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Bank Marketing

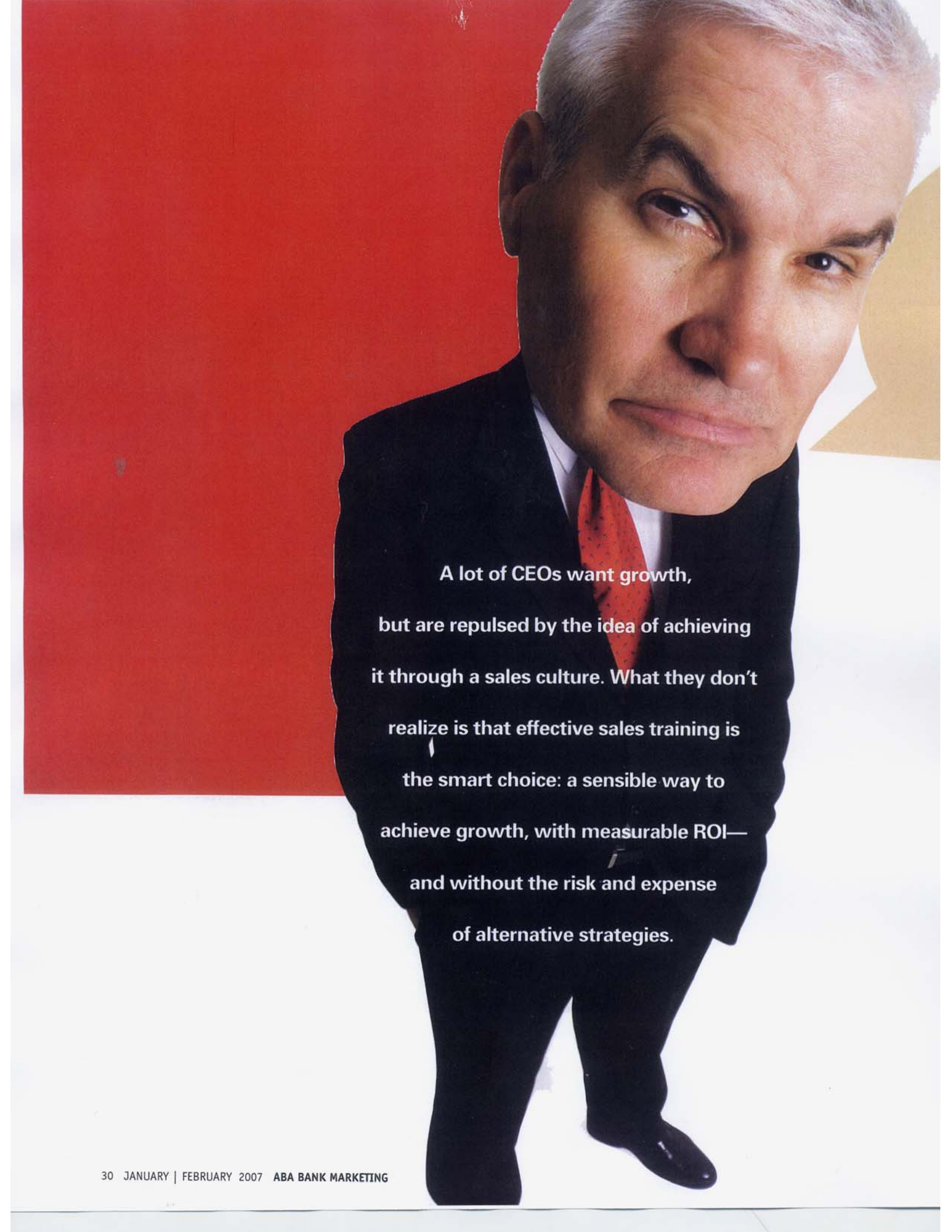
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Online Marketing:
The Search for ROI

2007 Trends Sales Culture Turnarounds Coin Merchandising



A lot of CEOs want growth,
but are repulsed by the idea of achieving
it through a sales culture. What they don't
realize is that effective sales training is
the smart choice: a sensible way to
achieve growth, with measurable ROI—
and without the risk and expense
of alternative strategies.

Selling? I Hate It!

by Rick Wemmers

**"I don't want to hear
the word 'sales' in any
management meetings."**

A major culture change is required for most community banks when it comes to selling. Bankers have long had the mind-set that banking is a business built when prospects come to the institution and request the service they want. Unfortunately the consumer has developed a slightly different mind-set lately.

"Yes, my banker and I have a good relationship but that doesn't mean I will only consult them for financial needs and services. There are lots of other options." Friends are friends, but when money is involved there is a different emotion involved . . . greed.

The most important first step toward a cultural change must be made by the bank CEO. As the leader, he or she must decide if the bank's future can be better served with a noticeable change in the current approach to acquiring new customers or building multifaceted relationships with current customers.

