Recipe For An Effective Sales Environment

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Ingredients
- Leadership
- Research and Planning
- Performance Tracking
- Sales Management Structure
- Recruitment
- Information Management
- Sales Support
- Program Visibility
- Training
- Sales Management Practices
- Employee Engagement
- Rewards and Recognition
- Compensation
- Service Quality Management

Directions
Begin with an emphasis on visibility of success and support for achievements. Add credible measurements to provide focus on desired outcomes. Incorporate goals and accountability into individual, team and company activities. Complete by including adequate sales and support resources to produce optimum results.
Telling isn’t selling and cross-telling isn’t cross-selling.

Where’s Your Focus?

- Product sales are tracked while remaining oblivious to which customer groups are being won or lost
- Less than 15% of the front-line salespeople’s time is spent in productive selling
- Majority of cross-sales efforts are focused on customers who visit the branch rather than those who have potential or need
Sales Myths

1. Money is the best motivator
2. Employees already know what they need to do, they don’t need a lot of management
3. Performance and results will improve with training
4. Employees like to be treated equal
5. Goals don’t affect performance
6. Customers only want low loan rates, free checking and high deposit rates

The Best In Banking

- Knowledgeable
- Helpful
- Trustworthy
- Excellent communicator
- Caring
- Focused on the customer
- Solution-oriented
**Banker Performance**

1. 85% of sales are made after 6 calls
2. 85% of bankers stop trying after making 3 calls
3. Trust begins after the third call

Source: Barlow Research

**Needs Based Selling**

**Purpose/Need**
- **Staples**
  - Food, perishables, daily household products
- **Durable Goods**
  - Automobiles, major appliances, computers
- **Life Events**
  - Retirement, college, home purchase, inheritance

**Product/Service**
- **Transactional Products**
  - Checking
  - Credit cards
  - Debit cards
- **High Value Liquid Accounts**
  - Money market funds
  - Savings accounts
  - Loans and financing
- **Long-Term Savings**
  - Mutual funds
  - CDs and IRAs
  - Brokerage accounts

Source: TowerGroup
Leadership and Management
Structure that supports visibility and achievement.

Performance Measurement
Credible measurement to provide context for success.

Goal Setting and Accountability
Accountability through individual, team and company expectations.

Sales and Marketing Support
Support systems that help produce better results.

Vision And Mission
- Philosophy
- Brand
- Values

Clear Objectives
- Desires
- Direction

Measurable Goals
- Achievable
- Measurable
- Credible

Strategies and Action Steps
- Logical
- Understandable
- Controllable
Lincoln On Leadership

People
- Get out of the office
- Persuade rather than coerce

Character
- Honesty and integrity

Endeavor
- Be decisive
- Set goals and be results oriented

Communication
- Influence people through conversation
- Preach a vision

We are all prisoners of the familiar.

Gary Hamel
IN ORDER TO SUCCEED YOUR DESIRE FOR SUCCESS SHOULD BE GREATER THAN YOUR FEAR OF FAILURE.

The oldest and strongest emotion of mankind is fear, and the oldest and strongest kind of fear is fear of the unknown.

H.P. Lovecraft
Uncertainty is worse than the facts.

Paul Diesel

Leadership and communication help eliminate uncertainty.

Things You Can't Control

Things You Can Control
Replace fear of the unknown with curiosity.

Job Descriptions

Basic Structure

- Weighted responsibilities
- Job requirements
- Job qualifications
- Supervision

1. Performance expectations
2. Performance measurements
Firms need to create career paths that do not entirely rest on upward mobility and that expose their managers to a broader view of the enterprise.

Paul Osterman

Meaningful Goals

50% of employees at banks with sales cultures felt their sales goals were unfair.

Action Steps

Core Strategies

Measurable Goals

- Achievable
- Measurable
- Credible

Clear Initiatives and Objectives

Vision And Mission
Great Goals

- Fair expectations
- Consistent with company objectives
- Documented and approved
  - Based on mutual input
- Discussed regularly
  - Ask about how to sustain or improve performance

Great goals create powerful dialogues.

Manage Culture

- Human resource inventory
- Employee surveys
- Observational coaching
- Staff meetings
  - Workgroups
  - Teams
- Customer surveys
- Market research
Assess Culture and Engagement

<table>
<thead>
<tr>
<th>Total Bank</th>
<th>Communication</th>
<th>Procedures</th>
<th>Rewards</th>
<th>Roles</th>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
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Employee Engagement

33% of employees are ‘engaged’ at work
50% are ‘not engaged’
16% are ‘actively disengaged’
48% of disengaged employees are not looking to leave.

