

Six Strategies to Accelerate Business Banking Sales Now



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During times of economic uncertainty or credit quality challenges, it's more important than ever to have concrete strategies in place to keep your sales engine humming.

Maybe it's true: If you stepped on the sales accelerator now, perhaps your bank's business banking sales engine would cough or die. The PPP application process left you and your teammates proud and drained. Interest rates and spreads are low. The Covid virus has left many businesses reeling. There's a lot of uncertainty. Maybe your bank has or will have credit quality challenges as a result . . . or now you're incredibly picky about to whom you will lend. Competitors may have better digital tools and/or treasury management products, perhaps at lower prices. Your bankers may think the quality of the leads they're getting is poor or that they're spread too thin.

But now is not the time for excuse making. Instead, implement these six strategies to retune and restore power to your bank's sales engine

1. Target sales efforts

When times are tough, sales team standards go lower. Bankers sell to "everybody" whether or not they are a good fit for the bank, saying, "If we don't sell to them, somebody else will," or "If I don't sell to them, I won't make goal." When bank credit standards are high, sales team members can freeze or give up, saying, "The Loan Center isn't approving anything, or they change their standards week by week, so why bother?"

Both statements may be true, but they aren't good guides to profitable sales growth. In many companies, the top 10-20 percent of customers generate 80 percent or more of profits and sales, while the bottom 20-40 percent may be marginally profitable or unprofitable.



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Targeting your sales efforts is a better strategy, in both lean times and good. Ask yourself and your sales team:

- Do you know who your most profitable (and credit-worthy) accounts are and why they are profitable? What are the demographics of these accounts?
- What are the industries, situations, or companies that need the value you offer? What is your value proposition to them? (And it may be different for specific industries.)
- What specific companies or buying centers within those industries and companies are you targeting? How are you applying your value proposition to them?

Then, ask your bankers the really difficult question: “May I see your plan for attacking these industries and companies?” In our experience, most bankers have not developed written plans for their businesses, and most do not have written plans of any length for their top five accounts. If 80 percent of your revenue per salesperson is coming from their top five accounts, your sales future is at risk.

Action steps:

- Define your value proposition clearly.
- Define the buyers who are “in” your sales and credit target zones and those who are “out” of it.
- Align yourself or your sales team members to deliver the best value to “in target” buyers and focus yourself on them through planning and active strategy coaching.
- Discourage or don’t pay incentive compensation for sales that come from “out of target zone” buyers.

2. Position and differentiate value

Once your bankers open conversations with your target customers and prospects, you must make sure they can articulate your value proposition and differentiate it from other banks’ propositions. If your bank’s credit standards are more stringent than other banks’ standards, this is particularly important.

Value, in this context, means a change in your customers’ business operations (revenue, costs, risks, time) or feelings about themselves or their businesses. A “features–advantages–values” assessment will help you and your bankers understand and communicate your bank’s value:

	Features	Advantages	Values to Customer
Our staff			
Our products			
How we work with you			

Action steps

- Write statements describing what’s different about your staff, products, and work methods and what value those differences create for your clients.
- Validate with your clients that they see it the same way and that they will pay for the value either through the fees they pay or the loyalty they afford you (e.g. by staying with the bank or by giving you first look and last look at any new opportunity).
- Make sure your bankers can deliver short statements and client stories that describe your bank’s value, distinguish that value from other banks’ values, and demonstrate their own personal value to your clients and prospects.

3. Boost sales capacity

Notice this says “boost capacity,” not “hire more bankers.” Particularly in lean times, sales managers want to reduce costs by reducing headcount, particularly administrative headcount. Inevitably, they ask bankers to take on more and more administrative work, expecting somehow that sales efforts will continue unabated.

Our research indicates that the average business-to-business salesperson dedicates less than 30 percent of his or her time to conversations with prospects and customers. Meanwhile, they spend somewhere between 30-40 percent of their time on administrative tasks, and the balance on servicing and traveling to and from their accounts. (One good outcome of the Covid-19 lock-down: Less travel time!)

