affinity

A SPECIAL REPORT FOR INVESTMENT BANKERS

The Right Technology for Winning More Mandates

Overcoming common obstacles with relationship intelligence

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A rapidly growing market with ever more obstacles

After years of stagnation, growth in investment banking has ballooned and shows no signs of abating. Through the 2010s, low market volatility and stiffer competition among firms led to years of slowed market activity. But the COVID-19 pandemic was met with government stimulus, highly volatile trading, and a surge of mergers and acquisitions activity. Today there's more money than ever on the table.

Even with this expanding pool of opportunities, however, closing mandates hasn't gotten any easier. The biggest, flashiest deals are still going to the biggest firms—Deutsche Bank reported a nearly 400% year-over-year increase from January 2021 to January 2022. Wall Street analysts forecast Goldman Sachs to generate $48.9 billion in revenue for 2022 (a decrease from their massive $59.3 billion in 2021 but still well above their pre-pandemic $36.5 billion in 2019 and $36.6 billion in 2018).

In a still volatile market, there's nonetheless a surplus of other mandates up for grabs; for smaller and midsize firms to win them, they have to adapt faster to combat the potential stagnation that could drive investment banking profits back down. But the last few years' successes mean that more investment banks than ever are competing in the market, and businesses have a seemingly endless pool of options for both M&A and capital raising support. This also means that bankers conducting business as usual are getting drowned out.

" In a volatile market, there's a surplus of mandates up for grabs for smaller and midsize firms."

Get the right technology for securing more mandates

To get ahead of the competition and close more deals, small and midsize investment banks are turning to technology that simplifies their business development processes. New technologies are helping investment bankers optimize relationship building, act faster on key deals, and demonstrate their value to clients.

> **Small and midsize investment banks are turning to technology that simplifies their business development process.**

This guide showcases current business and relationship development scenarios, how leading firms are optimizing their workflows to come out on top, and how these firms are utilizing technology to redefine best practices. In it you will learn:

- **Which areas of business development your team can improve through technology**

- **How to use technology to leverage the information you already have about your business relationships to improve business development**

- **How technology can combine data about your business connections and deals to garner new insights that help you grow your network and deal pipeline**

Invest in the currency of the relationship economy

> **The nonlinear deals in an investment bank's pipeline are complex relationship maps that need to be nurtured over time."**

Increase the size of your business network

With more mandates at stake, teams are managing more relationships than ever and navigating a higher volume of complex, multi-stage deals, often without effectively updating the processes they use to manage them. Unlike the short-term, transactional deals in traditional sales pipelines, the non-linear deals in an investment bank's mandate pipelines are complex maps of relationships that need to be nurtured and maintained over time.
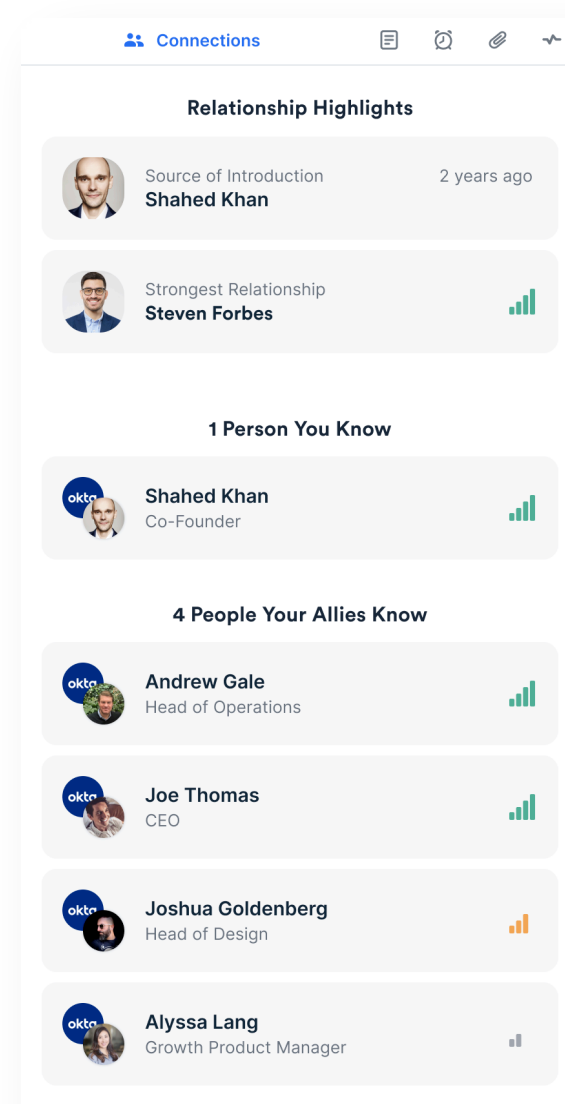
Before those relationships have the potential to become opportunities, though, your team needs to be aware of which relationships already exist in their network. Those insights become exponentially more important—and complicated—as your network grows. Armed with the right information about your connections, you can focus on forming new relationships while continuing to build stronger relationships with existing business partners.

