



EUROPEAN REPORT CHALLENGES THE ROLE OF SMALL BUSINESS RELATIONSHIP MANAGERS

FOR IMMEDIATE RELEASE

London, 3 August 2010 – The role of relationship managers across Europe comes into question today with the release of the fourth annual Efma - Finalta report on Small Business Banking in Europe. In the budget constrained environment of 2010, the report challenges the costly provision of the small business relationship manager (RM) and asks is there a need for this role?

The report outlines strong reasons why banks should critically review how they are using small business relationship managers and whether real value is being generated.

Approximately 50% of small business customers are relationship managed across Europe. Finalta looked at RM time-spend and believes too much time is spent disguising poor lending processes and other business inefficiencies from the customer. Further, RMs carry out low-value activities, instead of working on deepening relationships with existing customers, acquiring profitable switchers and exploring the personal aspects of the customer's needs.

The report predicts over the next few years, successful banks will redefine their service models to develop a clear definition of the role and purpose of RMs and invest in fixing poor processes. Whilst the RM is not dead, there are likely to be significantly fewer in five years time.

Russell Shore, Director of Finalta commented:

“Thousands of relationship managers are employed across Europe at significant cost. Yet, too often, they are covering up poor processes or compensating for bad customer experiences.”

“While Finalta does not believe we are seeing the end of the role of the relationship manager, there is certainly a need for a more critical examination of the purpose and use of the RM than in the previous decade. For the relationship manager to survive long term, they must add value both to the customer and to the bank.”

Patrick Desmarès, Secretary General of Efma commented on the report:

“We have partnered with Finalta on the production of the Small Business report for four years now, and during that time we have charted some important changes in the way the European banks view the management of the SME segment.”

“At Efma we believe that part of our role is to help our members recognise where they can improve both their business model and their customer service, and in my view this report identifies some significant opportunities for improvement for this sector.”

90 banks took part in this research, representing 27 countries and 16 million small business customers. Respondents were SME segment heads or equivalent.

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A copy of the fourth annual **Efma-Finalta Small Business Banking in Europe Report 2010** is available on request. Graphics also available.



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About Finalta

Finalta is an independent advisory company that specialises in providing benchmarking and best practice consulting to financial institutions. Finalta provides retail banks with fact-based analysis and practical recommendations designed to support rapid performance improvement.

For further information, please visit www.finalta.eu

About Efma

Efma promotes innovation in retail finance in Europe by fostering debate and discussion among the main players involved in change. Formed in 1971, Efma comprises 2,960 different brands in financial services worldwide today, including 80% of the largest European banking groups.

Through regular events, publications, and its comprehensive website, the association provides retail financial service professionals with answers to their questions about the main issues at stake in their business: multiple distribution strategies, customer approach, CRM, product and service marketing and improving profitability.

Efma is above all a dynamic association, providing a great opportunity for discussion and exchanges without any commercial constraints. It provides its members with a wide range of exclusive services as well as discount rates on non-gratuitous activities. The loyalty of its members as well as their permanent financial support are the best proof of its efficiency. www.efma.com