

Creating A Sales Enviornment

A strategic approach for a sustainable culture.



CROSS
FINANCIAL

**“If you believe business is built on relationships,
make building them your business.”**

— Scott Stratten

**“You can make more friends in two months
by becoming interested in other people than
you can in two years by trying to get people
interested in you.”**

— Dale Carnegie

**“You don’t build a business. You build people,
and then people build the business.”**

— Zig Ziglar

Developing an Effective Sales and Service Environment

Important steps to building and maintaining a dynamic relationship culture.

*Banking isn't banking, banking is selling.
And so is just about everything else.*

Harvey MacKay

The following outline of decisions, action steps and activities can be used by financial institution management teams to create and reinforce a successful sales environment. The outline details the primary steps recommended to migrate to a results-oriented sales and service culture.

As you review the activities it is important to realize that the suggestions are intended to be a multiple-year working plan. Your institution's leadership team needs to review and prioritize all of the proposed development steps to ensure an effective migration to your desired culture and relationship building environment.

Additionally, it is critical to understand the foundational structure used to develop these recommendations. Our examination of community bank cultures and development activities has revealed the essential ingredients required to transition a traditional service-oriented culture to a sustainable, relationship-oriented culture. The foundational structure falls into four specific categories...

- 1. Structure**
- 2. Measurement**
- 3. Accountability**
- 4. Support**

All of these categories must be supported during the development and reexamined continuously during the management process. They have been listed in their order of importance. Example: Building a sound functional structure for how, who and what you will manage is a mandatory first step. Without structure, measurement will fail. Without measurement, accountability will fail. And, so on.

Therefore, the outline has been separated into these four categories with the understanding that development activities can occur at any level, at any time, based on the priorities set by the bank. However, the majority of the activities in each category should be completed and functional before moving to the next category.

Our suggested use of this outline is to encourage senior management to read each recommended step and determine if it is appropriate for implementation at the bank. After identifying the core activities, we would recommend a preliminary planning meeting with Cross Financial Group to review priorities and identify the internal and external resources required to complete of each step.

Start with the end in mind.

Stephen Covey

Begin your management process by setting your development objectives. Don't begin execution until you have a clear picture of your desired outcomes. Identify the attributes, characteristics and results you plan to achieve through the development process. Use your objectives to assign priorities to development activities and estimate the financial and human resources required to complete them.

The following list is presented as a catalyst for your discussion of objectives.

Create Your Development Objectives

- Develop a desire for proactive selling in all sales representatives
- Create employee ownership in each customer
- Design a performance measurement system with rewards and consequences
- Set clear performance expectations for all employees
- Direct employee attitudes toward outstanding sales and service
- Increase employee acceptance and involvement in relationship development activities
- Introduce ongoing staff development and training activities
- Enhance the product knowledge of the entire staff
- Increase teamwork throughout the bank
- Develop a defined management structure
- Identify effective leaders and coaches throughout the organization
- Develop well-trained supervisors
- Increase customer share-of-wallet
- Increase customer relationship depth and tenure
- Create lifetime value for customer relationships

Use the following space to brainstorm the objectives for your relationship development process.

Structure

Management Commitment

Define the future and communicate your visions to all employees. Provide clear direction concerning your expectations and each employee's role in success. Employees should understand how their contributions will make a difference for the organization. This commitment must be visible from the beginning and reinforced throughout the development process. Lip service is not satisfactory for this application. Managers must get involved and remain involved.

Support from managers during any form of change is mandatory to help employees respond favorably during the change. In most organizations change creates insecurity and insecurity results in fear. That is why management consensus and agreement to support the development process (at all levels) is critical. All managers must take ownership in the goal to create an effective sales and service environment. No exceptions. If you have managers who do not want to change, work closely with them to address their concerns or redirect their competencies to a non-managerial role.

