

Market commentary

Transform into a platform player

While COVID-19 has accelerated the pace of change, there is no denying that corporate lending has been on path toward seismic transformation for sometime. Banks have been rethinking their approach to lending products, services and delivery as corporate clients' needs and priorities have evolved. The way corporate banks engage with their clients can largely be categorized into three core models, or pillars: Product Provider, Relationship Builder, and Platform Player.

But since the onset of global economic drivers like COVID-19, as well as the emerging demands for digital services, banks around the world are shifting their time-tested position of a traditional relationship builder to that of a contemporary Platform Player.

Our study shows that by 2025, traditional relationship management will reduce as

a priority for servicing corporate clients, and this will be replaced by demand for value-add services. Clients are expecting experiences in their corporate journey that mirror their experiences in their retail journey as consumers. They expect faster response times, digital channels that keep them consistently connected to banking services, and visibility over the entire banking relationship, including self-serve capabilities.

Banks who have historically succeeded with strong relationships need not worry as this move does not remove the role and need for the relationship manager. Instead, it enhances their ability to deliver fast, accurate and flexible solutions – by putting more accurate and relevant data at their fingertips, accelerating and improving decision-making.

What banks should be concerned about is their organization's strategic focus. Today, regions across the world are almost entirely focused on domestic lending, and that will continue to be the trend for the next 5 years. But within each region, there is a diverse array of industries that makeup the domestic market and thus drive a new need for banks: dynamic, flexible and industry-specific digital solutions.

These new digital solutions can be quite complex, relying heavily on SMEs and smart ecosystems, creating a tangible need for a platform play.



For a bank to assume the future role of Platform Player, they need to begin planning for immediate transformations today. Cloud technology is the main digital tool that platform lending will require, closely followed by digital signature capabilities, e-documentation, cybersecurity and machine learning.

The transformation to Platform Player is a strategic move for banks but it is not an easy one. Banks engaging in this critical work should expect to encounter a number of barriers like: investment requirements, data security and regulation.

While internal teams can be empowered to meet many of these challenges, finding the right fintech partner to guide the transition is paramount to a bank's success. Banks need trusted, and authoritative partners to help them design and implement a digital strategy that transforms them into Platform Players. It is the only path toward delivering end-to-end lending solutions that meet the modern corporate client's needs.

Meet the demands of the modern economy and fast-track customers to opportunity.

Corporate Headquarters

4 Kingdom Street
Paddington
London W2 6BD
United Kingdom
T: +44 20 3320 5000

