



**BEAT THE BOTS**

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# **5 WAYS BUSINESS BANKERS WIN IN THE AGE OF FINTECH & AI**

## INTRO

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Today's business bankers are worried. Financial technology (FinTech) is advancing exponentially and the traditional banking model is being challenged. FinTech-fueled banks with easy-to-use applications, like Chime and PayPal, are popping up constantly. Moreover, tech giants, like Apple, Amazon and Google, are poised to move into the industry. Without significant changes on their part, business bankers could be replaced or even made obsolete within the next decade.

**“THE PROBLEM FOR SMALL TOWN BANKS: PEOPLE WANT HIGH-TECH SERVICES.”**

**THE WALL STREET JOURNAL, MARCH 2019**

The simple fact is, community banks and branches are losing customers, particularly young customers. Who needs a human banker when there's an App, a portal, or bot — Right? Wrong.

By properly preparing and positioning yourself as a business advisor who delivers strategic insight and steers investments in the right direction, you can still beat out the bots, even those loaded with predictive analytics, machine learning, or artificial intelligence. But first, you need to rethink how you are doing business — and how you can change for the better in 2020.



## CHAPTER 1

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# GET PREPARED

## CHAPTER 1: GET PREPARED

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Banking prospects want sales interactions to be either extremely easy — or extremely valuable. That’s easier said than done. Prospecting is difficult on many levels. It’s awkward knowing almost every business already has a bank — and connecting in person to learn about financial products and services often seems forced. Since the bulk of buying is now done online, taking time to meet face-to-face (or even meeting at all) is increasingly rare.

**“70 PERCENT OF A B2B BUYER’S PURCHASING JOURNEY IS COMPLETED ONLINE BEFORE EVER CONNECTING WITH A BUSINESS REP OR SALES PROFESSIONAL.”<sup>1</sup>**

Analysts from Forrester Research estimate that 70 percent of a B2B buyer’s purchasing journey is completed online before ever connecting with a business rep or sales professional.<sup>1</sup> According to the sales and marketing experts at HubSpot, only 29 percent of people want to learn more about a product from a salesperson while 62 percent will simply consult a search engine.<sup>2</sup> So, how do you compete with a search engine? You step up your game so when you meet with business owners the time spent together is valuable to them. To do that, you have to prepare for the meeting. First, you must find the time to get prepared so you can better advise prospects and clients. Everybody’s busy.

### **Banking professionals spend most of their time dealing with:**

- Customer service requests
- Managing staff
- Submitting loan approval requests
- Administrative tasks
- Meeting with customers and prospects
- Meeting with bank associates
- Analyzing reports
- Internal meetings
- Documenting activities
- Selling dozens of products
- Local branch marketing
- Community involvement

<sup>1</sup> Forrester here

<sup>2</sup> 15 Statistics That Make the Case for Inbound Marketing <https://www.weidert.com/blog/14-statistics-that-make-the-case-for-inbound-marketing>

## CHAPTER 1: GET PREPARED

With all these daily tasks, where do you find time to prepare to meet with existing and prospective clients? Start with these 3 simple steps:

### 1. Begin your day with call & meeting preparation:

Create a calendar event for call and meeting preparation first thing and stick to it. Whether it's 6, 7, 8 or 9 a.m., begin your day with an overview of the calls and meetings scheduled that day.