Vision, Mission and Objectives

Management commitment does not usually develop without a common cause or shared value. Developing and documenting your corporate vision, mission and specific objectives that guide decision-making is an important element in the planning process. If the bank does not have a clear, concise and believable vision and mission, it will be more difficult for managers to envision how the changes, they will be asked to support, will fit into the bank's long-term goals. Once set and documented, all development activities should be directed by the content of your strategic direction.

The most effective way to develop your vision, mission and objectives is through consistent, ongoing business planning activities. Conducting regular strategic planning meetings and developing a written business plan should be one of your first development activities. You can then use the business plan as the cornerstone for building management consensus.

Organization Design

The management hierarchy and how employee activities are managed must be established before sales and service development programs are initiated. Sales and service managers should be identified and accountabilities established through their job descriptions and the corporate organization chart. A sound management structure is the only way to effectively manage projects and human resources during your transition activities. A well-defined management structure also sets the stage for future goal setting and employee development. Strong leadership at all management levels will be mandatory for success.

At this stage of development there is typically a need to establish a position or department to help manage your human resources. Your initial stages of development hinge on successful management of people more than processes. Since the development of a sales environment requires most organizations to change, solutions will probably not follow formulas and systems previously used by the organization. If your organization is going to optimize the utilization of staff and manager skills, professional help is required. This is the appropriate time to introduce a human resource position or department even if it appears you can manage the changes without professional assistance.

The impact of establishing a human resource function will be apparent as you examine the remaining stages of development including, job descriptions, performance measurement, salary administration and comprehensive staff training.

Measurable Corporate Goals

Before challenging management teams and employees to pursue sales and service excellence, specific corporate goals should be set. These performance expectations are an integral part of the goals setting process for employees. This process might begin by creating visibility for your annual budget. Typically, the budget is your best measure of short-term success. Additionally, the bank should begin developing longer-term goals that establish expectations for two and three year performance directives. These bigger picture expectations will help employees see the need for continued improvement.

Employee Research

Conducting a survey to determine employee interests, desires and perceptions of achievable results should be completed during the planning process. Employee acceptance of change and challenge will directly influence success. This research activity can be completed using a variety of methodologies from focus groups to written corporate culture surveys. It is recommended that a written employee survey be completed as one of the first steps in the development process. If specific areas of concern are identified in the written survey, additional focus group or one-on-one interviews could be utilized to further investigate opportunities for improvement.

Job Descriptions

Documenting the prescribed sales and service responsibilities of every employee is critical. Expectations need to become the basis for future performance and employee assessments. Job descriptions for every position should be developed and utilized to communicate performance expectations to each employee. The proposed job descriptions should include a short description of the position, an outline of primary responsibilities, any minimum performance expectations for their primary responsibilities, the employee's direct supervisor and any required skills to hold the position.

Recruitment and Placement

After the bank organization structure has been defined and job descriptions developed, quality profiling programs will assist management with the placement of employees in the jobs best suited for their abilities. It is no longer acceptable to just find someone willing to do the work. Quality results require quality placements. A system for selection and placement must be developed and utilized as an ongoing activity. The initial stages of this process could be very informal and integrated into the annual performance appraisal system. Long-term the bank should consider a more formal solution like the Predictive Index or similar validated assessment tool.

In most organizations, wholesale changes in staffing are not an acceptable solution. The placement of employees matched properly with their position requirements takes time, conviction and a lot of empathy. Quality employees are a very diverse group, each with their own strengths and weaknesses. Finding the correct fit for a well-tenured employee with excellent customer service skills and no desire to become a sales representative will take time and a considerable amount of hands-on management and coaching. This is when you will begin to see the visible examples of how change will impact your organization. Leadership and communication, at all levels, is the only way to insure success during your adjustments in people and positions.

Written Development Plan

Document your development plans in the form of calendars and flowcharts. This form of documentation makes it easier to inform and educate employees about your vision and plans for the future. The plan provided to staff does not have to be comprehensive. The critical focus should be simplicity and clarity of the core communication objectives. Remember that many of your development activities will be in process for two or three years. Too much detail at this stage, except as it applies to changes that affect individual employees, can serve as a distraction for your staff. Again, leadership and communication play a key role in success.

