



# taking stock

## of Your Sales Culture

Consider these recommendations for assessing your sales processes and management.

BY MARGARET KANE

Community banks do many things right: They know their customers in ways that bigger banks can only dream of, they genuinely serve local communities, and they have historically provided stellar service in their branches. Yet when it comes to building relationships with customers methodically, cross-selling a broad product range, and developing a true sales culture throughout their organization, community banks frequently lag in comparison to larger banks. In our work with community banks, my company bridges the gap between what smaller organizations do naturally and what larger banks do consciously, and in doing so, we help community banks leverage their service advantage into sales effectiveness.

### Getting Started

The process of developing a sales culture tailored to your organization should begin with an audit—either by your management team or an expert adviser—to assess where you are already excelling and where you might strive for further improvement in the areas of sales process and sales management. We

recommend that you audit your bank's ability to leverage five areas, each of which is critical to the development of a sales culture:

- Executive leadership and vision
- Frontline activities and processes
- Human capital
- Performance metrics
- Top-notch service

This process is a significant journey, and there is no definitive endgame—but you can expect to see higher sales rates, a growth in deposits, and a customer base wedded to you across a broader product range.

### Executive Leadership and Vision

As a first step, the CEO must articulate his or her vision of a customer-centric sales organization, and then he or she must walk the talk. Does the organization have a mission statement, and how does that get operationalized? One \$1.5 billion-asset client bank developed an overall statement of its commitments to its customers, and then we worked with each department to develop specific operational standards in support of the bank's overall vision. This type of cross-department activity

cannot happen without rigorous CEO endorsement and follow-up.

Similarly, the CEO must stay close to both customers and frontline staff. Many leaders are effective at calling on large commercial accounts, but they are less effective at engaging with branch-level employees. The best community bank CEOs meet monthly with 10 to 12 diverse branch-level employees to develop a dialogue. The CEO is able to talk about the organization's key priorities (and how those in the room can directly further the corporate agenda), and the employees should be encouraged to give direct and honest feedback about what is working well and what is inhibiting their efforts to support customers and deliver sales. Top CEOs also visit branches regularly to show that they understand how important branch-based sales and service delivery is to the bank's success. They directly participate in a host of informal recognition processes, ranging from calling a commercial relationship manager to congratulate him or her upon the acquisition of a large new relationship to sending out personal notes to tellers who make the most referrals. They consider their



direct recognition of employees who further their sales and growth agenda a key priority, so they rightly manage their time to ensure this gets done.

### **Frontline Activities and Processes**

We all know that the national and regional banks have become better at servicing and selling, so community banks also need to be more proactive in outlining what activities will drive the right results. This aspect of building a sales culture requires the leadership team to work with employees to translate the vision and strategy into the daily behaviors of all the frontline staff. For every sales and service position in the bank, daily, weekly, and monthly activities must be outlined. Employees need to know what to do when. This is a critical aspect of getting the right people to do the right things at the right time. For example, has your bank discussed when operational tasks should be completed? (An appropriate answer: generally in the morning before a branch is busy.) Are follow-up calls made to everyone who opens a new account to make sure that the customer has received his or her debit card and checks? Is a customer profile created at the time the new relationship is established? Do commercial banking relationship managers call upon potential customers in a disciplined way, and do these calls have a clear structure and purpose? Sales processes need to be specified for all sales and service employees, ranging from tellers to commercial relationship managers. What you ask people to do will depend upon your vision of the desired customer experience and even what types of relationships you are keen to build. Let's look at a few key strategic areas on everyone's radar screen.

In today's environment, community banks struggle to grow deposits and to deepen customer relationships. To excel in both of these areas, organizations must articulate specific activities and behaviors for various employees. There is a plethora of activities that improve deposit generation. For example, tellers can make customers aware of long-term savings options when processing a large-item deposit; commercial loan officers can be motivated to proactively solicit the deposit relationships of customers in their loan portfolio, and customer service platform employees can telephone

customers from centrally produced lead lists of target customers. Similarly, cross-selling strategies need to be developed with the same rigor. How many customers do you have with only one product and without a checking account? You might be surprised by how high the number is, and these customers are very good prospects for cross-selling. These types of strategies need to be identified; discipline around supporting activities must be articulated; and the employees should be held accountable for the quality and consistency of their execution. This piece of the equation makes the strategy come alive and creates the framework through which you can hold people accountable through effective human resource practices.

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### **Human Capital**

Once the CEO lays the foundation through the articulation of a vision and the various activities described above are articulated, the organization should evaluate its human resource practices to ensure that it is laying the right foundation to foster the development of the sales culture. Too often, community banks fail to create the proper infrastructure for employees to excel. Several of the things in this area with the biggest impact are the simplest to execute; these include well-defined job descriptions, job evaluations based on specific performance criteria, and regular coaching and feedback processes. When did you last pick up the job descriptions for your frontline, customer contact positions? Most community bank job descriptions that we have looked at are vague and only broadly describe duties without translating those duties into performance expectations.

