

# Eight Dubious Best Practices in Prospecting: Coaching Strategies for Sales Managers

By Buck Bierly and Ned Miller



**Q:** In a recent survey conducted by Barlow Research, 25 percent of businesses with sales between \$2.5 million and \$10 million indicated that they were planning to change their primary bank in the next 12 months. That is almost 10 percent higher than a year ago. **Does that mean that bankers will have an easier time landing top prospects?**

**A:** Maybe, but only if they jettison certain practices that have plagued them in the past. Here are some of the problematic behaviors and attitudes, along with what sales managers can do to get people to replace them with ones closer to today's best practices.

**PRACTICE 1:** "To meet my goals I go after the easiest targets. In this competitive market, I'll take whatever I can get." Instead, encourage your relationship managers to avoid the easy targets.

- Not all customers and prospects are equal. In many banks, 10 percent of the business relationships generate 90 percent of the profit.
- The easy targets walk in the door. If you want more good customers, you have to get them through proactive efforts.
- Watch for transactions that are presented as relationships. Price shoppers frequently suggest that loss leaders are the way to get their relationship.

### Action Items for Sales Managers

- Clearly define your business objectives. For example, your specific goals for top-line revenue growth, appropriate margins and credit quality give clear direction to the calling officers.
- Study your market. Focus

the sales team on the businesses that best match your business objectives.

**PRACTICE 2:** "Flexibility in price and structure is the key. For me to be successful the bank needs to be more flexible." Instead, ask each salesperson: What is the value proposition you use in selling? Here are the three most common value propositions used by commercial bankers.

1. Low-cost/loose-structure provider: "Tell me what you have at your current bank; I'll beat it."
2. Customer service: "We'll be accessible and responsive 24/7."
3. Expertise/Experience: "We'll understand your business better than any other banker, anticipate your needs and help you navigate increasingly complex financial choices."

### Action Items for Sales Managers

A value proposition is the method of social influence that

a salesperson uses.

- **Define, articulate and train your team members to focus on a value proposition that best matches your long-term business objectives.** It may not always match the values of a given prospect, but it creates a sharper focus of who you are at a company level.
- **Understand the value proposition that your individual salespeople use naturally.** Make sure they understand their tendencies and talk about when they will have to adjust them.

**PRACTICE 3:** "I work hard at differentiating my products from those of my competitors." Instead, get your relationship managers to think like business owners.

- Selling at a product level can result in transactions rather than a full relationship.
- High-performing salespeople understand the owner and his business and anticipate needs.
- High performers educate.

They provide ideas and recommendations.

- Top bankers sell at the right level. Owners/presidents do not think the same way as CFOs/controllers.

### Action Items for Sales Managers

Selling at a product level almost always results in pricing, structure and fee concessions.

- Emphasize the importance of understanding a business's history and goals, not just its financing or depository needs.

- Make these areas a focus of precall/postcall conversations, credit discussions, and sales team meetings.

**PRACTICE 4:** "Since all business owners are credit-driven, I use credit as a lead product in my prospecting efforts." Instead, focus on relationship banking.

- Most commercial bankers use credit as a lead product. High performers focus on the client's next need, not on what they're comfortable selling.

- Look for the "best way in the door," the need that will begin a relationship.

- Stay focused on the five-year view and business operations; that will point to where the next opportunities are.

### Action Items for Sales Managers

- Make sure that your sales team is conversationally competent in a broad range of products.

- Include deposits and fee-based services on your pipeline report.

- Change the questions you ask in precall/postcall discussions. Ask about long-term needs as well as immediate needs.

**PRACTICE 5:** "Getting deals through my pipeline is the most important thing that I do."

- Make sure your team maintains a balance between closing and lead-generation activities.

- All salespeople have comfort zones. Going after leads is often a task that many avoid.

- The extrinsic motivators in most banks point toward getting business closed, but lead generation is required to refill the pipeline.

### Action Items for Sales Managers

- Make lead generation a constant focus.

- Build a weekly pipeline target for lead generation.

- Talk about leads in every sales meeting.

Ask each team member to set aside 90 minutes each week to make appointments with customers, prospects and centers of influence. Then hold them accountable for doing it.

**PRACTICE 6:** "It's all about the deal. Getting the right structure and right price is my job."

Coach your lenders on the difference between sales strategy and credit strategy.

- Credit is a solution to a need. How the solution is positioned, discussed and matched to both short-term and long-term needs is selling.

- A high-performing salesperson (1) ensures that what a decision maker says is his need really is his need and (2) shows how the approved loan is a match for the determined need.

- Determine the sales strategy before you begin the term sheet: To whom am I selling? What are their needs/interests/values? How do I change my sales approach to meet their value system?

### Action Items for Sales Managers

- When a sales team member says he has a package, ask instantly, "What is your sales strategy?"

- A fundamental rule in selling is never to sell to a competitor's strength. For instance, if your competitor is more flexible in price and structure, selling loan against loan is a mistake.

**PRACTICE 7:** "Prospecting doesn't pay. The payback is too far down the road. I have to make my goals today." Remind your salespeople that if they are interested in a long-term future with your organization, they have to think one year ahead.

- Sales goals never go down. If you are having trouble making your goals today, it will be even harder next year.

- Distribute sales time for short-term, medium-term and long-term success. Give

people clear direction about the mix of calling needed to meet objectives.

### Action Items for Sales Managers

- Determine the appropriate calling activity for each team member.

- Ask each team member to select face-to-face call targets.

- Ask each team member to send you a copy of next week's calendar every Friday afternoon and monitor call levels and call balance proactively.

**PRACTICE 8:** "I'm a relationship manager. I am involved with every element of my client's relationship with the bank." Emphasize the importance of managing your market, not just relationships.

- A salesperson is a market manager, managing growth in all sources of business.

- The salesperson's objective is to grow wallet share and market share.

- Face-to-face is the best way to sell; get out from behind that desk.

- Behind every great salesperson is a great administrative support person.

### Action Items for Sales Managers

- Make sure you have the right support team in place. Are your salespeople tied down by tasks that could be done by others?

- Remove infrastructure obstacles that are holding your bankers back.

In today's environment, building a prospecting process that incorporates best practices requires a high degree of structure, discipline and persistence. Helping bankers improve their skills in this area is challenging but can pay big dividends for your organization. **15**

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