### 2. Take 30-minutes to set-up for success

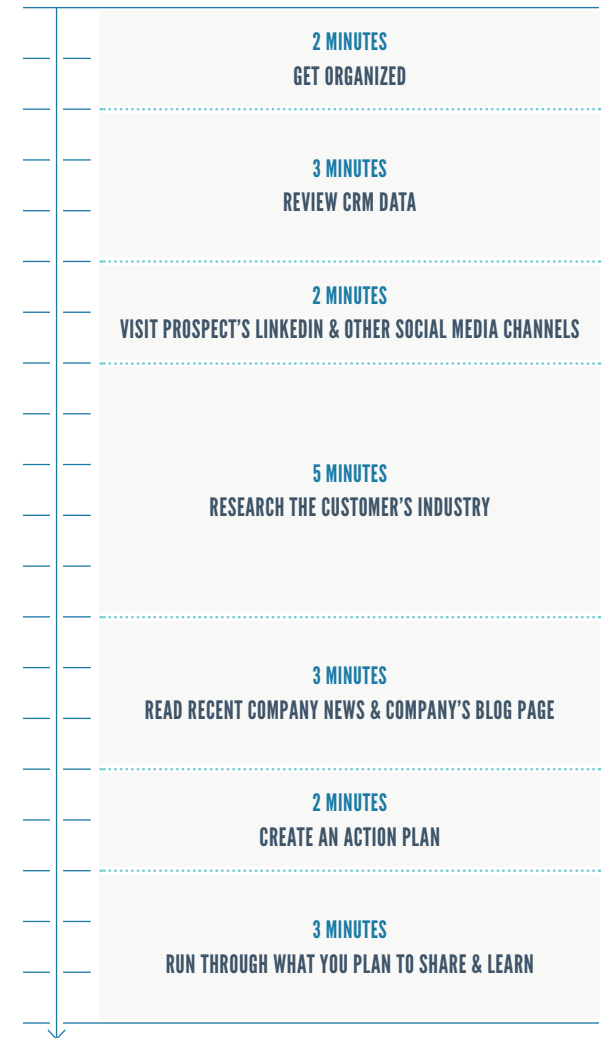
If you have a call or meeting at 2:00 p.m., set aside 20–30 minutes to prepare so that you can act as a true advisor. Block that time on your calendar and set yourself as busy.

### 3. Stay on course with weekly overviews:

Make meeting prep a habit by creating ongoing calendar events each Monday to get an overview of who you'll be meeting with that week. Then create a plan to deliver real value during those meetings.

Determine what works best for you. If prepping the night before fits your schedule or personality better, do that. But take that daily and weekly time for yourself, your bank, and your clients. You'll be better positioned to deliver the strategic insight business owners and professionals need (which most banking apps and bots lack). Plus, you'll get the time back quickly via smoother credit underwriting, loan approvals, and more, as you will be pre-loaded with information to avoid the typical back-and-forth with business owners that can eat up so much time.

### TAKE 20 MINUTES TO SET YOURSELF UP FOR SUCCESS:



20 MINUTES = BETTER MEETINGS. BETTER RESULTS.



CHAPTER 2

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**ASK BEFORE YOU ACT**

## CHAPTER 2: ASK BEFORE YOU ACT

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In the classic, *How to Win Friends & Influence People*, Dale Carnegie famously said: “Only the prepared speaker deserves to be confident.” And confident you are. You’ve taken the time and steps to prepare for your meeting. You’re loaded up with information you can’t wait to share with a prospect or current customer. But, before you pick up the phone or walk into a meeting, carefully consider your approach with the customer.

**“ONLY THE PREPARED SPEAKER DESERVES TO BE CONFIDENT.”**

**DALE CARNEGIE**

Digital sources and banking applications often collect and deliver data without context and lack the ability to truly collaborate with recipients. Instead of jumping right in with big picture business questions or even industry-specific data, ask your client how they would like to manage the meeting. It’s a simple human touch that demonstrates your desire to talk with your customers — not at them.

Let the prospect or customer weigh in on what they ultimately want to get out of the meeting and how the meeting itself should be organized. Perhaps you’ll split the time 50/50, with half of your time spent talking about their business needs, and the other half dedicated to potential banking solutions. Maybe you’ll use the rule of thirds, dividing your time three ways across their current challenges, how business banking could help, and why your bank is the right choice. The point is to ask them what they want.

## CHAPTER 2: ASK BEFORE YOU ACT

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Recent data from the financial analysts at Novantas illustrates growing diversity among business banking clientele along with an expanding array of desired information delivery methods. While 49% of business leaders from women and minority-owned businesses want to receive business advice directly from a banker, 26% prefer online webinars, 11% read bank-generated content, and 14% gather their info from branch and industry events.<sup>3</sup> Find out how your prospects and customers want to receive information before acting.

