

FOR: Bank Sales Managers

8 Habits of “average performers” – and how to change them

Savvy Sales Managers realize that they need to spend more time coaching their average-performers. If they can get through to what Jack Welch referred to as “the vital 70%” of the sales force, their team results can improve dramatically. A big part of coaching is getting people to replace old, often unproductive sales habits. In the first of two articles, we look at some of the habits that hold Relationship Managers back—and what you can do about them.

Habit 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 RMs to **avoid the easy targets**.

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

Action Items for Sales Managers

Where is the highest probability of getting the business that matches **your** credit quality and profitability objectives?

- 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.

Habit 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’s the value proposition you use in selling?**

Here are the three most common value propositions used by commercial bankers:

- Low-cost/loose-structure provider. *“Tell me what you have at your current bank, I’ll beat it.”*
- Customer Service. *“We’ll be accessible and responsive 24/7. You’ll be like my only client.”*
- Expertise/ Experience. *“We’ll understand your business better than anyone else, anticipate your needs before anyone else, and help you navigate through increasing complex solutions . . .”*

Action Items for Sales Managers

Selling is a form of social influence. Effective sales people influence the thinking of customers, prospects, and COIs. A value proposition is the method of social influence that a salesperson uses (consciously or unconsciously).

- 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 customer or prospect, but it creates a sharper focus of who you are at a company level and a sales team level. For example: *“We are financial experts. An expert identifies, defines, and proposes solutions to a business owner’s needs before they become a request.”*
- Understand the value proposition that your individual sales people use naturally. Make sure they understand their tendencies and talk about when they will have to adjust them. Selling service and relationship to a price shopper may not lead to success.

Habit 3 *“I work hard at differentiating my products from those of my competitors.”*

Instead, get people to **think like a business owner**.

- 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. They write RFP’s, they don’t respond to them.
- High performers educate. They provide ideas and recommendations. They are seen as a resource.
- They sell at the right level. Decision makers and influencers have different value systems. 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. For average performers, this is the primary method of differentiating the bank and a competitor.

- Emphasize the importance of understanding the history of the business, where the business wants to be 3 to 5 years down the road, and day-to-day business operations, not just the financing or depository needs.
- Make these areas a focus of pre-call/post-call conversations, credit discussions, and sales team meetings.

Habit 4 *“Since all business owners are credit driven, I use credit as a lead product in pro-active sales situations.”*

Instead, **focus on relationship banking**.

- Most commercial bankers use credit as a lead product. High performers differentiate their message by focusing on the prospect's or 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 (which is not necessarily a loan).
- Stay focused on the five-year view and business operations; that will point to where the next opportunities are.

Action Items for Sales Managers

A mature business uses more than 10 different financial services, not just loans.

- Ensure that your sales team is "conversationally competent" in a range of products and solutions. Begin with a simple account planning process that discusses more than just credit products.
- Include deposits and fee-based services on your pipeline report.
- Change the questions you ask in pre-call/post-call discussions. Ask about long-term needs as well as immediate needs. Talk about more than just credit needs.

Habit 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. For most average performers it's **not** lead generation; in fact, going after leads is often a task that they avoid: *"I'll do it when I find some time."*
- The extrinsic motivators in most banks point toward getting business closed.
- But lead generation is required to refill the pipeline. Inconsistent lead generation causes significant swings in the pipeline.

Habit 5: Action Items for Sales Managers

- Make lead generation a constant focus.
- Build a weekly pipeline target for loans and deposits to create expectations for lead generation.
- When the weekly pipeline report shows that a salesperson is below the pipeline target, shift his focus toward lead generation.
- Talk about leads in every sales meeting. Ask each sales team member what lead generation initiatives they have in place for the coming week.
- It all starts with appointments. Ask each team member to set aside 90 minutes each week to make appointments with customers, prospects, and COIs. Then hold them accountable for doing it.

Habit 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 really is a match for the determined need.
- Determine the sales strategy before you begin the term sheet, not after it languishes on the prospect’s desk for a week: To whom am I selling? What are their needs/interests/values? How do I change my sales approach to meet their value system(s)?

Habit 6: Action Items for Sales Managers

- When a sales team member says he got a package, ask instantly, “What is your sales strategy?” Listen for a sales strategy that may actually be a credit strategy and if so, coach to an appropriate sales strategy.
- A fundamental rule in selling is never sell to a competitor’s strength. If your competitor is more flexible in price and structure, selling loan against loan is a mistake. If your strength is a broader array of products, point the salesperson toward an integrated solution that focuses on that strength.

Habit 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’re having trouble making your goals today, it will be even harder next year.
- Work your customer base to make short-term goals; your COIs to make your medium-term goals; and your prospects so you have new customers to sell the heck out of 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 make business objectives [e.g. x% on customers (short-term goals), x% on COIs (medium-term goals) and x% on prospects (long-term goals).]

Habit 7: Action Items for Sales Managers

- Determine in your own mind the appropriate calling activity and call balance levels (e.g. 20 calls a month: 60% on customers, 20% on COIs and 20% on prospects) for each team member.
- Ask each team member to self-select face-to-face call targets and call balance targets. Meet one-on-one with each of your reports to reach agreement on the targets. (Note: The mix should be reviewed on a quarterly basis.)
- 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.

Habit 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 from customers, prospects and COIs.

- The sales force'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 sales person is a great administrative support person.

Habit 8: Action Steps for Sales Managers

- Make sure you have the right support team in place. Are your sales people tied down with customer service tasks that could be done by others?
- Remove infrastructure obstacles that are holding your bankers back.

Conclusion

Helping average performers get to the next level is one of the most important things a Sales Manager does. Getting them to replace sales habits that are inconsistent with today's best practices requires a high degree of structure, discipline and persistence. But there are tremendous returns awaiting those Sales Managers who stay focused on providing the right combination of guidance, feedback, and coaching to their sales teams.