Relationship Culture Introduction

All employees should be introduced to the development plan and the accompanying activities. An introduction event combining a brief management presentation and a motivational speaker can provide an excellent way to challenge employees and encourage their support. The event must include concise information and examples that help employees understand the bank's vision. In addition, management involvement must increase immediately following the event in order to build momentum and develop support for continued changes.

Measurement

Sales, Service and Referral Performance Tracking

Determining what can be tracked and how it will be tracked must be addressed before development programs are introduced. In many cases, automation provides excellent alternatives; however, do not delay program introductions if the only obstacle is a manual tracking system. Use the measurement system to develop base measurements and performance trends during the development phase. This provides excellent data for future goal setting.

Simple measurements for new accounts, loans originated, referrals and teller balancing records can serve as excellent focal points for initial tracking. Any data that can be tracked using your automated resources is highly recommended. However, manual tracking of key measurements, such as referrals, is very acceptable during preliminary stages of development.

Remember that all sales, referral or service tracking should be established in areas that support and reinforce the bank's corporate goals, objectives and mission. Start with the basics to build behaviors. Example: If you want your personal bankers to make referrals to the trust department, initiate your preliminary performance measurement on the number of referrals originated by the employees. Over time you need to migrate to more complex activities to emphasize results and performance. Example: Instead of tracking the number of trust referrals for personal bankers, begin tracking the assets under management or fee income resulting from the employee's referrals. Modify activities first to create effective relationship building behaviors, then adjust your measurement to focus on the results of their activities.

Accountability

Performance Goals

Corporate performance should be tracked and evaluated based on the objectives and goals set during corporate business planning. A natural extension of these goals and staff training is the development of employee performance expectations based on prior and anticipated performance. All personal goals should directly contribute to corporate objectives. When managed properly, goal setting will become your most effective motivation tool. Proper management of the goal setting process is the difference between success and failure related to individual performance.

Primary performance goals should be detailed in and supported by each employee's job description. Secondary goals can be set and measured using a combination of supervisor and employee input. During the first phase of introduction, employee performance goals may be limited to just one or two core measurements. As the employee's skills develop, the goals (and related reward systems) should be expanded.

Performance Measurement and Appraisal Systems

Measuring sales and service performance is critical. What will be measured and why it is tracked should be tied directly to the performance goals established in the previous steps. Additionally, it is important for the bank to have a structured and well-defined performance measurement system. This includes the introduction of an ongoing performance appraisal process and a formal salary administration program. These two resources will be essential as the bank transitions to defined reward systems and ultimately a meaningful pay for performance program.

Incentives, Rewards and Recognition

A plan to provide incentives and employee recognition during the sales and service development process is very important. The structure of these incentives, monetary or otherwise, must be created using designs that motivate employees and modify behavior. Improperly structured incentives will provide little or no incentive to achieve results. Employee surveys and focus groups can help structure these programs properly. Introduction and communication of all recognition programs is a vital part of the management process.

In order to fully leverage the value of your reward programs, managers will need to develop techniques to use the incentive programs to motivate employees and stimulate their performance levels. The value of management and coaches training will be highly visible as this stage of development is reached. Proper utilization of your reward systems within the direct relationship between an employee and their supervisor is the only way to insure optimum impact of your resources.

The initial reward programs might focus on featured products for short periods of time. They might emphasize the sale or referral of a small group of services. Starting small and focused is strongly recommended. The program can be enhanced and expanded over time as employees respond positively to the recognition and rewards.

Visibility and Reinforcement

Consistent management focus on performance will provide enhanced sales and service results. Program visibility is necessary in order to highlight achievements and motivate employees. There are a variety of communication vehicles to reinforce company, team and individual performance.

