-and-tested strategies.

To be at the front of the pack, business development and client relationship teams must understand how digital tools can complement traditional, in-person ways to win business. It makes sense to opt for a tool that seamlessly integrates with your existing CRM system and allows you to initiate, nurture, and track prospects, leads, and relationships with ease.

In this eBook, you'll learn how LinkedIn Sales Navigator and LinkedIn Sales Insights' digital tools can complement your in-person relationship-building strategies and help you succeed in an increasingly interconnected world.

Relationship managers secure 30% larger deal sizes when using LinkedIn Sales Navigator to connect with decision-makers[7]

+18% increased pipeline

+30% larger deal sizes

61% of their revenue influenced by the tool

6% Higher win rates (across all industries)

*Benchmarks are from a January 2021 study with 3,149 CRM-synced LinkedIn Sales Navigator customers on the outcomes of influenced opportunities.

[7]https://business.linkedin.com/sales-solutions

Key tools list

Plan your strategy with accurate data

Here are some of the ways you can use LinkedIn Sales Navigator and Sales Insights to find and convert new prospects.

Identify opportunities

- **Accurately size up opportunities**
  Use Sales Insights to get an up-to-date picture of an opportunity's potential.
- **AI data tools**
  Comb through data quickly to get a streamlined list of leads to follow.

Complement in-person activities

- **Sync LinkedIn Sales Navigator into your CRM**
  Track communications and add notes in one place for efficient lead management.

Start timely conversations

- **Alerts**
  Receive customised alerts on everything from new lead funding to job changes so you can capitalise on them.
- **InMail**
  Send messages and track how your prospects interact with them so you can tailor your approach.

Adapting to digital

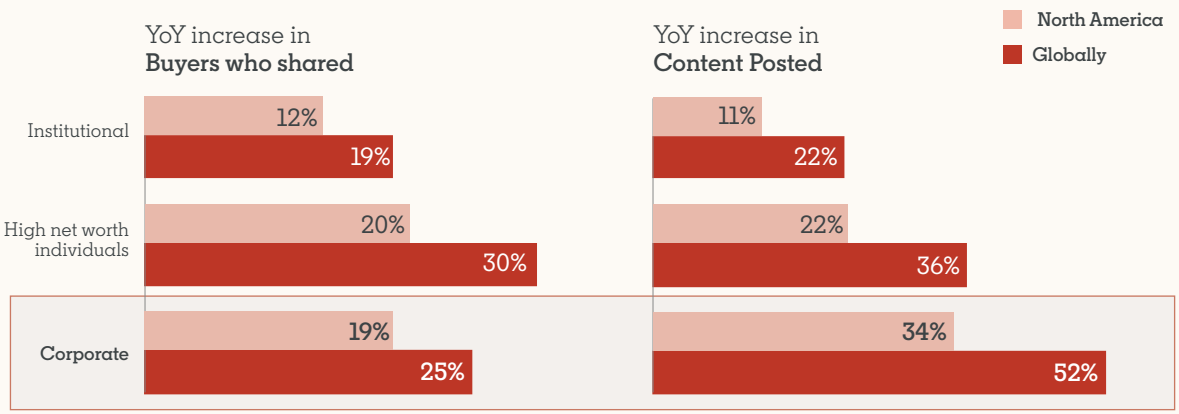
Pressure from digital challengers has been growing within the banking sector for several years. Now, 90% of customers say that effective technology is a key factor in their decision to bank. Traditional legacy banks, including the 'UK's Big Four' (Barclays, Royal Bank of Scotland/NatWest, HSBC and Lloyds Banking Group) have already recognised this; research by Finastra found that between 70-75% of them are already working with a FinTech partner or will be within the next year . TSB's 'Fintech Pledge', which saw it partner with ApTap in 2020, is just one example[9].

Commercial banks must remember the value of digital transformation in B2B interactions too. If you want to counteract the impact of the predicted $4.7 trillion annual revenue that FinTech could divert away from traditional financial services companies[10], it's time to work smarter.