**“I HAVE NO SPECIAL TALENT. I’M JUST PASSIONATELY CURIOUS.”**

**ALBERT EINSTEIN**

Dale Carnegie also advised his readers to mirror the name and language of the person with whom you are speaking. To be considered as an advisor to business owners, you will need to model their language. That means using information and key terms relevant to their business and industry. Ask specific rather than general questions. Find their passion and share yours. If you’re inherently curious, you will likely have a great meeting. Your curiosity should shine through. One of the world’s greatest minds, Albert Einstein, once said, “I have no special talent. I’m just passionately curious.” Follow his lead by expressing personal interest in learning about your clients’ business and getting their input on how they want information delivered. That’s business acumen no banking bot can match.

### TALK WITH BUSINESS CLIENTS ABOUT THEIR:

STRATEGY	COMPETITORS	CUSTOMERS	REGULATORS	MARKET TRENDS
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A man in a dark suit, white shirt, and patterned tie, wearing glasses, is smiling and holding a tablet computer. He is also holding a pen. In the background, there is a sketch of a robot with a large head, a single antenna, and a body made of lines. The entire image has a blue tint.

## CHAPTER 3

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# FOCUS ON FINANCIALS

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Great bankers provide financial expertise to their business clients. So, focus on financials. You will need to identify the financial strengths and weaknesses of a business. Discuss current cash flow and access to capital. Work with business owners to define and track Key Performance Indicators (KPIs). Think all that falls to their Chief Financial Officer? Think again.

### **MOST BUSINESSES WITH LESS THAN FIVE MILLION IN REVENUE DO NOT HAVE A CFO.**

Most businesses with less than five million in revenue do not have a CFO. Therefore, they don't have a true finance expert in their business. Bookkeepers don't typically offer strategic advice and accountants can be expensive. Experienced accountants are often too expensive for small businesses to pay. Your greatest opportunity as a business banker is to help a business with its CFO activities.

Act as a proxy CFO and demonstrate how you can help clients. Again, don't just throw financial info at clients. Bring that data to life by sharing insight that can help the business understand and apply it to drive success. Data storytelling — communicating what the numbers mean using simple, relatable stories to convey information — helps you stand out from your competition as well as even the most sophisticated FinTech platforms and advanced analytics. Bypass the bots by stepping in as a substitute CFO, collaborating with business leaders, and communicating how they can use the data you provide for a more profitable financial future.

### **MAKE FINANCIALS YOUR KEY DIFFERENTIATOR:**

1

REVIEW OVERALL FINANCIAL POSITION

2

IDENTIFY CRITICAL FINANCIAL CHALLENGES

3

UNCOVER POTENTIAL SAVINGS AND PROFIT CENTERS

4

PROVIDE ACCESS TO WORKING CAPITAL AND CREDIT

5

DEVELOP KPIS TO IMPROVE FINANCIAL PERFORMANCE

6

SHARE STRATEGIES, SOLUTIONS & SERVICES TO GROW BUSINESS

A man in a light blue shirt and striped tie is looking down at a laptop. The background is a textured wall. To the left, there is a hand-drawn sketch of a robot with a single antenna and large eyes. The entire scene is overlaid with a semi-transparent blue filter.

## CHAPTER 4

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# CONNECT WITH SPECIFIC INDUSTRY INSIGHT

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To help clients solve complex business problems, you must know the basic dynamics of their industry and local markets — ideally before your first meeting. More specifically, you need to know the basics about how their business works in order to ask the right questions. According to Barlow Research, among small businesses (\$100K-<\$10MM in annual sales), 71% say it is a top priority/very important that their primary contact at their primary bank understands their company's objectives.<sup>4</sup>

**“71% SAY IT IS A TOP PRIORITY/VERY IMPORTANT THAT THEIR PRIMARY CONTACT AT THEIR PRIMARY BANK UNDERSTANDS THEIR COMPANY’S OBJECTIVES.”<sup>4</sup>**

Traditionally, bankers have been generalists who call on all types of businesses in their geography. To compete in today's tech-driven market, you'll need to become an industry specialist.

### **Get specific**

- Choose 2 to 5 industries to focus on depending upon your time constraints.
- Ask your bank for a list of the companies in your market area or use a company intelligence platform to generate a target list.
- Join local industry associations and get involved by volunteering.
- If you have a few connections, cold calling pre-qualified prospects within an industry works well — but you may typically need 8–12 “touches” before you get a response.