Use relationship intelligence to capitalize on your connections

The most successful investment bankers don't just have more resources or more money to invest—they're experts at managing their relationships and tapping into the skills and knowledge of others in their network. The collective network of contacts and business connections shared by your team are also new opportunities—or the potential for opportunities.

Agile, tech-forward investment banks are more effectively harnessing this network with the support of relationship intelligence—insights into their team's collective network, business connections, and previous client engagements that help them find, manage, and close more mandates quickly.

👥 **Connections**

Relationship Highlights

Source of Introduction   2 years ago
Shahed Khan

Strongest Relationship
Steven Forbes

1 Person You Know

Shahed Khan
Co-Founder

4 People Your Allies Know

Andrew Gale
Head of Operations

Joe Thomas
CEO

Joshua Goldenberg
Head of Design

Alyssa Lang
Growth Product Manager

Capitalize on your connections by understanding your network

With relationship intelligence technology, teams can make smarter decisions that put data at the core of their mandate pipeline management. In contrast, teams trying to keep track of massive, global deals through sheer force of will, spreadsheets, and other outdated technologies are struggling and falling behind. Eighty-five percent of respondents to Deloitte's 2022 Investment Management Outlook survey said that new technology-based solutions helped them generate alpha.

Beating your competition to new mandates can't come only from increased outbound sourcing or making minor improvements to outdated systems. Winning the race requires a perspective and process shift supported by technologies that improve how you nurture the relationships in your network, understand with whom to build new connections, and make the most of every interaction you have with your business contacts.

Make tech-driven business development improvements

"Business development" is a general term that encompasses dozens of ideas, systems, and tasks that support the growth of your business, and the generalization makes it difficult to understand how to "improve" it. Determining which areas of business development to focus on—and which are best improved through technology—will lead to faster, more sustainable growth.

Relationships are core to winning more business, and the best deal teams have learned which technologies can turn their connections into contracts in a market with faster times to close, more money on the table, and an explosion of new platforms for dealmakers.

These same teams are avoiding obstacles that come with:

- ✕ An improperly managed, ever-expanding network of business relationships

- ✕ Massive, siloed, and/or disorganized stores of data related to the connections in their network and deals in their pipeline

- ✕ Attempting to demonstrate their firm's value to prospects effectively

Simplify data management to turn information into mandates

A healthy, growing relationship network is promising, but as your network grows, so too does the data you have about that network. This is a great problem to have. But effectively managing all of the information relevant to each connection and each opportunity becomes more and more difficult—and so does knowing when and how to act on that data.

> **Rather than letting it overwhelm them, the most efficient firms are leveraging this surfeit of data to strengthen their relationships,**

relying on it to inform what steps to take to move a contact to a close. To do so, you need to store accurate, up-to-date records centrally so anyone on your team can find at a glance important details about a client or opportunity. Tracking this information in the same place you're tracking and managing your mandate pipeline allows you to more easily connect your client engagement with business growth.

Deal management data—like where the most deals are stalling in your pipeline, the average time to close, and your average deal size—can be used to determine which deals are more likely to close and, by extension, which relationships to prioritize. Remembering small details about a specific client's preferences or following up with them at just the right time helps personalize their client experience, increases your likelihood of closing the deal, and provides valuable insights you can use to improve your workflows and take with you to your next meeting.

Put your connections to work by putting them into context

All of these business development practices are key for firms attempting to pull ahead of the competition, but attempting to implement them can be challenging. Successful firms are turning to a new type of intelligent customer relationship management (CRM) platform in order to overcome the obstacles that complicate workflows.

