

On The Mark

Marks & Associates, Inc.: Specialists in Training and Marketing Consulting For Financial Services Firms

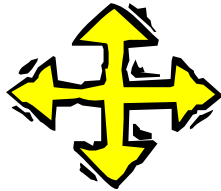
Sales and Marketing Ideas That Work

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The Times They Are 'A Changing

Bob Dylan had it right, " You don't have to be a weatherman to know which way the wind is blowing." The trend is clear and those banks that don't see it coming are not going to survive. The days when bankers could afford to think of themselves simply as relationship managers are over.

Customers and prospects have always hired and fired you. But with fewer banks fighting harder for the business, clients and prospects are demanding more than lunch and golf.



What does this mean for "Relationship Managers?" It means that your perspective has to change. Banks are sales organizations. Your products are the capital that companies need to grow and the systems necessary to use that capital efficiently. You have to do more than simply use price as a differentiator between you and your competitors. Those banks who do this successfully will gain market share and live to fight another day. The losers . . . well, you know what happens to them.

No bank wants to be overrun by its competition, so to avoid losses we must find a way to meld the qualities of consultative selling with the benefits of "relationship banking." As a consultative salesperson your job is to find opportunities to lend your capital and uncover problems that can be solved with your non-credit services. That's the only way you can differentiate yourselves from the rest of the pack.

Fraud prevention using bank products on pages 3-4

8 Ways to a More Successful Bank Sales Culture

With so many banks talking about the importance of establishing a sales culture, why are so few of them actually succeeding? Here are eight steps that banks can take to improve their chances of success.

1. Banks must do more planning for individual corporate or business customers.

Of course no bank can specialize in every industry or segment, but every bank can do a better job of training its relationship managers to really manage relationships. Show them how to look at their most important customers and prospects strategically. What changes are they headed for or going through? How will those changes affect how they do business? What impact will those changes have on their cash flows? How can the bank plan to be ready for the changes and help them cope? Every banker should be thinking strategically about his or her customers' businesses.

The truth is that banks hire very talented people and then close the gates to creativity by forcing them to follow often outdated, but comfortable paths. Remember, this isn't your father's banking industry. Market conditions, both across the economy and within specific industries are changing, and bankers must be ready to anticipate these changes and act to help their customers take advantage of the shifts. Strategic planning isn't just for the bank as a whole, it should be applied to each significant client and prospect.

II. Change starts at the top. If you want a sales culture, you have to sell it and live it from the top down.

It's difficult, sometimes impossible to change even the smallest element of a company's culture. A culture change is more than just an attitude adjustment – it's a dramatic change in behavior starting at the top. Senior management must be willing to change its behavior, otherwise those below have no incentive to change theirs. For bankers whose traditional focus has been controlling the credit process, converting to a sales culture can prove uncomfortable to say the least.

**III. A sales culture takes time and requires professional expertise to establish. It's not simply an issue of changing your focus. Get help from an expert.**

Marketing is a missing discipline for most corporate bankers, who are dressed to do battle with impressive but virtually "marketing-less" finance or economics degrees. Unfortunately, business today is driven by marketing. A successful sales culture requires people who are marketing and sales aware. If they don't have knowledge and skills when they are hired, you've got to give it to them as part of their in-service training.

IV. Understand the difference between training and education. Education teaches new material, training changes behavior patterns.

An experienced, effective salesperson needs **product education** to familiarize himself with your bank's product. But, if you want to get more sales out of your bankers, you have to give them focused, continuous **sales training**. That means an interactive curriculum that develops their sales skills face-to-face in small groups, rather than one-on-one with a video or notebook. Remember, with rare exceptions bankers aren't natural salespeople.

V. Effective selling requires a consultative approach. Bankers too often come off seeming judgmental. This has to change.

By the very nature of their financial relationship with companies, bankers are privy to all kinds of confidential, strategic information. This puts them in a perfect position to be of real consultative value to their customers. Unfortunately, because they tend to focus extensively on the financial "condition" of the company,

their customers see them as judgmental "purse-keepers" rather than as financial problem-solvers.

VI. The future is now. Too much preoccupation with the past leads to missed opportunities.

There is a reason why rear view mirrors are only ten inches across while windshields are ten feet wide. Because of their historical emphasis on credit, bankers tend to dwell on the past and lose sight of the future. Unfortunately, their clients continue to change and that change creates new business. Bankers must spend much more time anticipating change and planning for it.

VII. "When your horse dies...get off."

Bankers spend too much time worrying about their failures and not enough time analyzing their successes.

Ironically, success is the behavior pattern you want to replicate.

Analyzing how and why you succeeded is a far better use of your time.

**VIII. Know what you want and keep focused. You'll never achieve your goal by wishing for success.**

Most banks don't understand exactly what a "sales culture" is. They spend a lot of time setting targets for market penetration, numbers of deals, total revenue, and numbers of relationships, but these are only the results. Very few banks spend much time defining and executing the processes to achieve these results. Marketing is like every other managerial task set. It has plans that must be defined, a process that must be followed, corrections that must be made, and skills that must be learned. You develop a "sales culture" through a keenly-focused, well-executed plan, not with an organizational edict.



Marks' Six Truths of Selling

1. *People buy because the pain of not having the product or service is very real to them.*



Unfortunately, not everyone recognizes pain at the same level so, a good salesperson has to amplify the customer's pain - bring it to the top of their mind so that the thought of continuing with the problem unremedied is unbearable to them.

