



## HOW-TO GUIDE

# 4 ways to improve commercial customer revenue

## BANKING

The commercial banking market is highly competitive with the majority of international players having the highest market share in a decade.<sup>1</sup> But, the market still provides opportunities for growth if you have the right technology in place.

Here are four steps your financial institution can take to improve commercial revenue.

### 1. Make customer service a priority

Commercial banks and corporate customers compete in a very different business environment than they did a few years ago. Competitiveness has raised the bar for customer satisfaction. And, recent data demonstrates that customer-centric banks are outperforming their peers.<sup>2</sup> You need to be able to easily provide comprehensive, fully consolidated revenue management and billing services to commercial customers of any size or complexity. That's because bank customers now demand continuous innovative service that gives them what they want, how they want it, and when they want it.

## 2. Rationalize relationship pricing

When you have the information you need when you need it, you can help your relationship managers make sound decisions about customer relationships that optimize both service and profitability. Your revenue management and billing system should give you clear information about the profitability of any customer or account, including how to price all of one customer's business at the same time, how much risk a customer generates, and the likely profitability of one customer's business. And you must consider the full relationship of the customer—looking at their credit, deposit, and lending portfolio to design pricing that accounts for the overall banking relationship.

## 3. Pursue digital transformation

Digital business transformation is the process of exploiting digital technologies and supporting capabilities to create a robust new business model.<sup>3</sup> Ensure that your bank is embracing digital transformation by connecting with your customers, understanding how best to serve them, and then offering a unique digital experience for how they interact with your bank for their cash and treasury management services. To remain competitive and build a strong brand image for your bank, partner with a service provider that can offer a comprehensive and innovative solution.

## 4. Choose the right technology

Managing revenue management and billing are critical components of a successful commercial banking relationship. Historically, banks have relied on either their core deposits solution to perform a simplistic price-times-volume approach, or they have allowed their internal IT team to develop custom solutions that fit a very narrow scope of what the bank is trying to accomplish. Selecting a comprehensive vendor solution that is industry driven is key. The choice you make in a technology solution to manage your relationships with commercial customers can help determine your success. With the right tools, you can transform your bank's enterprise pricing and billing into a powerful system for increasing revenue, controlling risk, forecasting demand, and reducing costs. Consider implementing a new revenue management and billing system that can help position you for future growth and stability.

<sup>1</sup> Mordor Intelligence, *US commercial banking market—growth, trends, COVID-19 impact, and forecasts (2021–2026)*, April 7, 2021.

<sup>2</sup> EY, *How banks can stay relevant as customer preferences change*, Feb 10, 2020.

<sup>3</sup> Smart Payments, *Digital transformation: The future is open for commercial banks: Part 1*, Sep 9, 2019.

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