## CHAPTER 4: CONNECT WITH SPECIFIC INDUSTRY INSIGHT

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Why should you specialize in industries? The experts from Deloitte emphasize that, “Building a reputation for value-added services will require banks to further deepen industry expertise.”<sup>5</sup> Plus, vertically focused banks are seeing significantly better results than generalists. Live Oak Bank, in Wilmington, North Carolina, didn’t prospect to businesses geographically, but instead focused on specific industries, such as agriculture, hotels, and family entertainment centers. Its results have been impressive. The amount of loans and leases originated by Live Oak more than doubled in just four years after making the industry-specific shift.

**“BUILDING A REPUTATION FOR VALUE-ADDED SERVICES WILL REQUIRE BANKS TO FURTHER DEEPEN INDUSTRY EXPERTISE.”<sup>5</sup>**

**ID your industry — determine which industries may be a match by asking yourself:**

- Which industries have a propensity for financial services that match my bank’s goals?
- Which industries meet my bank’s credit standards?
- Which industries are prevalent in my market area?
- Which industries don’t already have intense competition?

You won’t find your market through research alone. Get off the computer and go meet with business owners to see first-hand where you can provide real value. Then deliver industry and business-specific information that matters. Banking apps and bots can’t go out and talk to people (yet). You can. Take advantage of that opportunity to connect and deliver value.

## CHAPTER 4: CONNECT WITH SPECIFIC INDUSTRY INSIGHT

Here are a few real-world examples of industry-specific questions you might ask a brewery owner to demonstrate industry knowledge and direct them toward solutions and services your bank provides.

**WHAT TYPE OF RELATIONSHIP DO YOU HAVE WITH YOUR DISTRIBUTORS?**

MANY BREWERIES ARE DEPENDENT ON THEIR DISTRIBUTORS TO SELL AND DISTRIBUTE PRODUCTS.

**WHAT CHALLENGES HAVE YOU FACED DUE TO SHORTAGES OF HOPS OR OTHER INGREDIENTS?**

INGREDIENT SHORTAGES ARE COMMON. ONE WAY TO GUARANTEE SUPPLY IS TO ENTER INTO CONTRACTS WITH HOP AND GRAIN PROVIDERS.

**HOW DO SEASONAL SWINGS IN DEMAND AFFECT YOUR OPERATIONS & CASH FLOW?**

BEER SALES CAN BE SEASONAL, WITH PEAKS IN THE SPRING AND SUMMER. JANUARY AND FEBRUARY ARE TYPICALLY THE SLOWEST MONTHS.

**ASKING AND HELPING CLIENTS ANSWER INDUSTRY-SPECIFIC QUESTIONS WILL LEAD YOU DIRECTLY TO DISCUSSING LINES OF CREDIT, PAYMENT OPTIONS, ACH, AND MORE.**

**AT WHAT POINT WILL YOU UPGRADE OR EXPAND YOUR BREWING EQUIPMENT?**

A NEW PRODUCTION BREWERY CAN COST FROM AROUND \$1 MILLION TO \$5 MILLION TO OPEN, WITH MUCH OF THE EXPENSE GOING TOWARD PRODUCTION EQUIPMENT, TANKS, KEGS, AND REFRIGERATION.

**ARE YOU CONSIDERING BUILDING AN ON-PREMISES RESTAURANT OR TAVERN?**

NEW BREWERIES CAN GENERATE ADDITIONAL REVENUE BY OPERATING AN ON-PREMISES BAR OR RESTAURANT, THOUGH THIS COMES WITH ITS OWN SET OF RISKS.

**HOW DOES YOUR COMPANY MARKET ITS PRODUCTS?**

MARKETING PLAYS A SIGNIFICANT ROLE IN BRAND AWARENESS AND CUSTOMER INTEREST.



