The Top Ten Things to Do in 2016 Is One Thing
by Charles Wendel

We all love lists, particularly those that relate to New Year's resolutions for improving our businesses and ourselves. But the fact is that for most financial institutions any list should begin with one item. Once that item has been addressed, then banks should focus elsewhere. No other activity provides the potential revenue and bottom line impact of doing just one thing and doing it well.

I can almost hear the collective sigh when I suggest, not for the first time, that the top activity, the one that should be the hurdle that banks meet before losing focus and going on to other areas involves *selling more to the customers you already have.* Cross selling has become a term that carries with it significant disappointment and frustration; several colleagues have recommended using a different term such as relationship development or fortress marketing to avoid the stigma of the cross sell phrase. Others are in denial, answering, "We already do that," when asked about initiating a rigorous cross sell initiative.

Let's try this in 2016: set and achieve the 10% hurdle. Banks need to evaluate their current customer set to determine how they can increase per customer revenue by an average of 10%, a significant improvement. Of course this is an easy goal for a consultant to suggest. What needs to happen to make this achievable?

1. Bankers need to operate with a plan.
2. The plans need to be team created.
3. Plans should be reviewed and revised regularly with the input of sales managers.
4. Compensation must be aligned.
5. Management needs to lead cultural change.
6. Technology should support this effort.

1. **Bankers need a relationship plan**. Bankers do not need more paperwork. However, a relationship plan can serve as a living document that guides an RM and his colleagues to improve customer satisfaction and sell more. Some bankers develop a yearly pan, while others do not. Some reach out to their colleagues in doing so, while others do not. In many cases the plans created lack consistency and thoroughness. What banks need is a one-two page plan that is uniform across the bank, simple to create, and, with the aid of technology, review. It is only a waste of time if it does not become part of the fabric of a bank's client management discipline.

2. **The plans need to be team created and executed**. Banks talk about the need to develop a team approach to client development, but teaming has yet to become the industry norm. RMs who believes the client belongs to them rather than to the bank need to be disabused of that notion. Of course in most cases RMs should operate as the internal leader and lead communications

with the client, but they should view themselves as one key part of the client solution's puzzle and bring in others to identify and solve specialized needs. Even in banks that do partner, we often see too much selectivity in the areas in which bankers work together. RMs may partner with private bankers but not with cash managers, equipment finance, or other areas. Personal relationships, trust, and compensation issues seem to drive these choices. Senior management needs to make sure that the plans submitted reach across the bank as fully as possible.

3. **Regular plan reviews.** Oftentimes, team leaders (TL) have become part of the sales problem rather than the solution. Often promoted for their sales successes, they then become stuck in the quicksand of a bank's ever increasing internal bureaucracy. Sales coaching activities lose out to internal management. Banks either should redesign the TL job and/or hire an internal sales leader who focuses solely on working closely with bankers to help them, diagnose opportunities, design sales approaches, follow-up, and close. Today, no one wants to hire additional staff, but many banks need a dedicated focus on a critical activity that should not be overlooked.

4. **Compensation must be aligned**. Just in the past week I spoke with a banker who commented that some bonus decisions were made before personnel reviews were submitted. Huh? That both undercuts the value of the review process and can demoralize the managers preparing the reviews. Many banks may factor cross-sell success into their year-end compensation but, typically, it is not given the weight it deserves. Business lines may need to push harder to ensure they are incenting for a very finite number of highest priority accomplishments, one of which (maybe number one) should be cross sell.

5. **Management needs to lead cultural change.** Enabling cross-sales activities can become part of a bank wide initiative that changes the culture and makes solution-oriented sales part of a bank's long-term sustainable advantage. Senior management needs to be in the forefront of this effort. Over 20 years ago Dick Kovachevich of Norwest and, then, Wells Fargo, repeated this theme until it developed into the bank's foundation. Too often, senior management allows itself to be swayed by banker reticence or whining and fails to maintain the focus and discipline required. Perhaps even more dangerous, some senior managers view themselves as pushing cross sell when, in reality they are not.

6. **Technology has to support cross-bank communication and cooperation.** Despite its importance to cross-sell success this item has been listed last because too often management places inappropriate emphasis on sales management software as the answer to its problems. I can name more that one bank that has spent in excess of $1mm on sales management software only to experience little to no improvement in sales penetration. The

software was not at fault; rather, its use was never fully incorporated into bank management procedures. If you are going to make it optional, don't bother. Those who best exploit its use follow the mantra, "It if has not been entered into the system, it did not happen." In particular successful banks find it difficult to dictate this policy, however, it is to the long-term benefit of the bank to do so.

Final comment. Even I can better understand why bankers would sigh in reaction to the above comments. Success in this area requires commitment, time, and a willingness to push against resistance. But, strong case examples exist of banks that have successfully travelled down this path to improve their performance. Focusing on current customers can have a positive impact this year and, perhaps more important, far into the future.