

Create Opportunities to Meet the Financial Needs of Your Bank Customers

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If a customer has a need but...

"If a tree falls in a forest and there is no one there to hear it - is there a sound?"

For centuries philosophers have been teasing our intellects with such questions. My version is "If a customer has a need but no banker hears it - is there still a need?"

Most referral programs, referral training and referral tools are based on leveraging an interaction between a banker and a bank client with a need. When there aren't any interactions between bankers and customers, what happens to those clients' needs? The needs are there and they're not being met.

Non-Banking Financial Services/Wealth/Trust/Retail Brokerage* have all relied heavily on referrals from retail banking for their sales success. Can you think of a successful Retail Brokerage program that isn't heavily dependent on retail referrals? Referrals from bankers are a key factor in the success equation for all non-banking financial services* business units.

Branch transactions are plummeting...

It isn't news that branch banking transactions are plummeting. The convenience products we've worked so hard to sell to our customers are working! Our customers are taking full advantage of not having to come into the bank. Our drive-ups were an exception to this downward trend of in-person banking but current traffic trends are now declining in drive-ups too.

A less-tracked metric is customer arrivals into the branch. While there is a correlation to the transaction count, we know from anecdotal evidence (and a few studies) that there are still numerous arrivals into a branch that do not result in a transaction: service issues and problem resolution, or freshly baked chocolate cookies on Fridays.

Some believe that every interaction with a customer is an opportunity to make a sale. Let's be realistic. An arriving customer who is angry about a service issue is not likely to respond to a "Hey, how about talking to one of our Financial Services representatives?" No matter how skillfully you resolve the service issue, you may still need to rebuild trust with that customer before they are willing to consider doing more business with you.

Reality #1

Effective referral development skills are still critical: we have to make the most out of the limited number of interactions that do occur. Financial Representatives** must continue to put effort into generating referrals. Train the bankers to identify referral opportunities. Develop and nurture 1:1 relationships with referral sources within the bank. All the usual behaviors are still necessary!

Fish where the fish are. By this we mean that Financial Representatives should focus their efforts on generating referrals from Business Bankers/Commercial Lenders. Their clients have needs for your products and services. Don't ignore the retail bankers but devote more time to helping the Business Bankers identify non-bank Financial Services needs within their client base.

Financial Representatives who excel at generating referrals from Commercial Lenders understand that Commercial Lenders are not like retail bankers and they approach them differently.

Reality #1 (continued)

- The commercial business model/service model is different and the issues they deal with are different. Focus on quality over quantity (of referrals).
- As with all referral sources—relationships are critical.
- In building relationships with Commercial Lenders, the credibility and trust components are absolutely paramount.

Today's reality of declining branch traffic and its effect on referrals isn't the only challenge it presents. The industry is struggling with other issues resulting from these changes. Our mindset and financial analysis has shown that the more products and services a customer has with you, the more likely they are to remain a customer and the more profitable they become. In today's environment, how do you ensure that you are meeting your customers' needs (sell more services) to your client base when you never see them? How do you turn service arrivals into sales opportunities?

High Impact Relationship Reviews

High Impact - Much Appreciated Service Delivery - Relationship Reviews!

Here's how it works. A banker contacts a high-value client and invites the customer in for a meeting in which they will assess if the customer is in the most cost-effective array of banking products for their needs. The client accepts the offer and the banker does an in-depth discovery process and presents (either in the same meeting or in a follow-up meeting) financial recommendations for the customer that just might include non-bank solutions. This process can be effectively implemented in retail, business banking and wealth.

- This service-review role dramatically changes how the banker is viewed in the relationship. In addition to ensuring that the customer has the most appropriate bank products for their needs, quality Financial Services** referrals are likely.
- Relationship Reviews work well with the Private Banking business model. More and more organizations of all sizes and in a wide variety of markets are creating a Private Banking function. Private Bankers are (usually) in a position to be great referrers to Financial Services**.

Reality #2 – Direct Mail

Our customers have financial services needs whether we see them or not. If we've taken care of them in the past, presumably they have some brand loyalty or brand affinity. Why not build upon that? Your Customer Relationship Management (CRM) technology provides opportunities to do targeted marketing—use it.

Direct Mail

Direct mail is an expensive way to create opportunities. Be very selective in your offers and use your CRM to select your targets. Organizations following this practice are seeing much more success with Direct Mail. Narrowly targeted direct mail gives a banker a reason to do a follow-up call.