Relationship managers are already demonstrating they're ready to face the challenge head-on. LinkedIn's Global Finance Report[11] noted a 7.5x year-on-year increase in the time spent learning about 'social selling' and content posted by corporate customers **increased by 52%** year-on-year*.

*Corporate buyers are defined as CFOs of companies in any industry.

Finance customers and relationship managers **globally** are both more active on the platform year-over-year[1]



It's clear that both clients and relationship managers are ready to embrace innovative ways of operating. Using an intuitive tool like LinkedIn Sales Navigator will allow you to get in on the movement and forge connections in a new way.

> *"Financial institutions must promote a culture of innovation, in which technology is leveraged to optimise existing processes and procedures for maximum efficiency."*
>
> Hitachi Solutions[12]

[10]Goldman Sachs via Hitachi Solutions, 2021 | [11]LinkedIn (2020) Financial Services Industry Factpack [Global] | [12]Hitachi Solutions, 2021

Turning data into diary dates

LinkedIn Sales Insights' AI system turns **raw data into valuable information** about your prospects. Save time processing duplicate pages and expand your existing database with a **streamlined selection of new opportunities.**

Increase your receptive audience

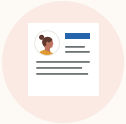
With LinkedIn Sales Navigator, you'll have an audience of more than **430,000 key financial services decision makers***. And on average, you'll make 10x more connections with **Finserv members who are decision makers and above** than those with a basic LinkedIn account.

*Defined as CFOs of companies in any industry.

Stay in the know

You can opt to receive alerts from LinkedIn Sales Navigator on everything from shared activity to important updates. Try out these three key alerts to keep yourself up to date:

Account growth
identify when a lead or prospect is growing its workforce to start timely conversations



Lead career change
learn when saved leads move to a new company or change roles

Senior hires at Account
see when directors or C-suite staff are hired at saved accounts

> *"Even before the pandemic restricted our movements and forced customers to interact with banks digitally, a new wave of challenger or neo banks was shaking up the status quo."*
>
> **Owen Wheatley**
> Lead partner for banking and financial services, ISG

Adapting to the next normal

The events of the past year and a half have had an indelible impact on the way we live and work. A survey conducted by JLL across a broad spectrum of sectors found that 53% of employees expect to permanently adopt a hybrid working pattern[13].

However, in the world of banking, not every institution believes remote work holds the key to future success. Goldman Sachs' Chief Executive David Soloman has been vocal about his disdain for home working, calling it an "aberration that should be rectified as soon as possible"[14]. By contrast, others wholeheartedly embrace a hybrid approach - Lloyds Banking Group and HSBC are planning 20% and 40% cuts respectively to their current office and property footprints.

Attitudes also seem to differ by geography. Standard Chartered Bank, for example, has announced it will cut its office space across Europe and Asia by 30%[15], while PwC's Remote Work Survey found that 70% of US financial services employers want employees at their desks at least three days per week to maintain company cultures'.[16] It's clear that, in the post-pandemic commercial banking world, ways of working are likely to vary across organisations.

Sync LinkedIn Sales Navigator with your existing CRM and identify more client engagement opportunities that help you ***build positive relationships.***

A seamless approach

Customer happiness is now a major KPI for relationship managers and LinkedIn Sales Navigator can help you stay on their good sides. You can opt for a license that allows these tools to **effortlessly integrate into your existing CRM**, so you can track prospects and interactions across all platforms with ease. To free up more time for vital relationship building, you can **automate workflows** within your CRM to **cut down on time-consuming admin**.

You can also use Sales Navigator to **add notes and tags** from in-person meetings, keeping all your sales interactions in one, easily accessible place. And to squeeze more value out of your data, you can **build reports** using LinkedIn Sales Insights to plan a productive sales strategy that delivers results.

