

# TODAY'S financial Women

## LOSING TOUCH:

Lack of face-to-face communication may undermine your credibility

## THE GREAT GIVE-AND-TAKE:

Make the most of a mentorship

## EMPLOYEES STRETCHED TOO THIN?

How flexible schedules are changing workplaces



Leaders in banking

**'Transformations,  
not transactions'**

Roxanne Emmerich  
explains why customer  
satisfaction is not enough



# BEYOND COLD CALLING

**By giving your customers the knowledge they need, you'll gain their trust and their business**

**W**hen asked her assessment of the situation financial institutions are facing, Roxanne Emmerich is direct.

"For those who know what they're doing, 2009 is going to be absolutely phenomenal. For those doing business the way they did 10 or 20 years ago, it's going to be disastrous," said Emmerich, CEO of The Emmerich Group consulting firm in Minneapolis.

Few dispute that the overall outlook is bleak. The banking industry's third-quarter 2008 net income of \$1.7 billion was down 94 percent from the same period in 2007, according to the FDIC. In fact, more than 20 percent of the nation's banks lost money in the third quarter – with more dire results predicted.



**Williams**

As financial companies compete even more aggressively for deposits, industry advisers agree that investing in outmoded sales processes and traditional marketing tactics aren't going to yield the desired results.

"This next era of banking is about rebuilding trust," said Steve Williams, principal at Cornerstone Advisors in Scottsdale, Arizona.

"A pushy sales culture is not how you do that."

Rather, the focus should be on creating a workplace where people are passionate about helping customers, explained Emmerich, who wrote about the subject in her newly released book *Thank God It's Monday: How to Build a Workplace You and Your Customers Love*.

## HELP CUSTOMERS SUCCEED

In this economic environment, the best business prospects no longer simply walk through the door seeking services. As a result, some financial institutions have resorted to tactics such as cold calling to try to generate business.

But experts say that cold calling is not an effective use of time or resources.

"Cold calling is a difficult way to grow the balance sheet of your branch. It takes a lot of calls to generate business," said Kevin Strickland, senior vice president at MZ Bierly Consulting in Tallahassee, Florida.



**Strickland**

Bank managers surveyed at one of the company's workshops said that it took about 10 calls to land one appointment, which generated a lead 50 percent of the time.

Traditional sales techniques aren't the answer, Emmerich explained. "A lot of clients come to us after they spend a half-million dollars on sales training and realize they've gotten nowhere," she said. "The whole thing needs to be a system."

For years, companies have misguidedly focused on customer satisfaction rather than on customer success, Emmerich believes. They will need to shift focus.

"It's not about selling products; it's about understanding what the client needs to be successful and finding solutions to make that happen. Few banks have really tied those pieces together," she said.

## LEVERAGE STRENGTHS

To help customers achieve success, financial services professionals need to be armed with knowledge.

That's another area where financial institutions have fallen short, Williams noted in his company's *Gonzo Banker* e-newsletter. "It's too bad we've spent more than a decade filling our bankers' heads with sales processes, calling sheets and goal demands when we could've been filling their heads with knowledge about financial products and services," he wrote.

That means, for example, that front-line staff should be able to talk about why it would be beneficial for a homeowner to refinance now, describe the advantages of ACH payments to the small business owner, or demonstrate how to use online banking, Williams explained.

Firms should make better use of existing customer information, he advised. "Systematically review the information people provide to you in credit applications and think about how to help them optimize their financial picture," Williams said. That may mean suggesting a refinancing opportunity, a higher-yielding savings account, or relationship pricing.

"We've had clients sort credit applications by the nearest branch so that a representative can call and say, 'Hey, I know you're applying for a loan. We're so glad you're doing business with us. I just wanted to let you know we're a mile down the street,'" Williams said. "It's a great way to build trust."

Financial institutions can also distinguish themselves by using their top staff as relationship managers, "even when they really aren't doing most of the relationship management work," Williams said. "It's a very powerful message when [a senior manager] can say, 'I will take ownership to make sure you are happy. Just call my cell phone when you need anything.'"

## BUILD A REPUTATION

Financial services companies have long been advised to focus their efforts on identifying and targeting their "top 20 percent," or most profitable customers, but it's even more crucial now.

Emmerich outlines the steps to this process as getting close, staying in touch, and adding value to gain as much business as possible from these "marquee prospects."

One way successful organizations add value is to be known in their markets as an expert and educator.

"There's nothing more powerful than when you send your key targets something on a monthly basis that has great value and educates them about their finances," she said. This information should not be

## MORE ADVICE FROM THE EXPERTS

Here are some additional ways you can motivate yourself and others to generate more business for your organization:

- **Ask for referrals** – from existing business customers, individuals that advise businesses, and others in your network.
- **Make cold calls** only after doing your homework first. It's as easy as starting with an Internet search.
- **Lead by example.** Senior executives should be visible in the community, having lunch with the chamber, the city, local businesses and non-profits, asking for their relationship. Among staff, they must send the message "We have a good story to tell."
- **Simplify account openings** to make it easier and faster for someone to become your customer.
- **Train front-line staff** in teaching customers to use tools like online banking and bill pay. Focus on moving more of your customers into the "power user" category.
- **Generate tip sheets** with anecdotes for staff to share with customers about how others are dealing with financial challenges right now.
- **Treat customers** as you would treat family members. Ask yourself, "Is this what I would recommend to my sister?"
- **Commit to results**, see them as real, and make yourself accountable to them.

related to products, but could include an invitation to a seminar or a complimentary one-on-one audit, Emmerich advised.

Don't overlook the opportunity to build a niche in a particular business or industry, she added. "For example: I'm in a building where 5,000 people come to work every day – mostly service businesses, which sit on a lot of cash," Emmerich said. "I've been here for years and I've only received one letter from one bank, and not even a follow-up call behind that."

Studies show that the typical business owner uses 16 products and services for personal and business needs. What's more, business owners and professionals are among the biggest users of jumbo home equity credit lines and are the biggest personal depositors, according to Strickland, who also teaches at the Graduate School of Banking at the University of Wisconsin-Madison.

Above all, financial professionals must acknowledge "we're not going to solve this crisis in 90 days," Williams said. "We've got to realize that it takes a combination of good delivery, excellent knowledge, learning and thinking hard about what we can do to really help customers."

As Emmerich puts it, "Customers are really scared right now. This is now a world of transformations, not transactions." 