Modern Survey

Proactive Recruitment

- Mandatory qualities for selling
  - Empathy, drive, product knowledge, people skills, ability to communicate effectively

- Sources
  - Industries focused on needs-based selling
  - Hire great customer service personalities
    - Restaurants, hotels, etc.

- Techniques
  - Testing
    - Predictive Index, Insight Inventory, Hire Success, Caliper, DISC, Zero Risk
Top Performers In Banking

- Tend to do well at loans or deposits, but not both
- Supported by experienced sales assistants
- Consistently high levels of focused calling activity
- Spend 2/3 of time prospecting, selling and following-up
- 80% of business from referrals

Source: Clarity Advantage and Financial Institutions Consulting

Motivating Employees

Factors that make jobs attractive
1. Performance-based evaluations
2. Mutual goals
3. Job success based on accomplishments

Factors that influence employee retention
1. Training and mentoring
2. Earnings potential
3. Positive work relations
4. Job security
**Improve Time Management**

Manager
- Building structure
- Creating expectations
- Developing accountabilities
- Unifying the team
- Instilling vision
- Developing understanding

Helper
- Support achievements
- Teaching skills
- Rewarding proper behaviors
- Assisting with activities

Doer
- Completing daily tasks

**Performance Measurement**

- Use credible data sources
  - Automate everything you can
- Track activities
- Track results
- Develop accountabilities
  - Make sure they are direct and visible
- Monitor things employees can influence
Define What You Measure

- Document guidelines, policies, procedures and requirements

**EXAMPLE**
- Lead – good information
- Referral – quality information with an introduction
- Sale – growth in a relationship

Measurements

- Relationships
  - Number
  - Dollars
  - Profitability
  - Product penetration
- Referrals and cross-selling
- Customer retention
- Service quality
- Customer acquisition
### Sales Performance

<table>
<thead>
<tr>
<th>Date</th>
<th>Customer Name</th>
<th>Checking</th>
<th>Savings, CD or Investment</th>
<th>Loan</th>
<th>Other Service</th>
<th>Total Sales</th>
<th>Referral Employee ID</th>
<th>Total Referral</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

### Referral Performance

<table>
<thead>
<tr>
<th>Date</th>
<th>Referred Customer Name</th>
<th>Core Service</th>
<th>X-Sell</th>
<th>Referral Info</th>
<th>Commission</th>
<th>Result</th>
<th>Referred To</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

TOTAL

TOTAL

TOTAL

TOTAL

TOTAL
Modern Assessments

How did we do?

Satisfaction

How did you feel?

Loyalty

Telephone New Account Visit

How did we do?

The questions in this section could be used to generate an evaluation score for the visit.

1. Did the employee answer your call within 3 rings or 20 seconds?
2. Did the employee use your name?
3. Did the employee treat you pleasantly during the entire call?
4. Did the employee introduce him/herself?
5. Did the employee ask questions to clearly understand your needs?
6. Did the employee suggest products based on your needs?
7. Did the employee have a good understanding of the products/services discussed?
8. Did the employee answer your questions with easily understood information?
9. Did the employee have the necessary information readily available?
10. Did the employee ask you to open an account, offer to send information, make an appointment or direct you to the bank’s website?
11. Did the employee mention other products or services?
12. Did the employee ask if there was anything else they could help you with?
13. Did the employee express appreciation for your call?

How did you feel?

This section will evaluate emotional connections and feelings that help build customer loyalty.

- Did the employee give you their full and undivided attention?
- Did the employee seem prepared to help you today?

Answer the following questions using a 0-10 scale. 0 being Not At All Likely and 10 being Extremely Likely

- Based on your experience today, how likely are you to recommend Security National Bank to a friend, relative or colleague?
- Based on your experience today, how likely are you to continue using Security National Bank for your financial services?

Rate the employee that served you on a 1 to 5 scale. 1 being Poor, 5 being Excellent

- Friendliness
- Helpfulness
- Product knowledge
- Professionalism
- Overall performance

Compared to other telephone calls to the bank, was this call about the same, better or not as good?

What about this call to the bank was memorable for you today?

What did you like most about this employee’s service?

What suggestions do you have to help this employee serve you better?

Mystery Shopping Scores

Overall Average

87.8%

Telephone Customer Service

89.0%

Telephone New Accounts

88.2%

In-Person New Accounts

79.3%

Tellers

89.7%

Based on over 32,000 mystery customer visits
A 10% increase in customer retention levels results in a 30% increase in the value of the company.