Top performers in particular need to know what success looks like; they want to understand what outputs they should attain so that they can control their destiny. Similarly, job evaluations should specifically outline what must be achieved in sales, service, and operations. These metrics should be both clear

and the result of behaviors directly under the employee's control. Finally, few community banks train their employees how to coach other employees to succeed. These are powerful tools that enable managers to help employees create proactive plans to achieve their goals.

### **Performance Metrics**

We all know the adage, "What gets measured, gets done." The right performance metrics must underpin all that you do to further a sales and service culture. Community banks woefully lag their big bank counterparts in this regard. As a first step, we recommend that you translate your financial plan into a business performance plan based on the drivers of profitability. Every branch and every small business and com-

mmercial loan officer should have specific goals for deposit growth, loan growth, and fee income. Depending upon your strategy, you might also set goals for household growth or DDA net gain. Performance against these objectives should be tracked at least monthly. Individual objectives (yes, sales goals) that align with branch targets are also critical and are a key ingredient to support the overall corporate effort. Too frequently, individual sales goals are absent from the operating model of community banks; we've even had small banks ask us to help them build a sales culture without using the word "sales," for fear that they might alienate employees.

It's equally important, however, that you don't overcomplicate your tracking and reporting mechanisms. If you have too many metrics, they will lose their impact and employees will get overwhelmed. As you create the right management information to support your sales agenda, the goal is to create alignment between all components of sales culture development: job descriptions, performance evaluations, coaching, behaviors and activities, and performance metrics. When each of these elements support one another completely, you will be on your

way to creating a framework in which the impact of all of these is greater than the sum of their parts.

### Top-notch Service

Lastly, community banks need to be more rigorous in protecting and fostering their historical service advantage over larger competitors. Current research shows that big banks are narrowing this gap with the consistent application of techniques to improve service, which in turn builds loyalty and repurchase rates.

First, the quality of the customer interaction at the branch level is critical. Do employees (even tellers) always use the customer's name? Do new account officers routinely shake customers' hands? Are transactions concluded with a further offer of help or with a "thank you for banking with us"? Customer satisfaction research shows that the use of the customer's name has a major impact on loyalty. Consistently applying this behavioral standard to every customer interaction should be relatively easy for community banks, where the customer is actually known. Yet many big banks now

outperform community banks in this regard.

Community bank employees believe they give good service, and they are passionate about continuing to do so. Some of them even believe that if they focus on sales, it will erode their service-based culture. As leaders, you must demonstrate that the opposite is in fact true. Sales equates to good service, as long as the sale satisfies a customer need. Asking a customer for a larger share of wallet or suggesting how a product could fulfill a customer's financial dreams are sales conversations that also equate to fantastic service. Banks that engage employees on the continuum from service to sales are far more successful than those that don't.

### Staying the Course

Sales culture development is a continuous journey and a process of ongoing improvement. Once you have achieved one measure of success, you will rapidly identify other levers that will drive further sales productivity and growth. It's not easy to utilize—at any one time and with all employees—all of the components that make for an outstanding sales organization. However, you

know you have achieved success when

- Senior management relentlessly communicates the strategy and the vision of a customer-centric and sales driven organization.
- Performance metrics are clear.
- People know their goals and are striving to meet them.
- Individuals and teams are recognized for their success.
- Employees understand what behaviors and activities create desired results.
- Service opportunities are leveraged into sales excellence.

Whether you are just starting your journey now or trying to ratchet your performance to the next level, you can increase the rate of change by auditing your existing practices in the areas discussed above. Community banks that travel this path can outperform their counterparts who don't. Let the sleeping giants awake! **15**

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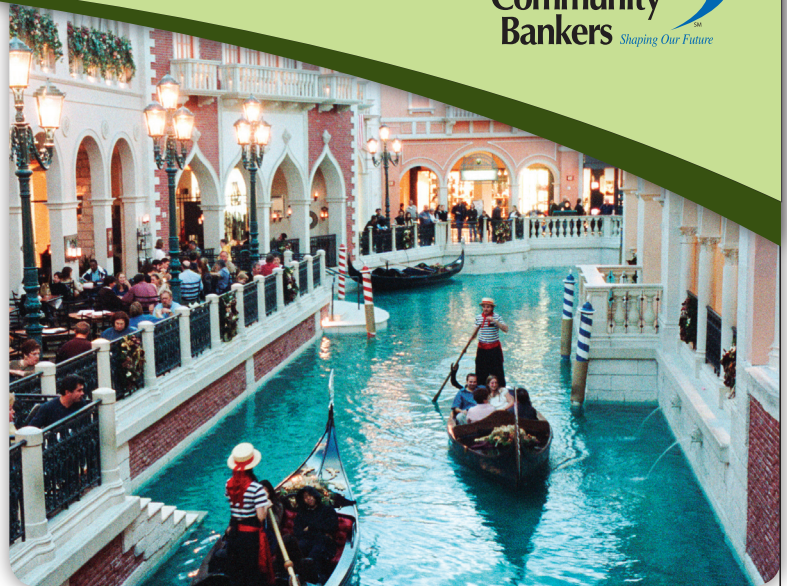
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