

Take A Total Approach To Sales and Service™

Are you less than ecstatic with your employees' sales performance and service levels?

If not, here's an approach that gets results!

by Barbara Sanfilippo and Bob Romano

All too often we hear bank CEOs and senior managers voicing frustration at their efforts to develop a sales and service culture. Some common refrains are:

"We've been working on our sales and service culture for years now and we just haven't gotten the results we expected."

"We provided sales training, and implemented a tracking system and an incentive program, but employee behavior has not changed much. The training didn't stick."

"We tried everything at least two or three times, but people around here still think it's business as usual."

What undermines many financial institutions' efforts at developing a sales and service culture is the misperception that a bank can simply run their people through training, add a few other ingredients like tracking and, of course, some "incentives", and in due time the culture will change. What they do not realize is that the process of changing a culture includes many other components implemented over a period of years. All these components are only pieces of the process--pieces that, alone, are not likely to generate long-term results unless they are all integrated into the way a bank runs the business.

To sustain a sales culture, three critical areas must be addressed (see figure 1, pyramid): Skills, Infrastructure and Organizational Development. Skills includes training in cross selling, customer service, product knowledge, sales and sales management. Infrastructure refers to the processes and systems that are permanently woven into the fabric of your company that reinforce employee use of the skills learned. These include sales goals, service standards, sales tracking, service measurement, recognition programs, accountability for performance, and more. Organization development helps you get the buy-in and commitment of your staff. Those components include sharing the sales and service vision, communication, employee involvement on teams to implement infrastructure components, employee climate surveys and more.

Our experience demonstrates that the best results are gotten when these components are implemented as an integrated process. This does not mean that a bank must do it all at once or allocate hundreds of thousands of dollars in one budget period. To get your efforts "to stick", however, requires you take a broader, more long term view of sales and service culture development as a process rather than discrete "programs or projects" with a beginning and an end. Your best starting point is with organization development.

ORGANIZATION DEVELOPMENT

Before you spend any money on training, it's important to build a solid foundation of support from managers and employees. If they do not buy into the new behaviors that will be expected, it won't happen. If just one senior manager pays "lip service" to this process, that indifference will infect a large enough part of the bank and results will be diminished or the cultural change will not happen at all. Following are some practical ideas to demonstrate your commitment as a CEO or senior executive and build buy-in and commitment from your staff:

Make sales and service a strategic initiative

To become a reality, the development of a sales and service culture must be an integral part of the CEO's vision. Make sure your strategic plan identifies "building a sales and service culture" as an objective and high priority to be accomplished in three to five years. Then develop a well thought out tactical plan for achieving this goal over that period of time. Caution: having just one or two statements such as "offer cross-selling training" or "conduct product knowledge training" will be insufficient to sustain long-term results. These are fine steps but need to be within the context of a larger plan that includes the other components of the triangle.

Hold an off-site retreat with your management team

A retreat helps to unite your management team in a common vision and obtain their commitment. That vision must then be clearly articulated and inspiring enough for employees to want to be a part of it. An off-site retreat is an excellent way to accomplish this. One ACB member bank we conducted a Sales and Service Management Planning Retreat for expressed the value of a retreat this way: "Many of our managers had some apprehension about going forward with a more structured sales and service culture, going public, increased accountability and workload. They now better understand the extent of the commitment, time necessary and value of the efforts they expend. We now have more buy-in because our key managers participated in the decision to go forward. Because of the retreat, managers now realize that building a sales and service culture is not just someone else's responsibility".

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Create a permanent "Service and Sales Council"

Council members coordinate implementation of the action plan, serve as team leaders for each component of the plan, identify and address obstacles to implementation and generally act as "champions of the cause". The Council is a key part of the process and ensures accountability for implementation of your sales and service culture plan. Be sure this group has representation from each area of your bank.

Utilize teams of employees to implement components of your action plan

Using teams of employees to implement components of your SSC builds employee buy-in, gives employees a sense of accomplishment and as an added bonus, is also serves as a career development tool. We are always getting feedback from our clients' employees about how positive an experience it was to be on a Service Improvement Team. Like many of our other former clients, Alpine Banks of Colorado, has found the Service Council and Service Improvement Team concepts valuable five years after we finished our two-year project with them. They still have the Service Council in force rotating members and continue to create new teams to implement any project that will need employee involvement and buy-in.

