

Listen More,

Sustainable success at prospecting and sales requires more than a few training sessions and groovy technology.

It calls for a commitment to a new way of thinking and behaving.

by Jack Hubbard

The credit crisis has made the financial services market ripe for prospecting. There's never been a better time to win back share and wallet.

The subprime mortgage crisis has reshaped the competitive landscape, sending capital fleeing to the safety of traditional banks with clean balance sheets. "Lenders who lost share to those that got in trouble are getting it back," an investment manager told *The Wall Street Journal* in 2007.

But in spite of three decades of deregulation, the banking industry has a lot to learn about how to successfully compete in a crowded marketplace where the product is perceived as a commodity and where prospects have become sophisticated and independent.

Having trained or coached nearly 60,000 bankers over the past two decades, it's clear to me that prospecting and sales success begins with a change of culture at the leadership level. Many banks are frozen in the old mold of obedience to quotas and tick marks. What's needed is a change in focus to perfor-

mance, and a radically different approach to prospecting.

The key is what I refer to as "conversations." Instead of product pitchers, relationship managers should be trained and coached to reimagine themselves as consultants with real value to add to the success of their business banking prospects and clients. This means, in its simplest form, listening instead of talking. Any bank that does this well is going to have a leg up on its competition, regardless of size.

Consider that fewer than one in 10 business owners choose their bank on the basis of products and rates, according to a 2007 survey by payroll services provider SurePayroll. The survey concluded, "It's no surprise that business owners are not spending much time evaluating a bank's services."

Customer needs, not product features, are what matter most, according to a 2007 poll of business leaders by Forrester Research. Banks aiming for organic growth must treat customer experience as a competence, "not a function."

Talk Less

Editor's Note:

The following article is adapted from the new book, "Conversations with Prospects: The First Step to Sales Success," by Bob St. Meyer and Jack Hubbard, © copyright 2008 by St. Meyer & Hubbard. Reprinted with permission. For ordering information, go to stmeyerandhubbard.com.



The conversation begins with a banker providing a customer or prospect with something of value: active listening and useful information.

Meanwhile, prospects' time has become ever more precious. Executive decision-makers say they spend just 5 percent of their time dealing with vendors. If you're selling the same thing at about the same price as everyone else—if you're the fourth gas station on the intersection—you need to define how the experience of buying from you will be better than with the other guys.

A fresh look at the sales process

To take advantage of the current competitive opening and produce a breakout 2008, the customer—not the bank—must be the focal point. This requires a new way of looking at the sales process. Brian O'Connor, a senior executive in the Premier Banking Division of Bank of America, has been reinventing culture for a number of years, beginning when he was at Fleet, before it was acquired by Bank of America. The first issue he had to deal with was human nature.

"We brought in a consultant who determined that our good sales people tended toward impatience, were

sociable and informal, and distrusted process. But organizationally the sales effort needs consistency, reduced variability and measurable performance. We instituted a lot of change—everything from the incentive program to the way we underwrite credit, moving it to a centralized function.

"To win people over was tough. We did it through a series of rollouts that included classroom time and dry runs. Many institutions are doing more of this training through conference calls and webinars, but I think something gets lost when you don't have the face-to-face investment."

O'Connor says it took about a year to turn the ship around. "We worked hard to win buy-ins by top performers who were key. It took a quarter to develop this new way of managing people, a quarter to roll it out and a quarter or so to see results. It was a success in the end, but not easy in the process."

The power of listening cannot be overestimated. We once worked with a bank to help run a "client check-in." We coached relationship managers (RMs) to call their clients and ask them to describe their experiences with the bank and with their RMs. The RMs were instructed not to ask any specific sales-related question or mention any products.

In one morning, the bankers and their sales assistants uncovered more than 200 cross-selling opportunities. That team of business bankers generated a host of leads that were sitting in their own backyard just waiting for someone to look out the window and notice them. In addition, the bank gathered a fortune's worth of market research it could use to map the geography, size, industry, business cycles and decision-making processes of its most profitable customers.

The conversation we talk about begins with a banker providing a customer or prospect with something of value: active listening and useful information.

