DRIVING GO-TO-MARKET SUCCESS
ALIGNING PRODUCT AND SALES TO ACCELERATE TREASURY MANAGEMENT REVENUES
Introduction

Product teams create capabilities to meet market demands. Sales teams uncover client needs. But who connects the dots? The treasury management space offers attractive growth opportunities for banks with the right product portfolio and strategy. Yet far too many banks are leaving money on the table because they are unable to fully align their business capabilities with client needs. This disconnect limits banks’ potential to effectively meet client needs and deliver products with a compelling value proposition to drive revenue for the bank. As an example, remote capture has been around for ten years, but banks have captured less than half the potential market. This white paper outlines the foundational elements of a go-to-market infrastructure and capabilities that banks need to succeed.
Go-to-market success requires that banks connect the dots between product and sales.

At most banks the onus is on the sales team to uncover client needs for the solutions developed by bank product managers, says Dave Robertson, managing director of Deluxe Treasury Management Solutions.

“Banks must translate their product capabilities into solutions that solve client problems.”

Unfortunately, translating between product and sales teams is one of the biggest obstacles to success in banks. “There is a schism between the product and sales teams at most banks,” Robertson says.

As evidence, Larry Buettner, managing principal with Deluxe Treasury Management Solutions notes that remote deposit capture (RDC) penetration varies significantly across banks. Best-in-class banks report 48 percent RDC penetration. Conversely, median banks report 25 percent RDC penetration and those in the bottom two deciles have a 10 percent or lower RDC penetration among their commercial customers. And this variance cannot be explained by differences in target markets, Buettner adds.

“The disparity in the penetration of remote deposit capture is a function of a bank’s inability to translate capabilities into delivering against client needs,” Buettner says, adding that, “the magnitude is stark.” Banks that are less successful in cross-selling RDC to their clients are leaving money on the table. Achieving best-in-class RDC penetration would enable median performers to double their revenues from RDC, while performers in the bottom two deciles would reap five times the RDC revenues.

“Remote capture is a product that is well understood, but many banks are not getting it sold to all the clients that need it, particularly small and mid-sized businesses,” Buettner explains. Now imagine the same banks attempting to sell more sophisticated treasury management solutions, such as Integrated Receivables. Addressing gaps in go-to-market capabilities is critical to a bank’s growth.
What’s Missing?

So how do banks stop leaving money on the table?

The biggest driver that differentiates high growth banks is their go-to-market capabilities.

Go-to-market capabilities are the disciplined delivery of bank products and services to meet client needs, including tools and frameworks to:

- Identify and prioritize bank client prospects
- Uncover client needs and pain points
- Design optimal solutions
- Quantify and articulate benefits for the client
- Motivate customer adoption by mitigating concerns about change

Robertson says banks often identify and prioritize prospects in a bank-centric manner—what prospects look like a typical bank client. What banks often fail to do is examine the attributes that make a good prospect—specifically, the client’s needs, how well the bank’s capabilities fit the client’s needs, the bank’s ability to articulate and deliver value, and how the bank can mitigate client concerns about change. The best prospect is one that can gain significant benefits from a bank provided solution, and who is motivated to change.

“Breaking down the drivers that create value for the customer is the key to a great go to market approach,” Robertson says.

Achieving go to market success is not as easy as it sounds. Banks must become proficient in:

- Client processes, decisions and data architecture
- Client economics
- Best practices, Key Performance Indicators (KPIs) and improvement hypotheses
- Customer propensity to buy, switch or augment
- Economic benefit modeling
- Consultative selling
- Diagnostic sales tools
- Change management

“It’s hard to sell to clients if you are only focused on your bank’s needs,” Robertson says. Banks need to ask themselves what their clients need, why they need it, and how the bank can create value.
The Order-to-Cash Cycle

To understand the scope of the challenge for banks, consider the working capital cycle, which is complex and affects customer relationships, revenues, profitability, and the corporate balance sheet.

“Order to cash effects nearly everything about a business,” Robertson says.

The order-to-cash cycle encompasses functions such as credit management, order and customer management, billing, payment acceptance, cash application, clearing, deductions and disputes, collections, and receivables funding. It also has a material impact on cash concentration, forecasting and planning, counterparty management, and cash deployment.

Complicating matters, corporate needs and opportunities vary by industry group, customer technology environment, and customer attitudes and preferences, Robertson explains.

“Businesses are driving more discipline around collecting receivables and looking to improve their processes, technologies and services,” Robertson notes. “But while corporations are placing significant focus on improving the order-to-cash cycle, resources are scarce, and inertia is high.