Bain and Company

Customer Satisfaction Surveys

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>85.3</td>
</tr>
<tr>
<td>2000</td>
<td>85.5</td>
</tr>
<tr>
<td>2001</td>
<td>85.4</td>
</tr>
<tr>
<td>2002</td>
<td>84.5</td>
</tr>
<tr>
<td>2003</td>
<td>84.2</td>
</tr>
<tr>
<td>2004</td>
<td>83.6</td>
</tr>
<tr>
<td>2005</td>
<td>83.4</td>
</tr>
<tr>
<td>2006</td>
<td>83.1</td>
</tr>
<tr>
<td>2007</td>
<td>84.1</td>
</tr>
<tr>
<td>2008</td>
<td>84.3</td>
</tr>
<tr>
<td>2009</td>
<td>87.1</td>
</tr>
<tr>
<td>2010</td>
<td>83.3</td>
</tr>
</tbody>
</table>
### Customer Preferences

<table>
<thead>
<tr>
<th>Satisfaction</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Friendly greeting</td>
<td>1. Accuracy</td>
</tr>
<tr>
<td>2. Undivided attention</td>
<td>2. Confidentiality</td>
</tr>
<tr>
<td>3. Accuracy</td>
<td>3. Prompt response</td>
</tr>
<tr>
<td>4. Prompt response</td>
<td>4. Undivided attention</td>
</tr>
</tbody>
</table>

Customers may be extremely satisfied with a product or service, but that doesn’t necessarily correlate to customer loyalty.

Marc Okrant, Marketing News
Power Of Loyalty

![Graph showing loyalty index and satisfaction index for various locations with percentages and ratings.]

Service Matters

Companies that focus on customer satisfaction are 10-15 percent more profitable than companies that do not.

Bankers News
Hints and Tips for Better Goals

- Develop a process
  - Allow for two-way communication
  - Utilize forms to develop structure
- Develop a context
  - Evaluate prior performance
  - Assess the competitive environment
  - Determine market potential
- Focus on controllables

Corporate Goals - Personal Contributions

<table>
<thead>
<tr>
<th>Performance Planner</th>
<th>Monthly Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTACT GOALS (number)</td>
<td>Jan</td>
</tr>
<tr>
<td>In-Person</td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td></td>
</tr>
<tr>
<td>Personal Notes</td>
<td></td>
</tr>
<tr>
<td>E-Mail</td>
<td></td>
</tr>
<tr>
<td>Total Contacts</td>
<td></td>
</tr>
<tr>
<td>SALES GOALS (dollars)</td>
<td></td>
</tr>
<tr>
<td>Business Loans</td>
<td></td>
</tr>
<tr>
<td>Real Estate Loans</td>
<td></td>
</tr>
<tr>
<td>Consumer Loans</td>
<td></td>
</tr>
<tr>
<td>Total Loan Sales</td>
<td></td>
</tr>
<tr>
<td>TOTAL DEPOSIT SAVINGS AND INVESTMENT SALES</td>
<td></td>
</tr>
<tr>
<td>Checking</td>
<td></td>
</tr>
<tr>
<td>Savings and Money Market</td>
<td></td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td></td>
</tr>
<tr>
<td>Retirement Accounts</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td></td>
</tr>
<tr>
<td>Total Deposit and Investment Sales</td>
<td></td>
</tr>
<tr>
<td>REFERRALS</td>
<td></td>
</tr>
<tr>
<td>Received</td>
<td></td>
</tr>
<tr>
<td>Provided</td>
<td></td>
</tr>
<tr>
<td>Total Referrals</td>
<td></td>
</tr>
</tbody>
</table>

Contact Activities

Sales Goals

Referral Goals
### Performance Appraisals

<table>
<thead>
<tr>
<th>Responsibility</th>
<th>Weighting</th>
<th>Measurement Source</th>
<th>Goal</th>
<th>Rating</th>
<th>Actual Results</th>
<th>Performance Assessment/Feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accuracy of cash handling</td>
<td>High</td>
<td>Monthly balancing report</td>
<td>Angie has done an excellent job managing her cash drawer. She has achieved a perfect balancing record for three straight quarters.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Development Plans

There is no replacement for a properly structured performance assessment and salary administration program to enhance sales and service.

### HIGH Ability

- **High Ability High Desire**
- **Low Ability High Desire**

### LOW Ability

- **High Ability Low Desire**
- **Low Ability Low Desire**

### HIGH Willingness

- **High Ability High Desire**
- **Low Ability High Desire**

### LOW Willingness

- **High Ability Low Desire**
- **Low Ability Low Desire**
Ability is what your capable of doing. Motivation determines what you do. Attitude determines how well you do it.