Consider a combination of communications and events that work effectively with your staff:

- Monthly Newsletters
- Weekly Sales Meetings
- Workgroup and Team Meetings
- Sales Huddles or Rallies
- Recognition and Awards Events
- Management Communications
- Video Success Stories

Program visibility and reinforcement is necessary at all levels within the organization. Your program results and outstanding performers should be visible to the organization's senior management team. They are then charged with the task of insuring that divisions, departments, work areas and individual performers know how important their performance and contribution are to the company's success.

Support

Sales and Service Training

Each employee's sales and service skills must be developed in order to optimize human resources and achieve results. A clear schedule of training and development programs should be set and implemented. Training requirements can be incorporated into individual job descriptions or developed based on work groups and common skill sets. The goal should be to assess and outline the mandatory training requirements for the organization and individual employees annually. This will help the human resource and employee development areas prioritize their time and activities.

1. Operations Training
2. Product Knowledge
3. Sales Management
4. Sales Training
5. Referral Training

Service Quality Management

Quality service is one of the key reasons customers choose a financial institution. It is also one of the primary reasons they sight for relationship longevity. Assuming your organization provides good service is not enough. Specific measurement and management programs must be introduced in order to validate that quality service is being delivered to customers. Just like sales programs, these measurement systems should provide employees with incentives and recognition to perform at exceptional levels.

It is important in the development process to understand that internal and external audiences exist for the service provided by your staff. Your employee performance standards and measurement systems should reflect both consumers. In order to measure customer service beyond simple dimensions like accuracy, validated by internal teller balancing records, new methodologies such as mystery shopping programs, customer satisfaction surveys, post-transaction surveys, employee surveys or other market research techniques may be required to assess the progress of your service quality management systems.

Target Market and Product Assessments and Focus

Identification of target markets and product priorities should occur before the written development plan is prepared. The targeted customer groups and product focus will have a direct impact on sales goals, promotion efforts and performance measurement. This area of support helps identify prospects, both internal and external, for staff relationship building activities. It is important to provide focus to the process so employees receive clear direction to prioritize their activities.

Once the preliminary focus is established by management, take time to evaluate the potential of your targeted groups and products. Your assessment should include projections for market and product growth and profitability. This assessment will help provide logical development links for your organizational changes, corporate objectives, performance goals and relationship building support systems, including promotion and advertising.

During initial stages of development the focus provided for target markets and products can remain broader, such as customer retention and fee generating services. As your programs develop, utilize your business planning activities to fine-tune your focus, such as small businesses with less than 50 employees and demand deposit accounts. Many employees confuse focus with limited vision and assume that if the emphasis of your sales efforts is demand deposit accounts, the organization has made the decision that certificates of deposit are not desirable. Help your staff understand throughout the development process that they are part of a relationship building business and that customers with

multiple financial services is a quality outcome of their efforts. Help them to understand that focus provides direction but does not limit vision.

Ongoing Sales and Service Meetings

Regular meetings should be held in all departments and areas focusing on sales and service development goals. The meetings should be designed and managed to provide recognition for outstanding performance, review of progress related to corporate or department goals and invite feedback for continued improvement. These meetings should have only one purpose...to focus attention on progress and performance. Example: Sales meetings should not be diluted with operations topics. The meetings should have a formal agenda and schedule and managers should insure that meeting timelines and objectives are being met consistently. Work to create a meeting atmosphere that emphasizes fun, success, contributions, valuable information and company progress.

Merchandising and Support

The selling environment created internally and externally at the bank will impact sales and service effectiveness. Efforts to integrate sales, education and promotion activities targeted at customers can be improved with an emphasis on retail merchandising. Merchandising also provides employees with visible evidence of the bank's commitment to support their sales activities and success.