Identify the best path to relationship building with relationship intelligence

Many deal teams continue to rely on legacy CRM technology designed for transactional sales—or worse yet, spreadsheets—to manage their contact and deal data. As datasets become more complex and interconnected, however, these legacy software solutions can no longer keep up with deal teams managing not only deal pipelines but also a deluge of industry news, data on company hiring trends, and dozens of other data points about people, organizations, and funding.

" As datasets become more interconnected, legacy software can no longer keep pace."

Teams using these once-standard data management tools routinely find errors in their data, or create data silos that unintentionally restrict access to vital information. Even when this data is available enterprise-wide, it isn't always actionable—simply storing information isn't enough. Teams without the right technology still struggle to identify ways to effectively communicate with a prospect.

Relationship intelligence platforms automatically capture your team's "data exhaust"—details that are automatically gleaned from email communications, meetings, and contact information such as names, roles, industry, and source of introduction—so that you can readily access contextual information about any contact in your network.

These details then inform relationship scores—quantified measurements of the strength of your relationships—that help you identify the best individual on your team to reach out to a contact. With this in hand, teams can minimize cold calls to unlikely deals and instead focus business development efforts on opportunities with warmer introduction paths that are more likely to close.

> " Minimize cold calls and focus on warmer introductions more likely to close."

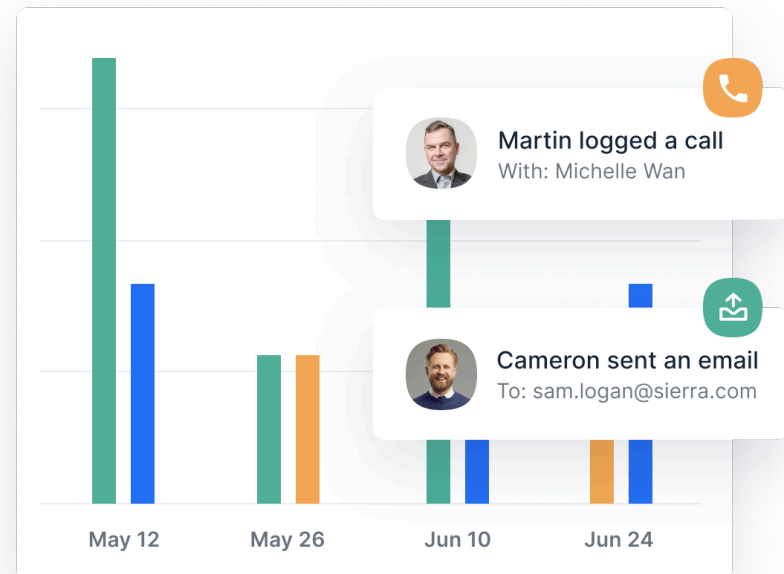## Take decisive action at the right time to keep your firm top of mind

Keeping abreast of organizational leadership changes, company hiring trends, and month-over-month, quarter-over-quarter, or year-over-year growth trends means your team can check in with a contact to talk about predictive events before any other firm is aware that change may be on the horizon.

Disparate data sources and incomplete records yield muddled details that make it impossible to determine who last reached out to a contact or to find up-to-date news or funding data. Or files go missing because they are disconnected from the associated contact or company.

When all of the details of your relationships are centralized and not siloed in a single person's email inbox or "Untitled Spreadsheet #8," all of the information you need about the relationships in your network and the market they work in becomes readily available.

Relationship intelligence platforms contextualize and enhance the contact and deal data in your CRM

with proprietary data as well as data from external partners. These enriched datasets highlight signals that help your team better understand when to reach out to offer your services and how to create a more well-informed pitch.

Martin logged a call
With: Michelle Wan

Cameron sent an email
To: sam.logan@sierra.com

May 12   May 26   Jun 10   Jun 24

Maintain a comprehensive contact history

Enhancing your CRM records with this data also enables automated reminders. Analytics reporting dashboards can send alerts when signals indicating preset potential business changes have been met—such as when a company hires more than two new senior leaders within a quarter. Or you can set a cadence of quarterly follow-up reminders to keep the conversation warm, regardless of business activity.

All of these datasets come together in easy-to-read activity timelines that document the entire history of your firm's relationship with a contact. Anyone on your team with the right viewing privileges can see the details of a meeting or access its confidential details.