[13]JLL, 2021, 5 reasons why businesses will embrace hybrid workplaces | [14]https://www.bbc.co.uk/news/business-56192048 | [15]Forbes, 2021 - Link | [16]S&P Global, 2021 - Link

Putting your buyer first

As restrictions ease and commercial banks work out how to transition into post-pandemic life, a clear difference of opinion has arisen. Without a reliable way to manage both in-person and virtual leads, relationship managers risk losing their footing with key prospects.

LinkedIn Sales Navigator helps you do business in a way that suits everyone. Follow up a day spent talking business on the golf course or a productive dinner with meaningful digital interactions that help you convert leads into clients.

81%

of top sales professionals say they 'always' put their buyers first[17], *so it's vital you're able to work on their terms.*

[17]LinkedIn, Buyer First: A new era of selling, https://business.linkedin.com/sales-solutions/buyer-first

Adapting to new risks

Fraud and identity theft aren't new to commercial banks. Neither is data security compliance, particularly following the introduction of GDPR in 2018. But the threat of data breaches and cybercrime has been heightened by the events of the past year. KMPG reported that COVID-19 had increased the number of phishing emails and call centre fraud reported by its banking clients, as well as malicious attempts on social media to gain valuable private information from customers.[18]

To combat this rising threat, 71% of bank leaders expect their organisations to increase cybersecurity spending[19]. The IMF also says that it's up to firms to make sure they're doing all they can to "reinforce cyber hygiene", including using systems that protect valuable data.[20]

[18]KPMG, 2020, Key cyber risks for banks during COVID-19 | [19]Forbes, 2021 - Link | [20]IMF Blog, 2020 - Link

A flighty customer base

Another concerning trend is the decrease in customer loyalty. Foresight Research looked at almost 11,000 banks across 44 markets and found that 'customer churn' is set to increase exponentially. By 2022, it predicts that the percentage of customers leaving their current bank will jump to 27%, with younger customers much more likely to do so. It's a complex issue, driven by an increase in competitors and a decrease in customer trust in the wake of the 2008 financial crisis, but it's one that commercial banks should address urgently.

Customer retention should be a priority for any business development team, as acquiring new customers can cost five times more than working on retaining those you've already won. Even though it's difficult, your hard work could pay dividends; research by Bain & Company discovered that **increasing customer retention by just 5% could boost profits by up to 25%.**[21]

As a result, relationship managers will need to find new ways to build and bring relationships to maturity to stop clients from jumping ship. With **Sales Navigator,** you could **find ten times more decision-makers** and **make connections with five times as many**, compared to basic LinkedIn users.[22]

LinkedIn Sales Navigator can accelerate your digital selling ability

Global sales reps using LinkedIn Sales Navigator found

10X

***more decision makers** and **connected with 5x more** of them than reps using free LinkedIn.com*[22]

[21]Bain & Company, 2001, Prescription for Cutting Costs - Link | [22]LinkedIn Data, 2020.

Prioritising compliance

It has never been more important for commercial banks to make compliance and data safety a priority.

LinkedIn Sales Navigator is a GDPR-compliant tool, meaning you can find and extract invaluable information without worrying you're going to inadvertently breach data regulations. Use features like **Leads That Follow Your Company** to discover and introduce yourself to an audience that's already engaged.

> *"No company is immune to the pressures of the market. But companies that focus on building loyal relationships that by their very nature keep costs to a minimum are far better positioned to remain strong in the face of market turbulence."*
>
> **Frederick Reichheld**
> Bain & Company

Adapting to fresh opportunities

Rock bottom interest rates are still squeezing commercial banks' profit margins, and the possibility of negative interest remains too close for comfort. And while the retail banking sector is likely to bounce back fairly quickly, thanks to what McKinsey calls "revenge shopping"[23] following a year of deprivation, the commercial banking sector's recovery could be more drawn out. Entrepreneurs may be reticent to seek funding for new ventures, and established businesses could postpone expansion plans that require additional capital until the economic waters are less choppy.

So, how can business development teams capitalise on the opportunities that do exist? Tools like LinkedIn Sales Navigator will certainly go a long way. Make the most of **boosted search capabilities** to find prospects to contact through InMail, which is **3x more effective than email.** And once you've made your move, use **SmartLink to track and monitor interaction** with content sent via InMail and tailor your approach based on data.