2. *Selling is about them, not about us or the bank*

This is such a simple concept but we forget it all the time. Selling can be scary, and fear and pressure can cause you to run for the most comfortable topic you can think of - the bank and you. So, you talk about the bank and its products because that helps alleviate the fear of selling. This is simply wrong. Selling is about learning the prospect's issues, listening to what he has to say, and matching your ideas and products to his needs. You can't sell by telling the prospect how good you are. Every bank promises high quality, outstanding service and competitive prices. You have to prove how good you are by focusing on what every other banker doesn't - the client / prospect and his problems and needs.

3. *Selling is listening to the answers rather than focusing on your next question.*

No matter how well you think you know a company, the truth is that things change, and that's good because change creates opportunities. But, in order to get at the change, you have to ask good questions and listen to the answers. Good questions come from the client's last answers. Remember, an effective sales call sounds like a conversation between friends - relaxed, attentive and deeply interested.



4. *Selling is getting rid of your preconceived notions and letting the client tell you the important issues in their company*

Your job is to control the call, not to lead it. After all, you don't know where to go. Your client knows the important issues facing the company. In order to get at those issues, you have to ask the right questions - questions that come from the client's statements and answers. That's how you control the call.

5. *Selling is finding the one, two or three products that the other banks failed to sell.*

You don't have to spend your life looking for companies who are dissatisfied with their existing banks. You just have to find the key issues that the existing bank failed to resolve for them. And, it is almost universally true that, even well-banked companies have issues and problems that their existing banks have missed or ignored. Finding them is how you prove your worth.



6. *Selling is about change, not stability and continuity.*

This is hard for credit-oriented bankers to swallow because lenders spend their time looking for continuity and stability. But that's looking backwards and salespeople must look to the future, especially if they are selling non-credit services. Opportunity lies in change, and change points forward.

The Mail Bag Questions From Readers



Question:

I know that fraud is a very big issue right now, but I'm not really sure, other than Positive Pay, which cash management products can help prevent fraud. Can you give me a fast overview?

Answer:

With fraud running somewhere around \$12 to \$14 billion per year, it's the fastest growing business in the United States.

Any banker who's not actively working to help his clients fight fraud is not only doing a disservice to his clients, but he's missing the boat on fee income opportunities. Moreover, recent changes to the UCC make it imperative for banks to aggressively offer fraud-minimizing products in order to shore up its position on fraud loss liability.

E-mail questions to: questions@larrymarks.com

With that in mind, here's a quick look at some of the anti-fraud uses of non-credit products:

- **Reduce the risk of losses from check fraud by using Positive Pay.** Positive Pay catches many fraudulent checks before they get to the client's account. The protection at some banks even extends all the way to the teller windows.
- **Reduce the risk of internal fraud by using Lockbox** which effectively separates the receivables and billing functions. Firms often have the same person preparing invoices and processing customer payments. A Lockbox minimizes embezzlement risk from the receivables side by separating those functions.
- **Reduce the chance of fraudulent funds transfers and unauthorized loan draw downs by opening up an Investment/Credit Sweep arrangement,** which automatically makes investment and borrowing decisions and executes the actions for the client. This eliminates manual transfers and all the security risks inherent with them.
- **Reduce the opportunity for deposit fraud with Deposit Reconciliation.** It automates and expedites deposit reporting and reconciliation. Deposits are verified sooner so that deposit embezzlers have less time to work and to escape.
- **Reduce the chance of check fraud from fraudulently acquired and reproduced payroll checks with Direct Deposit of Payroll and ATM Payroll Cards.** These eliminate the need for payroll checks by letting the client pay even "unbanked" employees electronically.
- **Reduce expense account fraud with Purchase Cards.** Office purchases can be made with better control over amount, type, timing and vendor. Returned items are directly credited back to the company rather than the employee's private credit card.



Marks & Associates

WHO IS MARKS & ASSOCIATES?

We provide sales training and marketing consulting to banks of all sizes. Using our customer-focused sales model, bankers are able to maximize profitable non-interest income while building and retaining valuable customer relationships. Headed by Larry A. Marks, a pioneer in the field of bank training and non-credit services marketing, our firm applies real-world banking knowledge, sales experience and marketing expertise to developing sales training and marketing programs that get results -- fast.

FOCUS ON TRAINING

Our training is built around the concepts of consultative selling and relationship management - looking for opportunity, amplifying need, and matching benefits and anticipating change.

Marks & Associates offers sales training programs that are customized to your bank's products, sales force and marketplace. Our seminars include Consultative Selling, Sales Management Strategic Relationship Planning, Negotiation Skills, Cash Management, Selling Cash Management, Presentations and Proposals, Trade Show Selling, and Non-Credit Product Selling. Seminars can be customized to meet our clients specific training needs. Multimedia applications can be added to support our training activities.

Nothing speaks more eloquently about our training success than our clients. Composed of banks of all sizes and geographic locations, our client base regularly reports stunning increases in sales, customer penetration, and market expansion as a direct result of our sales training efforts.

Perhaps it's our unique blend of marketing and banking expertise -- or perhaps it's our 25 years of bank sales experience. Whatever the reasons, results say that no other sales training firm teaches bankers to sell bank products better than Marks & Associates.

Our training is pragmatic and results-oriented. So, call us now to find out how we can help your bank win more sales and boost profits – this year.

For more information, call:

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