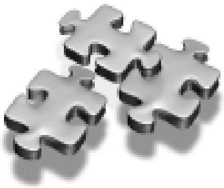


Commercial Insights

American Bankers Association

## *Sales and Marketing*

**It is Personal, Not Business — Final Thoughts About Trusted Advisors**

*Nicholas T. Miller, President, Clarity Advantage Corporation*

One of the best stories we have heard about a Trusted Advisor relationship comes from a vice chairman in a significant bank who tells the story of receiving a call from a business owner who was one of the vice chairman's customers when the he was bank branch manager, 20 years earlier. After an initial exchange of pleasantries, the vice chairman asked, "How can I help you?" The former client said, "I want you to take a look at a purchase and sale agreement for some property I own."

"But," said the vice chairman, "I'm not in that business anymore."

"I know," responded his former client. "But you're the only guy I trust to look at this."

How did that happen? What was the nature of their relationship and this senior officer's counsel that led to this question 20-some years after the fledgling branch manager had moved on to other responsibilities?

In their book, "The Trusted Advisor," authors Maister, Green and Galford describe a trust equation as:

$$\textbf{Trustworthiness} = \frac{\textbf{Credibility} + \textbf{Reliability} + \textbf{Intimacy}}{\textbf{Self-Orientation}}$$

Earning and maintaining trust is a delicate, complicated matter. To simplify a bit, we propose two recommendations to increase banker intimacy and credibility and to reduce self-orientation.

### Do You Care?

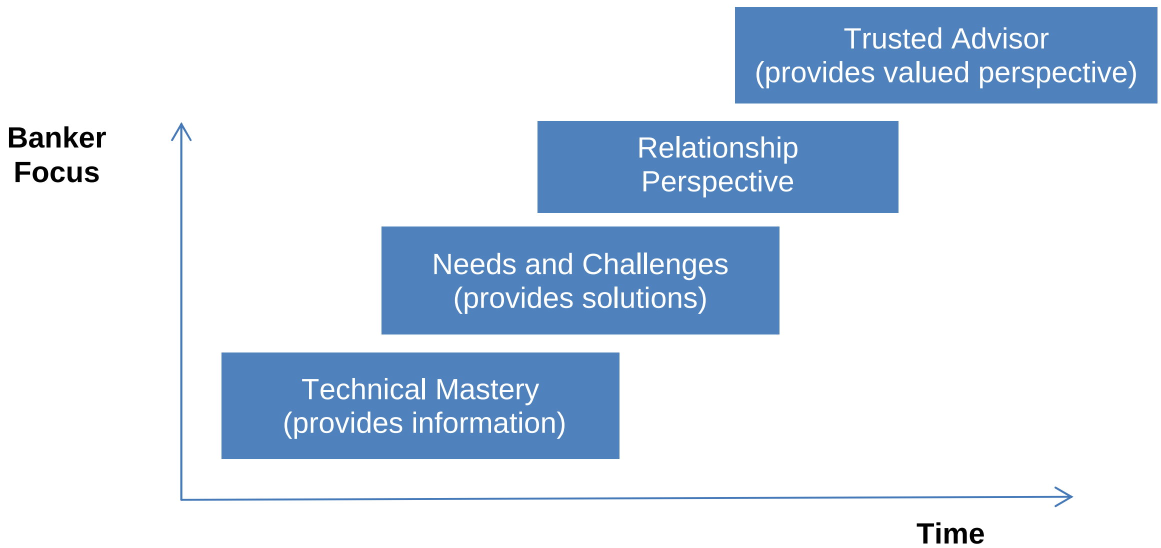
Over the years, we have learned that, as an industry, we can train almost anyone to do almost anything, but we cannot train them to care. If team members do not care about the clients or customers they serve, experience suggests that they will not become great customer service or sales or relationship management team members, never mind generate Trusted Advisor relationships.

This quality — the experience people have with us as "caring" or "not caring so much" — is very subtle.

This subtlety made clear to me after my wife and I returned from a neighborhood year-end holiday party. Each of the families contributes food to the table and hors d'oeuvres. It is a magnificent spread. People are happy, glad to see each other, catching up on up to a year's worth of news.