Promotions and Campaigns

Proactive promotions to increase service usage and expand customer relationships with target audiences will be necessary if management intends to maximize employee sales skills. Assisting the sales process with periodic and ongoing promotions will increase employee performance and sales results for your organization. Remember that advertising and promotions should be one of the last steps you embrace in the development process. Prior to initiating any promotions, management should insure that the following development steps have been addressed and positioned properly for success:

- Corporate vision and objectives
- Corporate performance goals
- Target markets and products
- Competitive products and services
- Effective operations and support systems
- Quality prospect identification
- Staff training and core competencies
- Management training and coaching activities
- Individual goal setting
- Performance measurement at all appropriate levels
- Effective reward and recognition programs

Advanced Training Programs

Sales and service management activities will improve during the development process. An ongoing challenge for management will be the development of career track training programs that help employees enhance skills, improve performance and increase rewards. Creating a core educational curriculum to support each job description provides a way to help employees grow and prosper within your organization. For most organizations, advanced training programs are developed using a mix of internal and external resources. As a general rule, the more complex the skill set the more likely the need for education resources outside of your organization.

Sales and Marketing Plans

Marketing and product development plans should be outlined and documented as the sales process matures. These plans help provide a focus for bank sales efforts and enhance the support systems for front-line relationship managers.

For more information about sales, service and relationship development resources contact:



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Cross Financial is a consulting firm that specializes in providing sales and marketing performance improvement strategies to financial institutions. The organization provides a variety of professional services including strategic planning, staff development training, market research, mystery shopping programs, brand management, direct marketing and corporate communications.

Development Checklist

Review each development activity and check the box that best represents the timing you consider acceptable for completion. Some activities may not apply to your desired environment. After reviewing entire checklist, examine your 12- and 24-month deadline to begin planning for completion of your immediate and longer-term projects.

Activity/Project	In Place	12 Months	24 Months
Establish and communicate short and long-term company objectives			
Communication of company mission or vision statement to all employees			
Distribution of periodic management communications to highlight management support of sales activities			
Conduct benchmark research study to determine company and competitor image, market demographic profiles, satisfaction levels and product usage			
Conduct employee research to determine job satisfaction levels, acceptance of change and desire to sell and provide service			
Customer-oriented product development			
Marketing-oriented product pricing			
Management directives to integrate sales functions and operations support			
Tracking of sales and referral activities that support achievement of company objectives			
Tracking of customer service activities that support achievement of company objectives			
Tracking of operations support activities that support achievement of company objectives			
Establish basic performance tracking criteria to help employees determine what activities will contribute to success and are acceptable to management			
Develop simple, easy-to-use measurement systems with an emphasis on automated programs to reduce sales employee work loads			
Develop feedback systems and procedures to encourage employees to enhance the sales tracking and information management systems			
Use selection procedures that emphasize the need for skilled salespeople or employees exhibiting sales skills			
Introduce sales and service aptitude testing for new employees			
Development of sales-oriented job descriptions			
Fundamental customer relations training programs			
Verbal and written communications training for salespeople			
Product knowledge training and testing program			
Incremental selling and relationship development training for sales staff			
Qualified customer referral and prospect identification training			
Goal setting and sales management training for sales managers			
Coaching skills for sales managers			
Use of measurable and actionable goals for sales and referral employees			
Identify and communicate behaviors that help achieve goals			
Multiple level goal setting to provide goal management from the front line to senior management			
Program to help sales managers conduct effective sales meetings			
Periodic informational newsletters and communications highlighting company and individual sales and service performance			
Regular communication of on-going sales activities and new programs that will improve effectiveness			
Structured sales manager and sales representative information feedback systems			
Conduct regular sales meetings and rallies throughout the organization			

Activity/Project	In Place	12 Months	24 Months
Sales performance reviews focused on measurable performance and sales activities			
Regular reporting of sales results to senior management			
Tracking of sales volumes and goal achievement in simplified format for management			
Detailed recap of sales performance at all levels for sales managers			
Defined and communicated sales and referral incentives			
Diversified rewards to encourage participation from all employees			
Regular recognition of top performers			
Create awards for achievement of predetermined performance levels			
Information management systems to support customer and prospect identification			
Direct marketing programs to create sales opportunities			

List any additional projects or activities that need to be evaluated or implemented to support a high-quality sales and service environment.