Segmentation Examples & Direct Marketing Ideas:

Age 54 - 62 with significant balances = Pre-Retirement Planning

Age 62 - 67 with significant balances = Making the most of your retirement dollars?

Age 32 - 45 with two income families with kids = Are you protecting your family?

(These are simplistic segmentation examples. You probably have the capabilities of even more careful segmentation.)

Reality #2 – Advertising Pop-Ups

Advertising - Pop-Up Ads

Some CRM/Core systems have the ability to do pop-up ads on websites and on ATM screens, based on customer profiles. Using the segmentation examples above imagine: You go on the bank's website to do your banking and a banner ad streams a message that is designed for a person that fits your profile - you just might respond. You answer a couple of questions. Your response is routed directly to the Financial Representative**, best suited to respond to your inquiry and conveniently located in the area in which you live.

We have not seen very many of these advertising approaches implemented by community bank organizations. It takes a lot of support from the Bank Marketing area to implement this digital marketing-type program. Financial Services has to be a strategically high priority project to get their attention.

Reality #2 – Event Marketing

Event Marketing

Event Marketing can work. Events designed to draw targeted segments to a group setting where you can get acquainted have proven to work (sometimes!). Some of the events that come to mind are: Social Security Information, Technology and Investing for the Boomer Generation, Antiques Road Show (knock offs of the TV series), Women in Investing, Financial Education for Newly Single Adults.

Over the past couple of years, we have seen our clients re-engage in event marketing efforts. There has been varying degrees of success. Generally, product-focused seminars do not have the draw of "educational" topics. Having said that, we know of some organizations that are continuing to run successful product focused seminars. It just depends on the market, your target client base and your team's capabilities.

Reality #2 – Event Marketing (con't)

As you consider Event Marketing:

- Do it "right" or don't do it. Invest in the time and the other resources it takes to market and conduct an effective event.
- One of the most important "do it right" components is planning your events at least a year in advance. Market your event continuously. (See the above points about direct mail and pop up ads - what if a pop up ad promoted an Event whose topic fit the client's profile?)

Reality #2 – Proactive Calls

I know that the idea of Proactive Calls from Financial Representatives** is “old school” - but stay with me! Using a segmented bank client list and a series of great general benefit statements, get the Financial Representative** on the phone calling bank customers. It is known as "the hard way to make a living." If you aren't getting the referrals or other created opportunities, you must do something. You have to produce. With a good segmented targeted bank client list, the appointment ratio can be in the 10 - 20% range. Not all that hard a way to make a living!

Reality #2 – E-mail Marketing

What's Happening with Email Marketing?

For about a decade this seemed to work. But now, as bankers finally have obtained good email addresses on their customers - we are hearing an almost universal story of failed email marketing campaigns. We hear all the usual reasons for the failure; too many emails, too easy to delete and not presenting relevant information. Could better targeted, segmented customer lists help salvage this marketing approach? Could you try an email marketing piece that's parallel to a direct mail campaign or conjunction with a calling campaign from the Financial Representative**?

Contact me. Let's create opportunities to meet the financial needs of YOUR bank customers.

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Semantics

*For purposes of this document we use the label of **Financial Services** to identify the department: Trust Department, Wealth Management Department, Financial Services Department or Retail Investment Department and

****Financial Representative:** Individual-Wealth Advisor, Financial Advisor, Trust Business Development Officer, Trust Relationship Manager, Brokerage, Retail Investment Representative or Registered Representative as a generic descriptor for a referral destination for a client with a non-banking financial need.

APPENDIX - Interaction/Leverage Chart

Are you making the most of the customer interactions that still occur regularly? Check out the listing below and the ways you can leverage these interactions to provide higher levels of service and ensure that your customers' needs are being fully-satisfied.

Custom Interactions That Still Regularly Occur	How to Leverage
Problem Solution Seekers	Discovery Training and Product Knowledge: Some problems could be solved with a broader array of financial service solutions
Opening New Accounts	Discovery Training for New Accounts Staff: Onboarding process that includes a needs assessment POS Survey of other financial needs.
Real Estate Loan Applications	LAFUP (Loan Application Follow Up Process)
Commercial Loan Interactions/Calls/Meetings	Formal relationship reviews; Assigning private bankers to executives of clients; joint-calling protocol; pricing models for commercial loans that include non-bank-fee generation; post loan closing follow up call from bank executives; material participant pay for performance "spiff" for bankers who stay involved in sales process

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