# BETTER SELLING OF BANK PRODUCTS

by Steve Brown

In a tough economic environment, more bankers are going after the best customers for deposits, loans and fee-based business. Greater competition means banks have to play their finest sales game. Between our Liability Coach service and our BLP product (turns fixed rate loans into floating without having to place a swap on your balance sheet), we get to learn from the some of the best loan and deposit salespeople the industry has to offer. Over the years, we have distilled 10 common techniques of top performing salespeople that we pass on in hopes these success attributes will make you more profitable.

10) They do homework - Top salespeople know more about the contact than many of the contact's own employees. In the age of the Internet, there is little excuse for not having a basic understanding of the contact's company, industry and positioning. This will not only help qualify the contact, but helps tailor the sales pitch. 9) They know the product - To sell effectively, salespeople have to know their products (and their competitor's products) cold. If salespeople can't articulate the value proposition of a particular checking account in one sentence, they may not be as effective as possible. 8) They listen - You can't learn about the customer if you are talking. When we conduct focus groups, the ability to listen is always in the top 3 desired attributes of a loan or deposit officer. 7) They're focused & organized - Good salespeople work a system. They key on a target group of accounts and are experts at following up. 6) They work referrals - We always like to ask how a bank generates its loans and deposits. For high performing banks, loans and deposits don't come from cold calls or branch walk-ins, they come from referrals. Banks with a strong sales culture have referral programs in place to aid in this effort. 5) They qualify - A common mistake is to try to sell without knowing who or how the potential customer makes deposit or loan decisions. By asking questions, good salespeople find out what is important to the client. At every major milestone, top performers stop and ask the prospect if they are ready to move to the next stage (as in - "It sounds like this loan structure would work for you, do you agree so we can discuss pricing?"). 4) They sell to the organization - It is rare that only one individual is involved in the sales process. Partners, assistants, co-workers and other professionals are usually also involved. While it is important to identify who these individuals are, great salespeople will spend time cultivating a pool of "insiders" to help understand the client and influence decisions. 3) They are patiently aggressive - No one likes a pushy sales person. Even more important, the difference between a great salesperson and a good sales person is that a great one recognizes when the prospect is ready to buy and waits until then to ask for the business. A salesperson's job is to move the process along, not close sales as fast as possible. 2) They earn respect - In addition to all of the above, the best salespeople, are like your best friend with product knowledge and sales skills. We love to talk to good salespeople because they know their job, are personable, funny, trustworthy and ethical. When they say they are going to do something, a good sales person gets it done. In similar fashion, great banks cultivate this attitude of excellence that permeates everything they do.

Finally, the #1 most common factor - The manner in which the salespeople sell. Top performing salespeople aren't hawking products, but are promoting solutions for clients. Few customers will want to use a checking account simply for free checks. Instead, customers are attracted by a cash management bundle because it makes them more efficient and reduces risk. Great salespeople consistently try to help their customers reach their dreams.

## BANK NEWS

### Liquidity Focus

The FDIC issued guidance emphasizing the importance of liquidity risk management. The guidance highlighted key areas bankers should be focused on including: strengthening liquidity risk measurement/monitoring systems; using scenario analysis; having contingency funding plans in place/tested (including scenarios where access is cut off from secured borrowing or given the loss of a large depositor/counterparty; understanding the limitations of brokered CD issuance based on capitalization levels; measuring access to funding (including diversification/capital raising initiatives); understanding volatile/credit sensitive loan portfolios would require higher capitalization than regulatory minimums; testing/documenting ability to get access to funds/liquidate assets in a stressed market environment.

### No More FASB

The SEC said it will to allow some U.S. companies to begin using international accounting standards as early as 2009 and require all companies to do so by 2016. The move paves the way for one set of global accounting standards and shifts from a rules-based approach (i.e. FAS 133, FAS 5, etc.) to one based on standards (based on professional judgment and not specific rules).