Lou Holtz

Rewards

Base plus commission

Never commission only in a service-based industry

1. Incremental product sales
2. Bonus per product
3. Portfolio increases
4. Referrals
5. Individual achievement
6. Team achievement
Incentives and Recognition

- Minimum thresholds
- Set rewards in advance
- Begin with low-cost options
- Recognition is almost free!
- Communicate often
- Allow discretionary rewards
  - Flexible and unique

Bank Example

<table>
<thead>
<tr>
<th>Weight</th>
<th>Goal</th>
<th>Actual Performance</th>
<th>Percent of Goal</th>
<th>Weighted Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Dev. Calls</td>
<td>25% 15</td>
<td>7.00</td>
<td>47%</td>
<td>0.00</td>
</tr>
<tr>
<td>New Checking Accounts</td>
<td>20% 25</td>
<td>30.00</td>
<td>120%</td>
<td>0.20</td>
</tr>
<tr>
<td>New Business Loan Dollars</td>
<td>10% $500,000</td>
<td>$135,000</td>
<td>27%</td>
<td>0.00</td>
</tr>
<tr>
<td>Investment Service Referrals</td>
<td>10% 2</td>
<td>4.00</td>
<td>200%</td>
<td>0.10</td>
</tr>
<tr>
<td>New Home Loan Dollars</td>
<td>5% $200,000</td>
<td>$215,000</td>
<td>108%</td>
<td>0.05</td>
</tr>
<tr>
<td>Savings/MMA Dollars</td>
<td>20% $1,000,000</td>
<td>$875,000</td>
<td>88%</td>
<td>0.00</td>
</tr>
<tr>
<td>New Cash Management</td>
<td>10% 1</td>
<td>0.00</td>
<td>0%</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Total 100% = 0.350

Reward Opportunity $750.00
Weighted Achievement Level 0.350

Reward Earned $262.50
### Team Rewards ➔ Effort

| Number of referrals | Number of contacts |

### Individual Rewards ➔ Results

| Number of accounts | New dollars | Fee income | Cross-sell ratio |

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### Program Visibility

*Make sure your sales success is visible. Visibility reinforces accountability.*

- Management recognition
- Monthly newsletters
- Weekly sales meetings
- Sales rallies
- Displayed performance awards
Impact of Training

- Rewards Checking
- Free Checking

Websites
- rainmakerthinking.com
- justsell.com
- gitomer.com
Savings Agreement

A savings account that pays interest and provides customers with easy access to their funds and no account maintenance fees.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive interest rate</td>
<td>The higher interest rate helps you earn more than most savings accounts offered by banks.</td>
</tr>
<tr>
<td>Interest compounded monthly</td>
<td>From the day of deposit to the day of withdrawal, the interest you earn is compounded monthly to increase your earning power.</td>
</tr>
<tr>
<td>Security</td>
<td>Don't worry about your money, no investor has ever lost money in our savings accounts.</td>
</tr>
<tr>
<td>Low minimum balance</td>
<td>Simply maintain a balance of $1 or more to continue earning our competitive interest rate.</td>
</tr>
<tr>
<td>No account maintenance fees</td>
<td>You will save money and keep your entire balance working for you.</td>
</tr>
</tbody>
</table>

Prospects

Customers who want to save money in an easy-to-use account with a low minimum balance requirement.

‡ $1.00 minimum opening deposit
‡ Available to individuals and churches
‡ Quarterly statement

Special Features

- $1.00 minimum opening deposit
- Available to individuals and churches
- Quarterly statement

Relationship Opportunities

- Automatic Transfers
- Certificate Agreements
- Individual Retirement Account
- Online Access

Screening Questions

- Who do you know that would benefit from special needs or projects?
- Do you want a convenient way to earn money in an account without maintenance fees?
- Would you like a savings account that pays interest higher than many FDIC-insured banks?
Relationship Profiles

CRM Solutions

- GoldMine
- Act
- salesforce.com
- Sage SalesLogix
- Microsoft CRM
- salesnet.com
- SugarCRM

Core, PC or cloud?
Develop A Resource Library

- Books
- Videos
- Testing tools
  - Products
  - Skills
  - Personalities
- Training manuals and programs
  - Internal delivery
  - External resources

Internal Communications

- Newsletters
- Testimonials
- Success stories
- Posters
- Signs
- Screen savers
- Quote of the day
Sales Meetings

- 30 minutes recommended
  - 45 minute maximum
- Use a fixed agenda
  - Review team results
  - Review individual results
  - Share success stories
  - Product highlight
  - Advanced skills (periodic)
  - Guest speaker (optional)
  - Recognition and rewards

Advertise and promote to generate leads and opportunities.
Utilize POS Displays

- Lobby displays are for the employees
- Leverage visuals to get customers talking and asking questions

Support Success

Develop promotions that encourage referrals

Refer A Friend or Tell A Friend
Give employees an excuse to talk about products and offers
Create Opportunities

- Business development programs
- On-boarding programs
  - Retail
  - Commercial
- Matrix mail and direct marketing
  - Pre-mail profiling
  - Opportunity-based marketing
- Advertising and promotion
- Office merchandising