I consider myself quite sociable and conversational in these settings. However, when we came home, my wife returned with all kinds of information about the neighbors' mothers, sisters, jobs, husbands, former husbands, kids and on and on. I remarked that I was amazed she had learned so much. Her pointed reply: "It's in how you ask the question, the eye contact, your body language. Are you really wanting to hear the answer or do you want to move on?"

Over and over, we see this in banker to customer conversations. The most experienced of us have learned to unravel balance sheets, parse income statements and cash flows, scrutinize payment cycle management, conjure risk and share perspective on topics ranging from economic perambulations to valuation multiples — deep technical mastery, the first developmental step of the Trusted Advisor path that evolves…




…from technical mastery of a particular discipline (e.g., credit, payment services, corporate finance) to a problem solving or "needs-based selling" approach that evolves into being a valuable resource to one's client across a broader range of issues, to finally becoming the "go-to" person in times of crisis or change.

Yet, for all that expertise that bankers develop, the message that our customers or prospects frequently experience is, "I don't give a hoot about you, really, I want to see whether I can structure a deal or position some products with you so I can get paid and move on to the next customer." Or words to that effect.

Often, we communicate this attitude very subtly — it could be a mere flicker of an eye or a slight change in vocal intonation that tells our clients that we do not really care about them, let us just get on to the facts.

1930's actor and comedian George Burns once famously observed, "The secret of good acting is sincerity. *If you can fake it, you've got it made."* To aspire to be our clients' trusted advisors, we must really care, not fake it.

**To increase credibility:**

- Understand clearly your clients' goals, challenges and strategies.
- Contribute!
  - Share ideas, articles, people or questions that can help them boost their energy, clarify their aspirations, build momentum or address their challenges.
  - Make an impact on their businesses — something more than the "two face-to-face calls a year and I'll send you a couple of articles."
  - Raise and discuss other things your clients should be doing. Lead their thinking.
  - Bring ideas or opportunities.
  - Bring perspective or industry or competitor circumstances.
- Demonstrate sound, considered judgment and reliability in both personal and business matters.
- Maintain strict confidentiality in all matters, business and personal.

### To increase intimacy:

- Demonstrate with your voice and face that you are present, engaged and interested in their answers, not “just about to run off to the next meeting” or “just about to propose a solution or give an answer.”
- Listen to their stories, including both spoken and unspoken emotional elements, all the way through to the end (avoiding “I’ve seen this movie before” syndrome).
- Ask about feelings — “How do you feel about that?” or “How is that affecting you?” — and observe their body language that suggests emotional state.
- Verbalize what you are hearing — “Sounds like that’s been very difficult for you.”
- Encourage and acknowledge by smiling, nodding and commenting — “Tell me more,” or “that’s interesting, what else?”
- Engage your clients in discussions about their interests and passions, both at work and outside of work.

We suspect that each of our readers would say, “I do all of those.” Until my wife’s unvarnished appraisal after the holiday party, I would have said the same thing.

### Are You Curious?

When I first started in banking, my manager described one of the most senior commercial lending officers of the bank, Robert K. Wilmouth, as “able to answer a question about anything — if you ask him about some obscure civilization in South America, he will have something to say.” A good model to follow. No matter who was at the conference table or the dinner table, this senior leader could engage them in discussion, find common interests, demonstrate competence and breadth, and influence people to like him — first steps toward “relationship” and trust.

If we aspire to become more than technical advisors on credit or other banking topics, it is helpful to engage the “whole person” we want to advise and, best case, to broaden their horizons by sharing the fruits of our curiosity.

At one level, this involves **general knowledge** — being well informed enough, generally, to discuss current political and economic events, the arts, sports, bestseller books, television programs and movies. For example, do we know which movie won Best Picture at the Academy Awards this year? Have we seen it? Do we have a view about it? Can we engage and enjoy conversation one night with people who are movie fans and the next with people who are great readers?

Beyond this general knowledge, being curious about:

- How our clients’ companies work — e.g., why it is important that they insert the crankshaft before bolting on the bipolar manifold… and why it is to their advantage that their competitors do not.
- The latest trends and developments in the client’s industry, their customers’ industries and their suppliers’ industries, and how those trends may vary together or not.
- The broad spectrum of legal, organizational, personnel and other issues that cross their desks.