Many corporations are overwhelmed trying to balance myriad order-to-cash trends:

- Pressure to grow revenues and constrain or cut expenses
- Increased emphasis on the customer experience, including billing and payment
- Growing need to modernize payment channels to accommodate multiple payment methods
- Greater focus on improving order-to-cash efficiency, accuracy, speed and performance

Orchestrating the right expertise to help corporations, at the right time, is critical to success – but this is not easy for banks. It requires a robust set of go-to-market capabilities.

Over the past several years, Deluxe executives have listened to their bank clients – who have asked for help selling their treasury management services. Banks want to know which industries in their target market or geographic footprint they should focus on to grow deposits and expand relationships.

“Banks want to improve the effectiveness of their sales efforts,” Robertson says. It is for this reason that Deluxe Treasury Management Solutions augmented its growing suite of best-in-class technology solutions with go-to-market capabilities.
Go-to-Market Capabilities

Deluxe’s value-added go-to-market capabilities for banks combine deep corporate insights and benchmarks from its work in the order-to-cash value chain, go-to-market best practices and benchmarks drawn from its work with banks and financial services firms, and proprietary research on corporate pain points, needs, and propensity to adopt order-to-cash solutions.

Deluxe’s current go-to-market capabilities for banks include:

- Prioritized lead lists and an accompanying value proposition based on opportunities to create value for customers
- Market scans of industry verticals with revenue pools, profit pools and key order-to-cash pain points and needs
- Value propositions for order-to-cash solutions by segment
- Pitch decks for bank relationship managers to generate prospect interest
- Diagnostic sales tools to uncover, qualify and quantify the benefits of improvement opportunities
- Proposal templates to sell Treasury Management solutions, articulate benefits, and outline a reliable migration plan
- Rosters of common obstacles to adoption and mitigating responses

“These capabilities help corporations overcome inertia and create the impetus to act,” Buettner says.
Go-to-Market Capabilities

Leveraging these services can accelerate time-to-revenue. Consider Deluxe’s prioritized lead lists.

**Step 1:**
The bank provides Deluxe with customer (e.g. industry group, size and location) and transaction (e.g. deposits by channel, payment items collected, and data delivery methods) data.

**Step 2:**
Deluxe augments and analyzes the customer and transaction data to:
- Identify cross-sell opportunities based on actual usage versus likely volumes
- Identify value-added sales opportunities by quantifying the expected value of changes to the business
- Prioritize opportunities based on value to the bank and difficulty of execution
- Identify projected value proposition based on nature of the customer and the quantified value of the opportunity

**Step 3:**
Deluxe organizes the opportunities into a series of reports for bank personnel. Prospects can be identified with or without directly interacting with them; information can be gathered from multiple sources and credit files. Deluxe prioritizes prospects—and helps identify early adopters and other segments—based on value to the bank, value to the customer, and strength of the proposition. Deluxe monitors each bank’s progress in realizing opportunities (including a formal debrief on success factors and obstacles), to measure the value of the program to the bank. Supporting initiatives, such as coaching, also may be implemented.

Partnering with Deluxe to develop prioritize lead lists helps banks energize their sales teams, more quickly qualify target lists, and present a quantified business case that includes tangible economic benefits.

Deluxe plans to expand its go-to-market capabilities to include: views of optimal corporate order-to-cash operating models and bank strategies to deliver, a knowledge base of common customer service issues, and optimization models for issues such as balancing tradeoffs between pricing mobile RDC to maximize deposit channel migration versus pricing mobile RDC as a value-added revenue stream.

“The goal is to accelerate the sales process to help ease the pressure of hitting revenue targets quarter-over-quarter and year-over-year,” Buettner explains.

Buettner is quick to add that the objective of these go-to-market capabilities is not to convince banks to change their sales model.
Conclusion

There is massive growth potential in the existing customer bases and target markets of banks. Mobile remote deposit and order-to-cash automation are two examples of products with meaningful upside. Seizing these opportunities requires banks to have strong go-to-market capabilities that tightly align product management and sales, while augmenting the skills, insights and activities of a bank’s sales force. “It is enablement, not automation, of selling,” Robertson says. Banks no longer must build out these capabilities on their own. Go to market capabilities, such as those from Deluxe, make it easier for banks to accelerate and significantly grow their treasury management revenues and cement client relationships.

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fi.deluxe.com

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800.937.0017

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About Deluxe Financial Services
Deluxe Financial Services is a trusted partner to more than 5,600 financial institutions across North America, including 23 of the top 25 largest treasury management financial institutions. We help our clients succeed in a competitive landscape through a diverse portfolio of best-in-class financial technology solutions. These solutions help clients target, acquire and retain customers; enhance the customer experience; improve efficiency; and optimize commercial and treasury operations.

Industry-leading companies rely on Deluxe Treasury Management Solutions to accelerate working capital, improve straight through processing, better serve their customers, control costs and drive profitable growth with in-house or outsourced offerings for receivables management, remote capture, treasury management onboarding and payment processing services.