



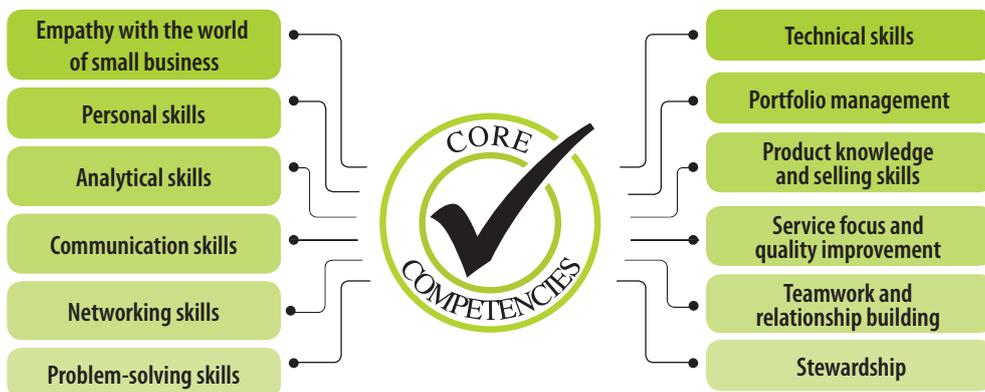
SMALL BUSINESS RELATIONSHIP MANAGEMENT COMPETENCIES

The role of a typical small business relationship manager is to establish and maintain long-term 'relationships of value' with an identified group of small businesses that are based upon trust, transparency, respect and the full disclosure of information; thereby managing risk and maximising commercial benefit to both parties.

For anyone to be an effective relationship manager it is important that he or she has a set of competencies that have been identified as critical to the role.

A number of skills, abilities and attributes are associated with each of these competencies and these are listed in more detail overleaf.

Figure 1: Core competencies of an effective relationship manager



About GrowthCap

Over the past few years FSDK has been at the forefront of SME banking development through conducting market assessments and studies in areas such as trade finance and SME equity funds, as well as supporting development of the credit reference bureau. Through its partnerships with its Action Research Partners (ARPs), FSDK's GrowthCap initiative is supporting adoption of SME best practices by individual financial service providers.

This paper is part of a series of Technical Notes and Resource kits that are being developed out of work with the ARPs. These provide detailed information about the best practices and are intended for use by financial service providers and those supporting such institutions which are entering the SME market.

Abstract

This Technical Note details the 12 core competencies required to be an effective small business relationship manager and the skills, abilities and attributes related to each of these.



Developed and tested by **Tim Atterton**, strategic adviser to the FSD Kenya GrowthCap project

Core competency	Required skills, abilities & attributes
1. Empathy with the world of small business	<ul style="list-style-type: none"> ▪ Appreciates the broader economic and market context within which Kenyan and African small businesses operate; ▪ Understands the complexity and nuances of the entrepreneurial personality and takes into account during day-to-day interactions; ▪ Demonstrates insight into the culture of the small business and the pressures and challenges that impact upon owner-managers; ▪ Appreciates the management methods and approaches adopted through necessity by small businesses; and ▪ Understands the short-term decision-making horizons adopted by small businesses.
2. Personal skills	<ul style="list-style-type: none"> ▪ Likeable, enthusiastic professional, seeks opportunity, takes initiative & holds self accountable for outcomes; ▪ Driven, ambitious, action-orientated and personal need for achievement; ▪ Open, honest, fair, patient and consistent in interactions with small business customers; ▪ Individual presence and accountable gravitas; and ▪ Establishes and maintains relationships that are based upon trust, mutual respect and the full disclosure of all relevant information.
3. Analytical skills	<ul style="list-style-type: none"> ▪ Applies judgement and makes sound decisions whilst demonstrating integrity; ▪ Seeks to understand customer's business and its needs; and uses evaluation criteria that extend beyond analysis of financial statements i.e. appreciates the value of intangible assets; ▪ Uses appropriate analytical and diagnostic techniques to gain a complete (holistic) overview of current business' performance; ▪ Understands the dynamics of business growth and the criteria (including key performance indicators) that attach to a healthy small business; and ▪ Adequately judges both the person and the business proposition.
4. Communication skills	<ul style="list-style-type: none"> ▪ Demonstrates a positive, encouraging and supportive disposition; ▪ Uses appropriate language and body language; and applies questioning and listening skills to obtain relevant information; ▪ Shares information with and receives information from colleagues and customers using effective oral and written communication skills; ▪ Provides feedback with clear explanations and avoids financial jargon; and ▪ Explains the information needs of the bank in a structured, clear and precise manner.
5. Networking skills	<ul style="list-style-type: none"> ▪ Credible within the small business community; ▪ Builds personal networks with small business operators and their stakeholders as a means to expand the bank's small business customer base; and ▪ Signposts small businesses to relevant sources of help and advice in the wider business environment.
6. Problem-solving skills	<ul style="list-style-type: none"> ▪ Understands the process of development within a small business, including the factors that drive or block necessary change; ▪ Applies appropriate problem identification and solving techniques; ▪ Differentiates between symptoms and root-causes of business problems; and ▪ Seeks and applies workable solutions.

Core competency	Required skills, abilities & attributes
7. Technical skills	<ul style="list-style-type: none"> ▪ Demonstrates strong financial acumen and the ability to interpret business performance through analysis of available financial information; ▪ Provides advice and guidance on building net worth within a small business; ▪ Understands the bank's risk appetite, credit processes and approval criteria; and ▪ Presents loan application in an optimum manner that reflects the systems and processes in place within the bank.
8. Portfolio management	<ul style="list-style-type: none"> ▪ Understands the type of relationship that small businesses desire from the bank and banker and performs accordingly; ▪ Actively manages a small business portfolio by segmenting the smaller business market and his / her relationships and prioritises the optimum contribution of both time and resource; ▪ Identifies early or latent potential within a customer relationship; and ▪ Positions the bank as a strategic business growth partner to its small business customers.
9. Product knowledge & selling skills	<ul style="list-style-type: none"> ▪ Understands the bank's product offer; ▪ Promotes the bank's small business product and service offer and competitive advantage simply and effectively; ▪ Links product sales opportunities to identifiable business need rather than to short-term targets or personal advantage; ▪ Maximises cross-selling opportunities and captures all fee income available from small business customers; and ▪ Closes deals with minimum delay.
10. Service focus and quality improvement	<ul style="list-style-type: none"> ▪ Values and delivers high quality, innovative service to all customers; and ▪ Strives for high quality performance and takes initiative to make improvements and deliver results.
11. Teamwork and relationship building	<ul style="list-style-type: none"> ▪ Treats people with courtesy and respect; ▪ Encourages cooperation, collaboration and partnership; ▪ Identifies 'win-win' situations within client relationships; ▪ Adds value to small business relationships beyond providing access to financial products; and ▪ Builds relationships as a means to mitigate risk and exposure for the bank.
12. Stewardship	<ul style="list-style-type: none"> ▪ Demonstrates accountability, discretion and sound judgement; ▪ Fosters partnerships and builds long-term relationships based upon a shared vision and common understanding; ▪ Motivates by example and stimulates positive changes in behaviour; ▪ Monitors individual small business and overall portfolio performance with due care and diligence; and ▪ Acts as small business customer's advocate and champion within the bank system.



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