Granular privacy controls allow you to limit access to certain accounts to only those who need it and give new team members access to client histories. And the platform lets you attach or associate pitch decks, PDFs, and other key documents to any record, ensuring the record of your interactions is comprehensive.
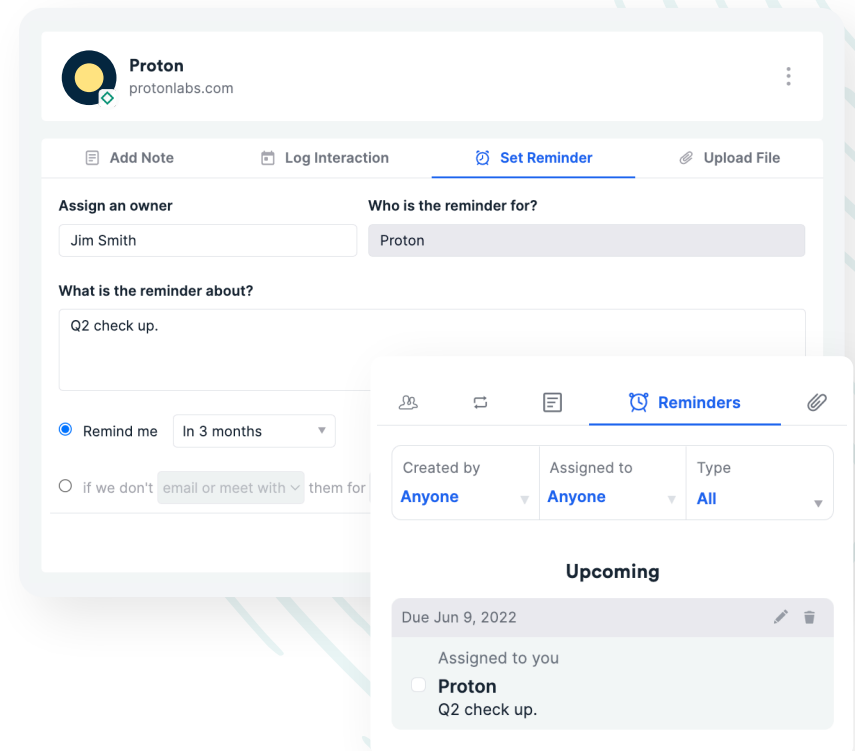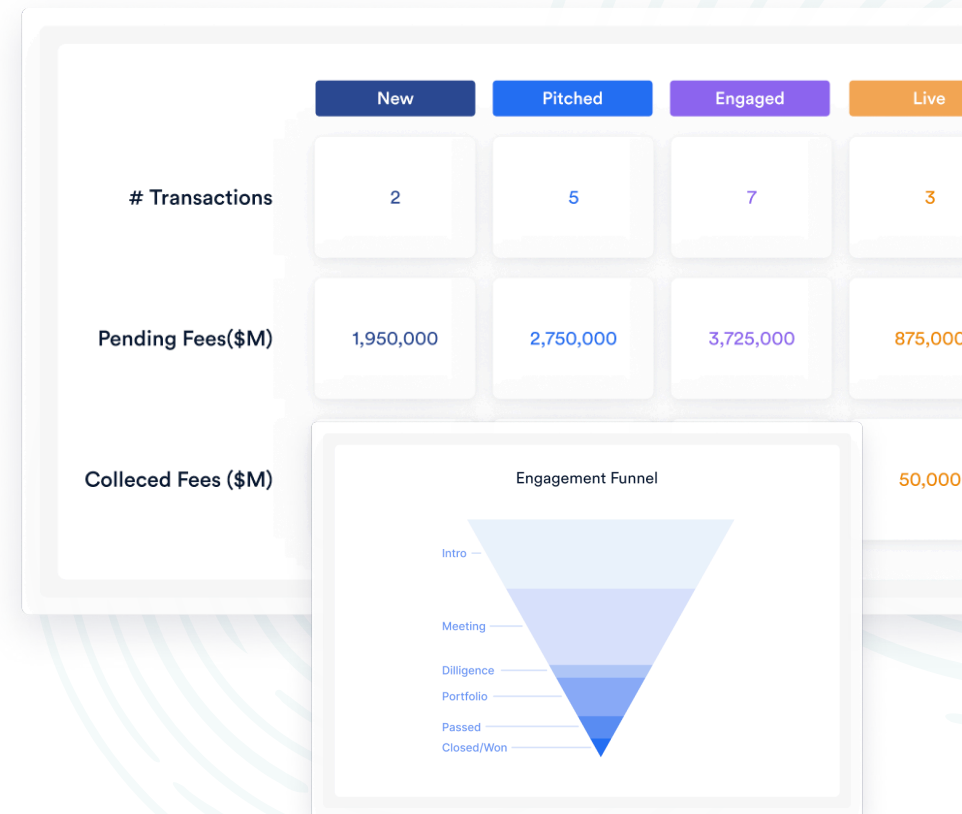
Accelerate the close by demonstrating your value quantifiably

