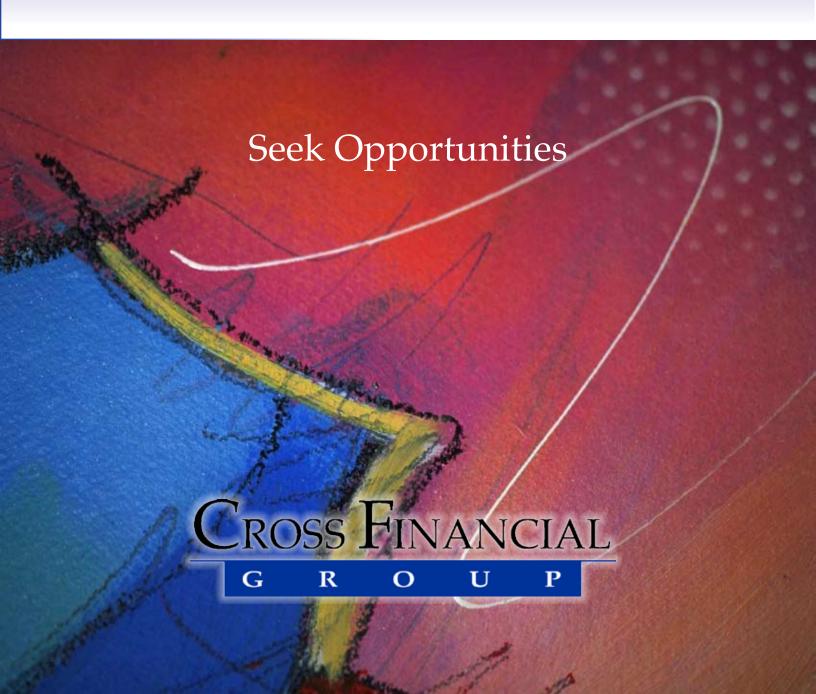# Developing An Effective Sales And Service Environment

Important steps to building and maintaining a dynamic corporate culture.

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Developing an Effective
Sales and Service Environment
Important steps to building and maintaining a dynamic corporate culture.

Banking isn't banking, banking is selling. And so is just about everything else. - Harvey MacKay

The following information provides management teams at community banks and financial institutions with an outline of decisions, action steps and activities to create and reinforce a successful sales environment. The outline details the primary steps recommended to migrate from a service-focused culture to a results-oriented sales and service environment.

As you review the suggested activities it is important to realize that the recommended plan is intended to be a multiple year working plan. Your financial institution's management team will need to review and prioritize all of the proposed development steps to insure an effective transition to the new and challenging culture.

Additionally, it is critical to understand the foundational structure used to develop this set of recommendations. Our examination of community bank cultures and development activities over the last decade has revealed a number of core ingredients that must be addressed in order to transition an existing bank culture through any level of change. Those foundational steps fit into these four categories…

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

All of the categories must be supported throughout the development process, but they have been listed above in the order of importance related to timing and concentration. 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.

The outline has been separated into four categories with the understanding that development activities can occur at any level, at any time, based on the priorities set by the organization. However, the majority of the activities for each category must be completed and functional before working through to the next step.

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Suggested use of the outline is to encourage management to read each recommended step and determine if it is appropriate for implementation at your organization. After identifying the core activities, we would recommend a preliminary planning meeting with Cross Financial Group to set priorities and identify resources for completion of each step.

To assist with the process of prioritizing your development activities and action plans, make sure you have established clear objectives for your desired sales and service environment. Consider some of the following objectives utilized by other community banks.

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 sales development activities
- Introduce ongoing 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
- Develop a well-trained staff
- Increase customer share-of-wallet and relationship tenure
- Create lifetime value for customer relationships

*Start with the
end in mind.*

- Stephen Covey

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Structure

Management Commitment

Define the future and communicate your vision to the entire organization. Provide clear direction concerning your expectations and each employee's role in success. 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.

Identifying leaders within the organization is the most practical way to insure vision and corporate direction will be reinforced throughout development. Management support and involvement at the senior and middle levels is essential to generate engaged employees. There is no room for moderate acceptance of your vision at these levels. Management consensus and active support is mandatory. Challenging the leaders within your organization to assist with staff engagement is an important first step to success.