If this is true in your bank, you’re paying your bankers to be unproductive, and you’re making it worse if you’re firing \$20-an-hour sales support staff. The numbers may suggest you might consider hiring more support staff.

Suppose one of your bankers generates \$450,000 of gross profit per year in 15 hours per week of selling time (30 percent of 50 hours). That’s \$600 gross profit per selling hour (assuming a 50-week year). If you increase the sales rep’s effective selling time by two hours per week, you could generate \$60,000 in additional gross profit, more than enough to pay for a full-time administrator for that sales rep.

Action steps:

- Determine time spent on specific tasks and gross profit per selling hour for all bankers.
- If profit per selling hour is greater than cost of an administrator per hour, consider hiring administrative support.
- Design your fulfillment and account management processes to reduce demands on your bankers’ time. Eliminate steps that do not add value to clients.

4. Increase activity discipline

Most sales managers manage most bankers based on results. Salespeople love this: “Don’t worry about how I do it, boss, just measure my results.” There are several problems with this approach:

- You lose the opportunity to understand the relationships between activities and results that would help you understand your sales teams’ efficiency and effectiveness.
- You lose opportunities to coach bankers to higher levels of performance.
- You lose any hope of consistency in the market.
- You lose sales opportunities.

Why do you lose sales opportunities? Because bankers, in general, look for low-hanging fruit and stop reaching out to buyers who aren’t ready to buy now. For example, check to see how many attempts are needed to book an appointment with a prospect; we’d expect that the number would be between three and seven attempts. If your sales activity discipline is low, we’d also expect that your bankers will stop calling for appointments after two or three attempts.

Action steps:

- Develop a success model that connects activities to results.
- Create benchmarks that define the path to success (activities, work in process and results).
- Coach and manage to the success path benchmarks.

5. Grab market mindshare

Many banks compete for less than 10 percent of the business available to them because their bankers aren't aware of or haven't contacted the prospects and aren't engaged with them when they're ready to make a change. As a result, prospects feel no connection to your bankers or your bank when they're ready to change.

Maintaining prospects' and customers' top-of-mind awareness of your bank requires a series of "touches" throughout the year. These may be phone calls, e-mails, encounters at networking or community events, letters, or face-to-face calls. Once you have identified your targets, touch them consistently and relentlessly. This includes the touches needed to obtain appointments and maintain top-of-mind awareness after initial contact.

To ensure that you and your bankers are focusing your touches on the best targets, tier your prospects and customers and determine how many touches are appropriate for each tier. For example, you might determine:

- Six to eight touches per year for high potential/most profitable prospects, of which two or three should be face-to-face.
- Four to six touches for medium potential prospects and top tier clients.
- Two to four touches for low potential prospects and low and medium tier clients.

To maximize your sales team's efficiency, use automated software to generate letters or emails, and use support staff to manage the paperwork.

6. Pay for performance

The number one mistake in sales compensation is paying bankers for not selling or for underperformance. Fixing this mistake is usually beyond the scope of team leaders, within the scope of line-of-business leaders or segment leaders, and so time-consuming (working with HR, handling all of the legal issues) that many sales leaders fiddle with the incentive compensation plan without making major changes.

That said: If bankers can earn what they need without doing what you want them to, you won't get what you want. You can't make bankers earn more than they want to earn. To fix this problem (these are the steps I recommend, but I'm not saying it's easy), think about compensation in three levels: need to survive (pay rent, etc.), want (important add-ons like fancier vacations, private lessons for the kids, etc.) and dream (the obscenely fast car, the BIG house, etc.). Then:

- Define the outcomes you want very clearly.
- Connect incentive compensation to outcomes you want.
- Set base and incentive compensation at goal to cover "need to survive" plus a little "want."
- Set additional compensation (performance above goal) to cover some portion of "want."
- For extraordinary performance (you define this), set incentive compensation to cover "want" and some percentage of "dream."

A frequently asked question is how much of "need to survive" should you put at risk? There's no right answer to this. However, if you want your bankers to pay attention to client relationships, service and internal paperwork or activities, pay a base compensation and communicate and enforce expectations of activity and outcomes you expect for the base. Placing 15-25 percent at risk is fairly common in these settings.

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