You've already gathered all of the information your team has on the prospect's business. You've reviewed your previous emails, LinkedIn messages, notes, their hiring trends, and how they're currently positioning themselves in the marketplace. Tech-forward teams manage their connections to buyers in the same place as their prospects. By cross-referencing your prospect's portfolio against buyers in your network, you can be sure your buyer's list is the most comprehensive and well-curated batch of options before ever walking into a kickoff meeting.

You can also showcase your previous successes graphically. Analytics and reporting dashboards allow you to visualize your CRM data to tell your firm's story. With complete reporting tools, you can show up to your client meeting with an easy-to-understand dashboard of your history with similar companies and prove that they can trust your team to manage the sale of their business.

Once you've sealed the deal, those same reporting tools can be used to build mandate progress dashboards scheduled to be sent at regular intervals. These routine updates ensure your work is transparent to your client from start to finish.

	New	Pitched	Engaged	Live
# Transactions	2	5	7	3
Pending Fees($M)	1,950,000	2,750,000	3,725,000	875,000
Colleced Fees ($M)				50,000

Engagement Funnel

Intro
Meeting
Dilligence
Portfolio
Passed
Closed/Won

AFFINITY.CO

Win the mandate with intelligent relationship management

Banking juggernauts continue to claim record-high revenues, and smaller to midsize banks that want their seat at the table need to update their business development technology to keep pace. The COVID-19 pandemic drastically accelerated a digital evolution in how investment bankers were handling business—from shifting conferences into webinars and virtual workshops to further consolidating digital file and contact management.

In this digitization process, however,

> **it's easy to forget that managing relationships doesn't mean managing ones and zeroes—**

it means ensuring you build new connections, and maintain strong connections with the people in your business network. Purpose-built relationship intelligence platforms like Affinity are enabling firms to move more quickly with a more personalized, data-driven approach to dealmaking.

Turn relationship data into relationship intelligence

Every firm wants to improve its "business development," but it's important to pursue that goal with the right tools. Firms hoping to cash in on the current boom of capital and M&A activity can use a relationship intelligence platform to make targeted improvements to key areas of business development. Closing more mandates starts with building better relationships in your existing network.

The Affinity relationship intelligence CRM platform is a single source of truth for your relationship and deal data. Centralizing both deal flow and relationships in one place enables you to use one to inform the other: past deal patterns point you toward which relationships are the most impactful, and comprehensive relationship histories and quantified relationship scores help you find introductions to new opportunities.

The Affinity Relationship Intelligence Platform

Closing more mandates requires expert data management and using all of that data to make more informed decisions. Here are a few ways Affinity's technology is helping dealmakers do just that:

- **Data captured automatically** from your email and calendar ensures your records are comprehensive, accurate, and accessible.

- **Automated data capture** also frees your team from the drudgery of manual data entry, giving them more time to handle mandate-related work.

- **Automatic custom reminders** mean you never lose track of a connection in your network.

- **Easy-to-share, in-depth reporting and analytics** showcase the sales and marketing narrative you tell your prospects.

- **Proprietary relationship scoring** leads to warmer introductions by measuring the volume and type of connections between your team and your contacts.

- **A lightweight but sophisticated platform** is quick to implement and easy to use, and fosters widespread adoption.

- **Built-in compliance** with the highest-level data security protocols, including SOC2 Type II, GDPR, and CCPA, provide the reassurance you and your clients want.

affinity

Visit affinity.co/demo
to schedule your demo today

The most successful firms in today's market are closing more quality mandates with a relationship intelligence CRM purpose-built to optimize relationship building, improve their firm's timing when acting on key deals and contacts, and demonstrate their value to clients.

Find out how Affinity can do all that and more for your investment banking team.