There are other options to consider: opening new branches, acquiring other banks or launching new products. All have merit but require more risk and expense than building a sales culture.

Complicating this decision is often the fact that many CEOs themselves hate selling. It is difficult to champion something you don't like yourself. One large bank president was reported to have said he didn't want to hear the word "sales" in any management meetings.

Gaining new customers

There are two things that need to be remembered about sales training. One is that it can really work. The second is that good training can produce a measurable return on investment (ROI). Would your bank turn down an opportunity to earn a 30-to-1 return on investment dollars? Here's an example of what I'm talking about.

The CEO of First Bank in Ketchikan, Alaska, Bill Moran, decided to try something new when he started last year's planning. "I realized that to meet our growth goals we must be more aggressive about taking business from our competition and improving our 'unfair share' of our market. There wasn't sufficient market expansion to maintain our historical growth and profit levels."

First Bank launched its' new effort for its' six branches with a 120-day action plan in January 2006. The intended focus was to be *solely* on gaining new customers and establishing new relationships.

"Some of the participating officers found it very difficult to break away from the familiar clients to concentrate only



Eric Bjella, vice president and program manager, First Bank in Ketchikan, Alaska.

Good sales training can produce a measurable return on investment (ROI).

on prospects that had no prior relationship," said Eric Bjella, vice president and program manager.

The first step for First Bank was to assess the sales strengths of each team member. It was important to know who were likely to make calls and build relationships easily ("hunters") and those with good processing and service-related skills but less confidence in their abilities to communicate with prospects ("farmers"). This was followed with a professional sales skills training session. One activity in the session involved having each member identify from five to 10 prospects.

"The individual assessments and audience reactions to the training were very informative," said Bjella. "Some of our people felt they never could be successful at making cold calls to strangers. But were they surprised!"

The training showed how to qualify prospects, make impossible appointments, start building respect and trust from the first appointment, getting to real pains/needs and overcoming objections to desired actions.

The First Bank team met every 10 days in groups of 12 to report progress on their specific targets. While slow at first, calling activity grew. Eventually the groups achieved success. Through coaching and confidence built on successful experiences, sales meetings progressed from a "reluctance to report" to "lively dialogues" among members—dialogues in which they shared helpful prospect insights with each other.

One branch manager reported being devastated to the point of tears on her first prospecting telephone call. The manager called the prospect to ask for an appointment to introduce herself. The prospect screamed at the manager, saying the bank had offended her in the past and she wasn't interested in hearing from the bank anymore.

Executive Vice President Jack Vaughn reported this prospect had also called him to complain about the branch manager's call. He was quite surprised when the next day the same prospect called him, inviting a bank representative to attend a competitor's bank-sponsored local business owners meeting. "Wonders never cease," Vaughn said. "I don't think we would ever get anywhere with this prospect until then she did a complete turnaround with her apology and special invitation."