Personalising your interactions

Our research has found that 90% of C-Suite executives don't respond to impersonal messaging.[24] Thanks to Sales Insights and Sales Navigator, you can gather information to tailor your approach. Adding that personal touch could uplift your company's annual revenue by 10%[25], reduce acquisition costs by up to 50%[26] and help you get that vital foot in the digital door.

[23]McKinsey, 2021, The next normal arrives: Trends that will define 2021—and beyond - Link | [24]LinkedIn, 2021, Selling in Financial Services Has Evolved - Link | [25]BCG, 2019, What Does Personalization in Banking Really Mean? - Link | [26]McKinsey, 2016, Marketing's Holy Grail: Digital personalization at scale - Link

Using insight to drive action

It doesn't matter how skilled your relationship managers are; they'll struggle to get results if you're not identifying the right opportunities. 79% of B2B relationship managers are missing high-quality data for territory planning, and a staggering 87% are going in data blind when it comes to account prioritisation.[27]

To shape your strategy, you can use **LinkedIn Sales Insights** to **identify gaps and pinpoint markets and audiences** that represent a promising opportunity. Get macro-level market information from **Sales Insights**, offering a useful overview of the markets and opportunities before honing in on specific targets using **Sales Navigator.**

Playing the long game

Our data shows that the average B2B sales cycle is six months, meaning you'll need to allow time to build a relationship that converts a lead into a client. But that doesn't mean you should simply sit back and wait. In the financial services world, relationship managers' **win rates increase by 28%**[28] after engaging with content posted by key decision-makers on LinkedIn.

Content engagement has increased by

14%

year-on-year between relationship managers and key decision makers.

[27]LinkedIn, 2021, Selling in Financial Services Has Evolved - Link | [28]LInkedIn (2020) Financial Services Industry Factpack [Global]

Case study

First Midwest Bank

First Midwest Bank

Nurturing precious relationships digitally

Relationship-focused bank First Midwest Bank prides itself on bringing a personal touch to all its customer and lead interactions. When the events of 2020 made it challenging to maintain relationships the traditional way, the proactive bank looked for a new way to connect.

"We needed new ways to prospect: finding new leads and outreach," says VP, Senior Marketing Manager Ryan Novak. "We didn't really have great research tools as part of our tech stack before that helped with this."
First Midwest's team quickly got to grips with LinkedIn Sales Navigator. TeamLink helped them to identify warm connections and integrating Sales Navigator into their Salesforce CRM allowed everyone to bring targeted insights and technology into their daily routine.

Incorporating Sales Navigator into their strategies has helped First Midwest capitalise on opportunities. 68% of leads won were influenced by activity through Sales Navigator and deals that originated from Sales Navigator had 61% higher win rates than others company-wide. Any by year-end, 80% of First Midwest's sales team agreed that Sales Navigator was a "valuable tool".

"I've learned of new companies through the advanced search function in Sales Navigator and learned who is connected to these companies. This has helped my team's prospecting efforts become more efficient and effective. Sales Navigator is another way to turn cold calling into warm calling, which ultimately leads to more sales successes for my team and me."

Kyle Freimuth
EVP, Director of Middle Market Banking,
First Midwest Bank

Conclusion

Find your next opportunity

LinkedIn Sales Insights and Sales Navigator give you clear and reliable data on all your prospects. LinkedIn Sales Insights provides broader visibility on macro trends and new areas of opportunity, LinkedIn Sales Navigator helps you zero in on individual connections.

Using both tools together will give you the complete oversight you need to start the quick conversations that lead to long-term, rewarding relationships.

There over 16 million interactions between finance firms and clients every day.

Learn more about how our tools can make your conversation heard above the rest.

LinkedIn Sales Insights

Watch our short demo

LinkedIn Sales Navigator

Arrange a demo or start your free trial

LinkedIn Sales Solutions