Support from managers during any form of change is mandatory to insure employees will respond positively during the transition. In most organizations change creates insecurity and insecurity results in fear. That is why leadership and agreement to support the development process (at all levels) is critical. Managers, supervisors and coaches 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.

Spending time on your top performers is also important, Managers that are unwilling to adapt to the emerging environment will be happier in another organization.

Vision, Mission and Objectives

Management commitment does not usually develop without the bond of 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 your organization does not have a clear, concise and believable vision and mission, it will be more difficult for managers to envision how the changes they are asked to support will fit into the bank's long-term performance. Once set and documented, all development activities should be directed by the content of your corporate guidelines.

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.

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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 goal 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 broader horizon expectations will help employees see the need for continued improvement.

Employee Research

Conducting surveys 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 can 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 tools.

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.

Sales and Service Meetings

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

While rallies and annual meetings can be used to help heighten awareness for your relationship building programs and reinforce your development goals, it is also important to invest time and talent in regular meetings focused on short-term performance and relationship outcomes. The introduction of weekly sales or service meetings for small work groups and monthly or quarterly meetings for broader employee groups is advised. Each meeting, when properly planned and executed, will contribute to the momentum built by your overall sales and service plan initiatives.

Measurement

Sales, Service and Referral 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 account volumes, loans originations, 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 initial 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 behaviors that generate the number of referrals originated by the employees. Then, 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. Focus on activities first to create effective relationship building behaviors, then adjust your measurement to focus on the results of those 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.

Take time to construct a system for your goal setting procedures. Create forms to aid managers as they meet with their subordinates and develop actionable performance goals. Utilize your goal setting system to document the anticipated outcomes and the measurements that will be used to assess the employee's performance. A well-defined goal setting process will improve dialogues between managers and staff, as well as, allow for consistent assessments of goal achievement.

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 organization 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 you transition 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 and management 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 these successful options:

- Monthly Newsletters
- Weekly Sales Meetings
- Sales Rallies
- Recognition and Awards Banquets
- One-on-One Management Communications

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, Coaching and Supervision
4. Customer Service Training
5. Sales and Relationship Training
6. Referral and Advanced Skills 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, beyond their required performance standards.

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.

Customer and Prospect Information Management

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. Once direction has been set for the target markets and product focus, the use of data-rich information management resources will assist your staff with sales and service activities.

Quality information management resources help identify top customers and desired prospects for staff relationship building activities. Client relationship information will help evaluate the potential of your targeted groups and products. Assessments should include projections for market and product growth and profitability. High quality customer and market information will also 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 information managed for your target markets and products can remain broader, such as transaction accounts, investments or fee generating services. As your relationship programs develop your information management activities can help fine-tune your sales direction, such as small businesses with less than 50 employees and demand deposit accounts. Many employees confuse focus and well directed information management 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 your development process they are part of a relationship building system and customers with multiple financial services represent a quality outcome of their efforts. Help employees understand that focus provides direction but does not limit vision.

Client relationship management and profiling software is an important consideration at this level of development. Many organizations see this stage as simply a technology decision. That statement over-simplifies the complexity of this important step. Relationship information and client profiling are important resources for your sales and service staff. Whether your data solutions are tied to your core system or added through a supplemental technology, the presence of the system is only part of the solution. The other critical portion is data usage and maintenance. Both of which rely on your sales and service staff to be fully interactive with your information management process.

Example: Many organizations have introduced complex systems to manage on-boarding activities or matrix mail programs related to new relationship acquisitions. The technology alone does not insure the success of the program. Staff adoption and usage levels will have a more profound impact on program success than the technology to support the process.

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 time lines 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.

Promotion Programs

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

Relationship Building Tools and Resources

The support resources you provide to relationship builders can have a positive impact on their sales success. Developing easy-to-use support tools will provide your staff with the confidence to utilize standardized corporate materials in pursuit of additional relationships with each customer and prospect. Consider developing some of the following resources for your staff.

- Sales and service scripts and recommended dialogues
- Letter library for approved communications
- Idea bank of lead and referral generators used successfully by other employees
- Referral cards to assist with new customer acquisition through existing clients

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.

Marketing and Product Business 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 perceived support systems for front-line sales representatives.

For more information about sales and service development resources contact:
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Cross Financial Group is a highly specialized consulting firm providing professional marketing services to support financial institution relationship building and corporate communication programs.

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