

Lecture 2 – RELATIONSHIP MANAGER

Definition: A relationship manager is more than a glorified salesman. She's responsible for establishing a relationship, maintaining it and deepening it. A good relationship manager builds so much customer loyalty that the client always gives her the first shot at any new business--and, all else being close to equal, will ultimately award the new business to her because of that longstanding relationship.

Functions of Relationship manager - Front Office:

- **Corporate Finance** - Raising Capital / Capital markets, primary market Underwriting / Issuance of Securities
- **Sales and Trading** /Capital Markets, secondary market / market maker / derivatives
- **Advisory Services / Research**

CONCEPTS:

- **Like a Salesman** A relationship manager's primary job is to sell. The difference between a run-of-the-mill salesman and a relationship manager is the length of the sales cycle and the ongoing nature of the relationship. Whereas a salesman looks to meet an immediate need, a relationship manager looks to meet the immediate and long-term needs of a client.
- **Providing Solutions** A relationship manager has to be knowledgeable and present himself as a person who can provide solutions. Anyone can sell a television or a car, but it requires a relationship manager to solve the complex and varied needs of clients who are planning for retirement, trying to manage their wealth or exploring options to sell their business. Due to the long-term nature of his needs, a client must be able to trust that his relationship manager will always be there to take care of him and help him through any changes.
- **Equal Partners:** There are no formal qualifications for a relationship manager. All that is required is the ability to establish trust, a good rapport, and the ability to understand a client's needs and provide solutions. Although no formal qualifications are required, specific industry knowledge or experience is often necessary to successfully understand a client's needs and provide a fully customized solution.

Investment Banking

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Personal Characteristics:

1. Intelligence: - Academic / Practical – problem solving
2. Common Sense – Judgment / analyze scenarios
3. Inquisitiveness/ Know the answer to your questions
4. Listening Skills / Pause 1,2,3
5. Problem Solving & Analytical Ability
6. Decisiveness (assign priorities)
7. Results Oriented Nature
8. Self-Motivation
9. Confidence
10. Effective Communication Skills
11. Time Management Skills
12. Attention to Details
13. Ease in Dealing with the Quantitative Aspects
14. Ability to Negotiate
15. Maturity
16. Integrity
17. Adaptability
18. Sense of Humor
19. Tough-Mindedness
20. Student of Human Nature

Technical Skills

1. General Business Understanding
2. Ability to Analyze Financial Statements
3. Economics
4. Grasp of Varying Aspects of Different Industries
5. Understanding Different Source of Financing
6. Understanding Pricing
7. Knowledge of Sources of Information
8. Ability to Apply Legal and Documentation Consideration
9. Product Knowledge, Sales Skills and Customer Contact Exposure
10. Understanding the Bank and its Objectives

Corporate Calls

1. Prospecting Customers
 - a. Existing Customers
 - b. Past Customers
 - c. New Customers

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Corporate Finance Area

➤ Capital Raising

- Develop Financial Strategy and Plan
- Access Capital Markets / Debt Capacity/ Valuation / Pricing
- Analyze, Adjust Achieve

LBOs/ MBOs

Refinancing / Working Capital / Capital Expenditure / Dividend

Raising Debt / Equity

Acquisition Financing

➤ Underwriting / Distribution

- Debt / Equity – Syndication / financial institutions
- Issuance of Securities
- Fees paid / best efforts / Underwriting / Club Deals

Sales & Trading

Will be covered next week

Advisory Services & Research

- Mergers & Acquisitions
- IPO / Debt issuance
- Research – supporting the traders – covered at the next chapter.

See Example – Alexandria Hotel