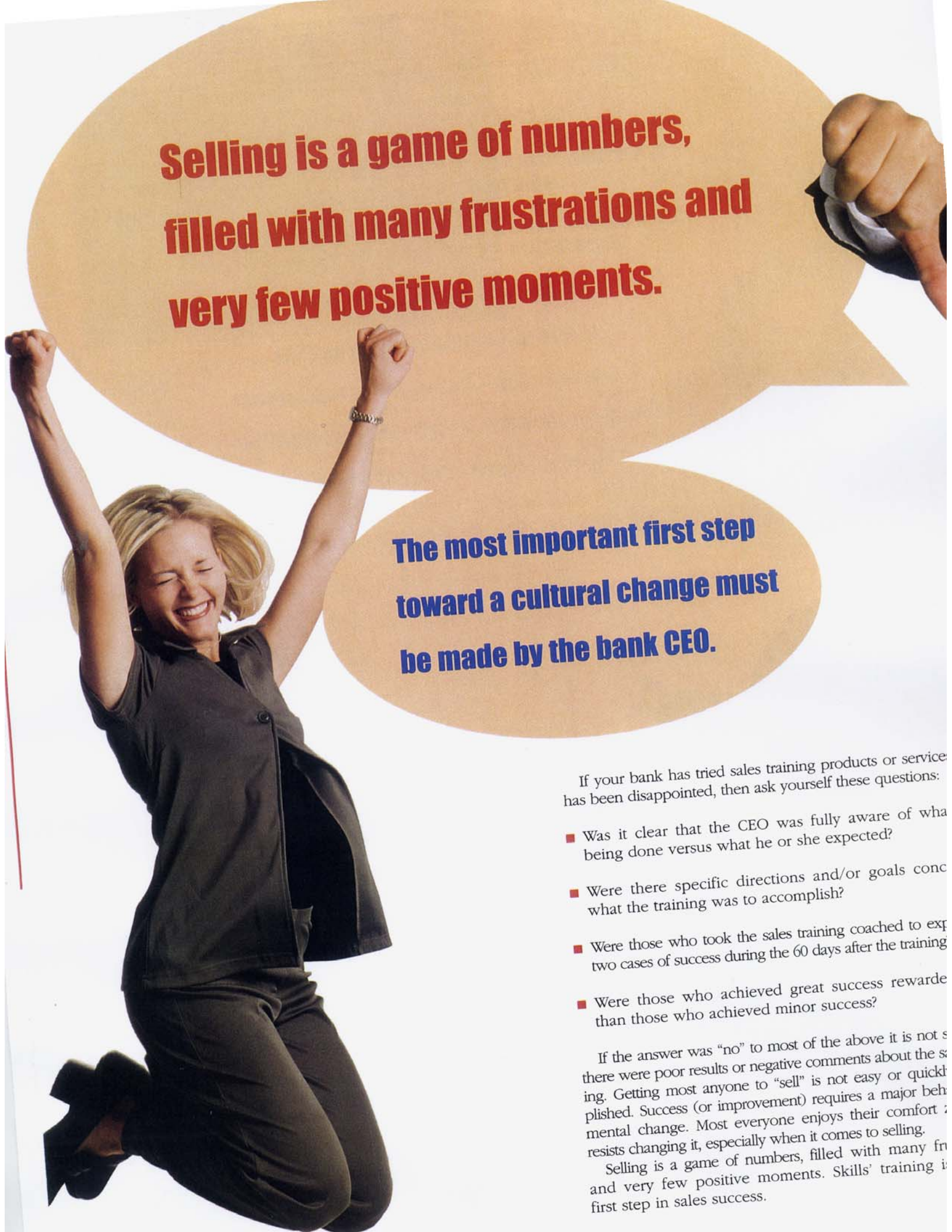
At the end of the 120 days, First Bank captured several new customers, representing over \$300,000 in new income to the bottom line. Less the training expenses that generated a 30-to-1 return on investment (ROI), income vs. expense. Other contacts made during this period are expected to move to First Bank in a few months through continued low-up activities.

What it takes

The basic building blocks of a successful bank sales culture change are these:

1. CEO sponsorship and ongoing visibility.
2. Objective input on the bank's strengths and weaknesses as the prospect perceives them.
3. Professional sales behavior assessments of the sales team. (Need to know your "hunters" and "farmers.")
4. Appropriate sales skills training.
5. Prospect and key customer profiling.
6. Sales coaching—intense at first and less later.
7. Activity direction, tracking and accountability.
8. Performance-driven reward system.





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filled with many frustrations and
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If your bank has tried sales training products or services and has been disappointed, then ask yourself these questions:

- Was it clear that the CEO was fully aware of what was being done versus what he or she expected?
- Were there specific directions and/or goals concerning what the training was to accomplish?
- Were those who took the sales training coached to expect two cases of success during the 60 days after the training?
- Were those who achieved great success rewarded more than those who achieved minor success?

If the answer was "no" to most of the above it is not surprising that there were poor results or negative comments about the sales training. Getting most anyone to "sell" is not easy or quickly accomplished. Success (or improvement) requires a major behavioral and mental change. Most everyone enjoys their comfort zone and resists changing it, especially when it comes to selling.

Selling is a game of numbers, filled with many frustrations and very few positive moments. Skills' training is the first step in sales success.

My 30 years of selling experiences has taught me there are four parts of a successful bank sales culture:

- Self belief.
- Training of skills.
- Activity coaching.
- Reward.

A different success story comes from a bank holding company in Iowa. Bank Iowa Corp. felt it was time to start a sales culture within each of its six independently chartered banks, serving 17 communities.

"We never had any sales training in our company's history," said Michael Thompson, vice president and program leader. "Our CEO, Stan Honken, challenged our presidents to have an officer-calling program in place by year-end." Thompson spoke with firms that could help the corporation start a sales culture, and eventually selected one of them.

Bank Iowa's calling teams intermingled "hunters" and "farmers" and all branch locations. Their program's primary goal was to get Bank Iowa folks from behind their desks and out calling on prospects. Sales progress meetings were held every two weeks. A sales progress report, prepared by Amy Armitage, was updated and dispersed to all concerned.

As the instructor had alerted the students, calling activity was slow at first but picked up as calling frustrations and excuses were addressed and resolved in the weekly meetings. "We all learned a lot about the process of business development. This will be quite helpful as we continue forward with this program," Michael said.

It is estimated that Bank Iowa's 60-day effort helped bring in some \$13 million in new business or about \$400,000 in new income. Subtracting the sales program expenses, this new income resulted in a 23 percent ROI. ■



Michael Thompson, vice president and program leader, Bank Iowa Corp. leader.



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