Focus on Quality Indicators and Leading Indicators to Direct Sales Forward

The strategies described in the article correspond with the third rating scale on our ***Small Business Readiness Checklist for Lines of Business—Focus on Quality Indicators****. Use the checklist side-by-side with the article to assess your bank's readiness to add quality indicators and leading indicators to your reporting metrics.*

Branch and small business bankers do what you measure. If your scorecards are weighted more heavily toward retail products and widget counts, then you have two counter strategies: supplement the score card with "leading measures" and strong, strong sales management.

Most banks track and report lagging indicators—referrals, loan and deposit balances, and customer satisfaction. These tell you what was sold and how much, but they don't help you direct sales activity forward, and they don't help you improve sales performance quality or customer experience.

Add quality indicators and leading indicators so you can track *activities* leading to *pipeline* leading to *results*. To do this, you'll need:

Expanded Goals	Setting expectations for activity *focus* and *quality* as well as results —how you want sales and service activities done and with whom to deepen and retain your small business relationships.
Elongated Pipeline	Tracking and reporting business opportunities from the *earliest stages of your sales process* in addition to reporting what's "expected to close in next 30 days." It's tough to manage if you can see only the next 30 days.
Capture Quality	Capturing data about sales activity focus, content, and quality (e.g. which prospects and customers staff called on, how staff conducted conversations with small business owners to develop full understanding of the business).
Coaching Activity Frequency and Quality	Positioning first-level sales managers to observe and coach 15% - 30% of small business sales calls using standard quality criteria in a disciplined process, reporting their observations electronically for analysis.

Nobody likes additional, manual reporting. Nobody wants to divert sales time to tic-marking. However, if you want to deepen and retain your small business relationships, tie leading indicators to your coaching, performance management, and compensation systems so you have truly balanced scorecards that encourage staff to develop high-quality relationships as well as meeting monthly sales goals.