INFRASTRUCTURE

One of the biggest reasons new sales and service behaviors fade quickly after training is because employees return to their jobs and do not see enough reason to incorporate the new skills into their daily jobs. What if employees knew *before they go to training* that they have service standards they will be measured on; that they will have to meet sales goals; that they will receive recognition for these behaviors; that they will be held accountable for these behaviors in their performance evaluation and their pay raises are impacted by their sales and service performance? Here are a few of many infrastructure components you can implement to get long lasting results.

Revise Job Descriptions and Performance Evaluation Forms

Job descriptions should state what behaviors are expected in general terms. Performance evaluations should state the specific results required. For example, Branch Managers should understand from their job description that they are required to hold regular sales meetings, reinforce product knowledge, set goals, track performance, coach, recognize, reward and create a customer service attitude. Officers and financial and customer service representatives must know they are expected to sell, refer to other departments and provide excellent service. Support staff should understand that they're expected to provide a high level of service and quality work to their internal customers in other departments.

Incorporate Goals into Performance Evaluation Forms

Performance standards need to be more specific than a job description. Front-line employees' performance evaluations should contain specific referral, cross-sell, dollar, retention or fee income goals, according to your needs.

Sample Format for Goals

%WEIGHT

5 4 3 2 1

Achieves at least 24 teller referrals within the normal 12-month review period.

Rating/Scoring System

36 or more 5

for Review Period:

30-35 4

24-29 3

13-23 2

12 or less 1

Comments

Operations staff goals can be based on accuracy and turnaround time. Customer service/new accounts representatives can have a tiered goal for achieving a specific cross-sell ratio. For

example, a 2.5 to 3.0 is superior, 2.0 to 2.5 is excellent, 1.5 to 2.0 is good, 1.2 to 1.5 is satisfactory and anything under 1.2 is unacceptable. Attainment of this goal should equal 50 percent of the overall performance appraisal, since sales is the primary behavior you're seeking.

We also suggest expanding managers' performance evaluations to include achievement of specific sales goals, customer service ratings, product knowledge scores, coaching ability, conducting sales meetings and other sales leadership duties.

For example, consider the branch manager striving to reach 100 percent of deposit goals and a customer service shopping score of 8.5. She's also trying to hold two customer appreciation weeks a year and to conduct a minimum of two sales meetings a month. All these items equal 60 percent of her total job duties and, therefore, should determine over half her salary increase. If you're asking your managers to function as sales leaders, but rewarding them for operations duties in their performance appraisals, reconsider. In a sales culture, the name of the game is "pay for performance." But don't forget to ask your employees what they feel they can do. Have them sign off on their personal goals, which will be judged and weighted as part of their performance evaluations.

High achievers know they will ultimately be evaluated on their performance and strive to meet the expectations. The job description and the performance evaluation work hand in hand at changing behaviors. Their revision should be completed, and expectations discussed with employees, before performance is actually required.

SKILLS

Once you have your infrastructure and organization development components in place, or at least have many of them under way, your employees will be in the most receptive state of mind to learn sales and service skills. Who should receive what training?

We've found that all customer contact employees need product knowledge training, sales and customer service training. Support and administrative managers and employees would also benefit from customer service training emphasizing internal service to fellow employees.

One of the most critical, but often neglected forms of training is sales management training for managers and assistant managers. It's vital, because a branch manager who is self-motivated and people-oriented, and who has the skills to manage a sales team can be it powerful driving force behind your sales effort. Considering the critical functions of a sales manager (hiring, training, coaching, motivating, setting goals, tracking results, recognizing performance, providing leads and sales support and conducting sales meetings) sales management training could be your most leveraged training investment. We will dedicate future articles to this topic.

EPILOGUE

The purpose of this article has been to provide a broad overview of the process of developing a sales and service culture and by no means includes all the areas that can be addressed. Most importantly, a bank cannot have a sales culture without having exceptional service. Otherwise, you will have a "revolving door" of customers. Look for future article from Romano & Sanfilippo

on customer service, service measurement, sales and service management, employee recognition, customer retention and more.

Barbara Sanfilippo, CSP, CPAE is a keynote speaker, author and consultant specializing in [sales training](#), service and motivation.