Jerry Bazata, a regional vice president and senior client manager for Bank of America in Portland, Maine, had identified a prospect in his market area that he thought had potential for business and for influence in the community. It was a nonprofit cultural orga-

nization offering programs that served some 2,000 people. It had been growing by leaps and bounds.

"I reached the key influencer, the executive director, and talked with him about what he thought the company needed and suggested it would help to talk to the board members as well. I met with them four times without discussing a single bank product. Instead, I was gathering information and listening to them describe their struggles, their goals and how they hoped to reach them.

"Not until the fifth meeting, after digesting their feedback, did we begin to talk about the things they should be doing with their financial affairs. One of the board members, a CPA, said to me at this point, 'We've talked to several banks and you're the first that offered a fresh perspective.'

"In spite of the penalties, the organization cancelled its relationship with its existing bank to become my customer. The key was sending the message that five years from now we still want to be here doing business with you."

Let the laggards lag

In my consultations with client banks, there are two common excuses sales managers use to justify resistance to change: "I don't have the time to train or coach." And, "My good performers don't want me in their way."

The flaw in these arguments becomes clear to them when I ask, "Do you agree that you have the ability to coach your top performers to even higher levels?" They almost always do.

Then I ask, "Do you believe that your people see coaching time with you as a reward or punishment?" The answer invariably is that it's seen as a reward by the top performers and a punishment by the laggards.

But when you examine how these sales managers spend their time, you discover that they've loaded goals on the top performers—whom they depend on to bring home the bacon—and invest their energy in the problem children. This is backward.

I encourage sales managers to let the laggards lag while they help the

Prospecting and sales

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Prospecting: It's Not About Persuasion; It's About Conversation

"Prospecting is like dating." That's what Bobby Martin learned more than a decade ago, as a business banker in North Carolina. "You don't make much of an impression talking about yourself throughout dinner. What counts is how well you listen and understand."

Martin was calling on a prospect, an engineering company, listening as the CFO wearily explained the basics of how her industry worked when it hit him that, "It would be a lot better if I knew all this before I went out to see her."

The next opportunity, a meeting with the CEO of an auto parts manufacturer, he first read up on the industry and the company and put together a presentation built around revenue cycles and other customer-centered factors.

"The CEO chose my bank because of the knowledge we displayed about the auto parts industry," Martin says. "I tried the same thing with an oil distribution company, and it worked. They told me I was the first banker who understood their business. I was on a roll."

Martin kept rolling and in 1998, with Ingo Winzer, a noted business analyst, left banking to start First Research, now a subsidiary of Hoover's and a leading developer and provider of industry intelligence in 700 business segments.

The art of selling is not about persuasion, it's about conversation; it's not about closing the deal, it's about opening a relationship; and it's not about how many phone calls or visits a relationship manager makes, it's about the care, planning and strategy that goes into the ones made.

**I encourage sales managers
to let the laggards lag
while they help the best
performers do even better.**

best performers do even better. Start at the top and work down, and your top people are less likely to leave because you are helping them make more money and feel important. Those who are down the ladder are either going to self-select themselves out of your bank, or they are going to see coaching as a reward instead of a punishment. That encourages them to try to pull themselves up.

Meanwhile, by spending more time with top performers, a sales manager will learn what it is about top performers that makes them so good, and can repurpose that knowledge when coaching lower-level performers.

Bill Hippensteel, a senior vice president with Compass Bank (assets: \$34 billion), Birmingham, Ala., oversaw the re-engineering of his bank's prospecting and sales processes. Initially his sales managers complained, "Why do we need others to tell my people what to do?" It took some time and effort, but he says, "Once we got our people to set aside their egos and territorial concerns, they saw how we were becoming a better bank."

The banking industry has begun to move from transactional selling to relationship-based selling. "But we still have a long way to go," says Thomas J. Doherty, senior vice president of business banking for Park National Bank (assets: \$3.6 billion), Chicago. "Everyone says the solution is to be better at service. But when you ask for specifics,

they often define it as 'I carry my cell phone on my belt and customers can reach me any time.'"

Many community and regional banks with limited resources throw money at sales training and customer service tools hoping will be the answer. But like golf, taking a few lessons and buying a better set of clubs won't by themselves improve your game. Sustainable success requires more than a few training sessions and nifty technology. It is an ongoing, never-ending, constantly evolving process—a way of life. ■

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