No More Cross Sales
by Charles Wendel

Several of our recent newsletters have focused on the critical importance and unparalleled value of deepening client relationships by selling more products to each customer, in particular a bank's top consumer and business clients. Implementing an effective approach for selling more to current customers should be priority number one for 2016. But, while bankers agree with the concept, they hate the phrase "cross sell," one that over the years has become associated with frustration and failure for many bankers. The phrase gets in the way and has in some cases become a barrier to a bank doing exactly what it should do, namely, increase its revenues, lock in customers, and develop a sustainable approach to market relevance.

The negative reaction to the phrase reminds me of the old TV series, Fawlty Towers. In one episode Basil suffers a knock to his head which makes him ever more delusional than usual. A group of German tourists enter the hotel, causing Basil to at first whisper but then shout "Do not mention the war," eventually causing the tourists great offense and their quick departure (https://youtu.be/yfl6Lu3xQW0). Do not mention the phrase cross sell any more is my new rule. As one reader commented, the phrase has become stigmatized. So let's get rid of it and emphasize the values that many bankers most prize: relationship depth, customer intimacy, and providing distinctive value to clients over the long term.

Bankers should not view selling as a dirty word, but the truth is that many bankers (particularly in commercial banking) become uncomfortable when they are called salespeople and react negatively to specific sales goals. Culture, heritage, and banker DNA drive this unease. Rather than continuing to fight against this discomfort, management needs to focus on gaining the enthusiastic support of bankers rather than trying to overcome their unspoken wish that "this too shall pass," as cross sell initiatives often do. Too often, management tries to push bankers into selling more rather than having the sales opportunity result from the banker's assessment of customer needs and the client relationships they have developed.

One recent client situation provides a good example of the challenges and possible approaches to creating a relationship development focus. This bank suffered from slow growth and a staff of long-term relationship managers who knew how to keep their current clients happy but protected both themselves and their clients from bankers representing other areas such as cash management (CM) and investment banking (IBK). There never seemed to be a good time to work on account plans and then execute against them.

Some of the steps that management took to shift the mindset and reduce banker reticence included:

- Assigning very well respected and known bankers to the CM and IBK areas.
- Having the CEO consistently involved in asking about the progress being made. Consistently means on at least a monthly basis the CEO asked the bankers and the

head of commercial banking to summarize successes and inquired as to how he could help in the relationship development process. Unfortunately, in many cases team leaders and the heads of commercial banking can be a weaker link to relationship development than line bankers, as they take on the role of internal bureaucrat rather than relationship leader.

- Providing increased administrative support to free up some RM time to allow more time for account planning
- Broadcasting successes and painting clear pictures of the impact of internal wins, both in terms of customer satisfaction and bank income.
- The CM and IBK bankers demonstrating their sensitivity to the concerns of the commercial bankers

Note that one element that does not appear on this list is compensation. In talking with the bankers they were much more concerned about maintaining the strong relationships they had taken years to develop rather than generating incremental compensation for themselves. And, the list does not include the use of sales management technology. Salesforce.com and similar sales software can support culture change and increased sales. At least initially, however, people and cultural change drive the process. Years ago, I worked with a client who invested well over a $1million in sales software that was soon abandoned in the face of banker resistance. Software supports a changed culture; it does not lead the change.

In the recent Democratic debate, Bernie Sanders commented on Hillary Clinton's email issues saying, "The American people are sick and tired of hearing about your damned emails." Whether you agree about that, the bankers I know are sick and tired of hearing about damned cross-sell initiatives. We have focused here about the need to change the substance of the effort in areas such as how it is organized, the people involved, and the team process required. One key first step is to assess what your bank's sales process is today and address the current roadblocks to success.

If the phrase cross sell causes bankers to roll their eyes and look for the exit, what is the right way to rebrand this very important area? Management would benefit by asking its line bankers to take the lead in naming it and also highlighting and addressing the practical barriers that must be addressed. Whether a bank focuses on its Relationship Development Initiatives (RDI), Extending Client Satisfaction (ECS), or some other better-phrased approach, a major 2016 emphasis must be on generating increased revenue from the clients a bank already has. I have written before that there is no secret sauce in banking, but this type of focus comes as close as possible to a not so secret sauce for increased revenues.