CHAPTER 5

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**LISTEN CAREFULLY  
FOR CLUES**

## CHAPTER 5: LISTEN CAREFULLY FOR CLUES

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Technology can do many things for bankers — and their clients. Yet, everyone who's ever logged on to a banking app or portal can tell you technology can't really be your friend and its capabilities are limited when it comes to providing a great customer experience. Business banking experts from the McKinsey Global Institute note that "customer experience is beginning to generate meaningful separation in growth," with 46% more compound annual deposits in banks that deliver better customer service. Clearly, customer experience can't be ignored — and human business bankers still have the edge here.<sup>4</sup>

**“CUSTOMER EXPERIENCE IS BEGINNING TO GENERATE MEANINGFUL SEPARATION IN GROWTH.”<sup>6</sup>**

Traditionally, bankers have been generalists who call on all types of businesses in their geography. To compete in today's tech-driven market, you'll need to become an industry specialist.

Obviously, the first question you ask a client or prospect is important. But it's the follow-up questions and conversations that occur *after* a call or meeting that matter most. Listen carefully to potential and current clients and take good notes during meetings. Within the span of a 30- to 60-minute meeting, you'll gain a plethora of information, including clues about their business, finances, current bank, and more that you can use to win their business.



## CHAPTER 5: LISTEN CAREFULLY FOR CLUES

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Focus on those clues and details throughout your follow-up efforts. An email that includes a few specific details from your original conversation coupled with an industry- or business-specific article or data point proves you were listening — and that you can and will continue to deliver more insight and value as your business relationship progresses. The folks at The Financial Brand have it right in *Financial Institutions vs. FinTechs: The Fight for Business Banking*: “Being customer-centric is the strongest differentiator you can build for the long-term. And whoever is more long-term oriented always has the advantage.”<sup>7</sup>

**“BEING CUSTOMER-CENTRIC IS THE STRONGEST DIFFERENTIATOR YOU CAN BUILD FOR THE LONG-TERM. AND WHOEVER IS MORE LONG-TERM ORIENTED ALWAYS HAS THE ADVANTAGE.”<sup>7</sup>**

Today’s bankers must be savvy marketers — and follow-up is essential in any smart marketing program. You’ve built rapport by being a professional, prepared, and friendly human being. Seal the deal by following up with your new friends with content specific to their business.

## CONCLUSION: MAKE THE SHIFT IN 2020

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Although capitalizing upon technology adds value to your business banking relationships, lasting relationships are made between people — not digital banking services or bots. And real intelligence is much more impressive than artificial intelligence when it's delivered with context, care, and a plan of action. You are essential to the successful customer experience and long-term value equation. Stand out from digital banking services by becoming a trusted advisor. Make the shift in 2020 by following the rules we've outlined in this eBook:

### **RULES OF TRUSTED ADVISORS**

- 1: PREP FOR CALLS AND IDENTIFY CREDIT CONCERNS FOR SMOOTHER UNDERWRITING**
- 2: SHARE VALUABLE CONTENT IN THE WAY CLIENTS WANT TO RECEIVE IT**
- 3: OFFER SPECIFIC INDUSTRY AND FINANCIAL ADVICE**
- 4: FOLLOW-UP WITH CLIENTS QUICKLY WITH RELEVANT BUSINESS AND INDUSTRY INFO**
- 5: BE PROACTIVE: IMPLEMENT THE ADVICE AND ACTION ITEMS OUTLINED HERE ASAP**

Of course, you don't have to do all of this on your own. Vertical IQ provides detailed industry intelligence that sets banking professionals apart from the competition — including the banking bots, FinTech portals, and apps coming for your business. Our easy-to-use solutions, proven processes, and hands-on assistance enable busy professionals to understand their clients' businesses and industries, stand out in a crowded competitive environment, deliver more value, and win more business.

**Contact us to learn how you can beat the bots in 2020 and beyond with Vertical IQ.**



Headquartered in Raleigh, North Carolina, Vertical IQ is an innovative industry intelligence solution that helps prepare bankers, accountants and other advisors of all types who advise small and medium-sized businesses (SMBs). With actionable content covering more than 500 unique industries, as well as 325 economic/industry reports for cities across the U.S., Vertical IQ quickly turns its users into industry experts, helping them land new business and retain existing customers. Vertical IQ's industry research has been incorporated into the successful relationship management processes of organizations of all sizes.

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