For example, suppose we are speaking with one of our clients, a senior financial leader, and she says, “The sales people are lobbying me to spend money to switch from our current CRM system to thus-and-such enterprise-wide system. What are some of the challenges you’ve seen your other clients experience when they’ve made that switch? What sort of return did they get?” Gosh, it would be great to have been curious enough about that with other clients that we could say something more than, “Gosh, Mary, I really don’t know.”

Clearly, knowledge of CRM systems is beyond the job description and expectations for most bankers but… are we curious? And do we have a view?

- Ask questions beyond those needed to do your day job (“identify needs and recommend solutions”). Ask about goals, strategies, preferences, feelings, joys, disappointments and relationships in addition to the technical matters.
- Ask questions, paraphrase and/or synthesize what you have heard to ensure that you understand it and that your client knows you understand it.

## In Conclusion

Claims to being a "Trusted Advisor" are everywhere. A broad range of companies, including many banks, want to train their people to earn clients' trust in order to lower selling costs, increase revenues, retain the most profitable clients and avoid fee pressure. While these benefits are more likely in the context of Trusted Advisor relationships, it is useful to distinguish between "Trusted Advisors" and "trusted advisors."

Upper-case "Trusted Advisor" relationships are deeply personal, based on expertise and personal trust developed over a significant period of time. A "Trusted Advisor is someone a client calls, perhaps even the FIRST person the client calls, for counsel in times of trouble or significant challenges or decisions (as well as happier moments!).

Lower-case "trusted advisors" are people to whom clients turn for reliable, even brilliant, Technicolor expertise on matters in which clients perceive trusted advisors to be competent, whether that be banking, law, accounting, plumbing, computers or auto repair, and there is a limit: "Sure, I'd call my bankers (dentists) for advice about banking (teeth), but I'm not going to share my most personal or business concerns with them."

Clients set this limit with bankers for a number of reasons including concerns about the impact of sharing concerns or troubles on banks' views of creditworthiness, frequent relationship manager turnover that disrupts relationship development, infrequency of banker contact with clients, client perceptions of banker competence and expertise, and disparate levels of life experience.

Banks that seek to reduce selling costs, increase revenues, retain the most profitable clients, and avoid fee pressure might best pursue lower case "trusted advisor" relationships with their "A" level clients or those clients who show potential for relationships of significant size and duration.

Senior bank leaders who want their sales teams as a whole to develop more trusted advisor relationships, as a matter of strategy, can increase their success rates if they:

- Articulate the role that trusted advisor relationships play in their banks' competitive strategies.
- Define explicitly their definitions of "trusted advisor" and translate those definitions into clear performance expectations and job models.
- Increase the quality of and the time dedicated to sales coaching and performance management based on the performance expectations.
- Modify recruiting, evaluating and selecting processes to boost the percentage of entry level or mid-career new hires who have the right "DNA" to become trusted advisors in their banks' environments.
- Train newly hired and incumbent sales team members more thoroughly and more consistently on technical, sales, relationship management and consulting skills and knowledge.
- Equip relationship managers with the "outside" perspective that clients associate with trusted advisors.
- Retain effective relationship managers in their positions longer.

Individual bankers who seek to develop more **"**trusted advisor" relationships, and even a few "Trusted Advisor" relationships, can increase their chances if they:

- Expand their general knowledge — become better informed about a broad range of business and non-business topics.
- Develop and apply technical competence in bank products, particularly credit.
- Perform well on core banking and relationship management attributes.
- Bring knowledge from the outside to give clients new perspective, for example, "describes how other firms like ours use various bank products and services to their advantage."
- Learn clients' businesses and offer ideas that help them grow or manage their businesses.
- Develop personal relationships with clients, increasing intimacy through attentive, empathetic listening.
- Handle confidential matters professionally and deal honestly and transparently with any issue.

The transition from “trusted advisor” to “Trusted Advisor” is not so much a leap as it is a series of gradual transitions over time that begin first with a technical mastery of products or methodologies… for example, credit or payment cycle management or investments. From there, trusted advisors begin to engage clients on the basis of their needs and challenges. Next, they become quarterbacks for a variety of services and disciplines offered to the client and take responsibility for the mix of services and delivery. Finally, based on their performance and time working with their clients, their clients begin to see them as Trusted Advisors, opening up even more intimate conversations with them. They develop trust-based relationships that deliver for the customer and the bank.