



## What The Leader Needs To Know: Is Cross-Selling Losing You Banking Customers?

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### The Opportunity

Every bank pursues higher cross-selling rates with relentless zeal and commonly, less than satisfactory results. We know customers who use multiple services are more profitable and significantly more loyal. One bank found if a customer uses four or more of its services there is less than a 5% chance that they will defect to a competitor.

It's so simple a concept but why is it so vexingly difficult to pull off?

Consider this; J.D. Power reported that 27% of the customers of the highest rated bank in New York State had a problem with a banking transaction. In banking, the time to resolve a customer service issue is measured in days – not hours or minutes – days. The customer experience is often flawed throughout with customers commonly having problems with websites, inaccurate account information, and call-centers.

Saturday morning, the owner of a small business logs on to do his banking. He receives a message that the website will be down for maintenance from 2 a.m. until 6 a.m. It's now 8 a.m. Monday morning a Commercial Banker meets with him to try and close a \$5M line of credit. The owner spends 10 minutes complaining about his Saturday frustration.

Dinner time and the phone rings. An automated voice says "Please hold for an important message from . . . regarding your account." After 45 seconds a human voice asks for the woman's husband. Told he's not available the response is "We'll call back." After dinner she visits the website to review her account – all seems in order. Someone is wrong – is it her or the bank? Three out of 5 nights the experience is repeated. On night six the husband is home and the mystery is solved. The frequent dinner time calls were to offer a credit card. The couple will look elsewhere for a new mortgage.

After two weeks to resolve a problem with a deposit made through the ATM, the customer makes it a habit to use the drive-through. Placing checks and a deposit slip in the canister, he presses the send button. No one appears on the video screen. After five minutes he notices someone walk by on the screen. He presses the call button. No response. After a few minutes he presses the button again. Finally, he turns off the engine and goes into the branch. He counts seven employees but only one working as a teller. He knows her and she shouts "I'm so sorry, I'm the only one working here." Next day, he's less than open to a call from one of the bank's "Investment Advisors".

When service is problematic in one area, attempts to sell by another are unsuccessful and keep dissatisfaction top of mind.

### How To Leverage It

Poor customer service often results from each business trying to maximize its results rather than focusing on the enterprise as a whole. In banking you can't win with great branches, or a reliable, easy to use website, or an outstanding customer care call center, or amazing commercial bankers. You can only win if you focus all your business leaders and all your employees on building customers who are loyal to your entire enterprise. Here's how you can do it.

#### 1. Model What You Want

You've heard the old saying "Don't do what I do, do what I say." It simply doesn't work. Your people treat customers the way you treat them. It's that simple.

If you don't spend time getting to know your employees and communicating with them don't expect better from them when serving customers.

The senior team of one bank simply committed to visiting a different division once a week. At least every other trip out of town team members would have lunch or coffee with employees in a local office. When they started visiting the majority of employees did not trust management. Six months later the majority reported that they not only trusted management – they were significantly more committed to the bank and satisfying customers.

#### 2. Use Storytelling

What do people remember best? The specific steps in a process or the experience of really getting it right? Usually it's not the specific steps on a laminated card or in a binder. What we recall best are stories – real life stories.

Stories help people see the real possibility of success and the real pain of failure. When you tell someone a story you give them the chance to feel the experience and to see themselves in it.

Use stories to help people see themselves as part of the success of your bank – not your division or product – the entire bank. Use stories to help them see where they may go if they become superior employees. Talk about the Teller who got a college degree and now manages a mortgage origination team or the Branch Manager who is now President of a state.

Tell stories of what a great experience has meant to your customers: how you cut through the red tape and wired money to a stranded high school student attending a college summer program; how a Small Business Banker worked with an entrepreneur to grow his company and become one of the Private Bank's most vocal advocates.



Almost every leader says they encourage prudent risk-taking to build customer loyalty. But that term is incredibly hard to define. A couple of true stories will give your employees a solid understanding of what is acceptable and a personal vision to shoot for.

Is story telling really that powerful? According to Craig Wortmann<sup>1</sup> "Story telling is the one form of communication that brings ideas to life and makes them actionable and memorable." Levels of employee engagement are 4.5 times higher when managers communicate effectively.<sup>2</sup>

### **3. Drive Accountability & Engage People**

Driving accountability begins with authentically setting high standards. Start with the tough question: Do you believe that your team can perform at truly exceptional levels? Or, is "acceptable" the best you think can be achieved?

It is harder to motivate people to achieve mediocre than exceptional results. When you ask people to hit "average" they are working to get you "off their backs". There's no true upside. When you authentically challenge people to be the best the rewards include self-respect, feelings of achievement and recognition.

If in your heart you feel "I can't get them to the low-end of acceptable service. They'll never excel." You'll find yourself able to foretell the future.

Along with holding people to exceptional standards you need to engage them. That means you need to invite them to participate in the success of your operation. You have to genuinely provide people the chance to contribute. Provide the chance for employees to contribute ideas and try new ways of delighting customers. It's not enough to limit their contribution to hard work following "our process".

One global bank cascaded a manager led workshop down through the organization. There were three modules to the workshop. The cascade was begun by the CEO, COO and CFO leading the top 40 executives through it. In the first module teams of employees were asked to review the banks values and rate themselves (as a team) against them. Three months later the second module focused employees on the bank's promise to its customers. Six months after the process started, teams worked through a process to set specific targets to exceed customer expectations and commit to a plan to achieve it. After each module, teams of employees evaluated how well they delivered on their focused area, what their target should be, and how to achieve it.

Employee engagement and customer loyalty significantly increased. In the first quarter cross-selling increased by \$240M. At the end of a year the CFO commented "If we'd made a \$1B acquisition with an 18% ROE we couldn't have done better – and this was a lot quicker and less costly."

### **4. Engage With Your People**

Again, engaging is about extending an invitation. Do your leaders extend an invitation to their people to ask their advice on dealing with challenges be they business, career or personal. Part of being a great manager is being a superior coach. Watch the increased motivation when a leader offers coaching to a teller finding it difficult to manage his work and part-time college responsibilities or to the successful mortgage officer now managing her first team.

Don't let "time" be an excuse. It doesn't take long to have deep, private conversations to coach and influence someone. You can have an impact with 60 – 90 seconds: a well-focused question; attentive listening to the response: a thoughtful suggestion or praise.

Here's a standard to have all your leaders shoot for "In my market the best employees would like to come work for me." If you want employees to "wow" customers with personal attention and care, you need to do the same for them.

### **5. Staff With Only The Top 20%**

Costly turnover has become accepted as "just part of the business". What if you only hired the top 20% of employees? Every bank has its "fair share" of great employees. Create an unfair advantage – get more than your "fair share".

How? First, motivate and reward your leaders to become the best people managers in their marketplace area. Word about how great they are to work for will spread fast. Get everybody to look for the top 20% of employees in the region. Ask friends, family and employees to suggest to your competitors' best employees that they apply to work in your bank. Suggest they say "You are such a great person you deserve a great boss, a great team and outrageously happy customers."

Imagine this. You have four major competitors in commercial lending in your region. Your leaders in commercial lending become recognized as the best developers and motivators of people "in the business". Your competitors' talent begins to approach you for opportunities. You and your team put the best talent in commercial lending in your region on your team. Your client loyalty, revenues and profits grow and your competitors are in turmoil.

If your entire bank focuses on these five actions – you'll win. It's that simple.

<sup>1</sup> Craig Wortmann is author of *What's Your Story? Using Stories To Ignite Performance And Be More Successful*. Kaplan. 2006.

<sup>2</sup> Watson Wyatt. "Communication ROI". May, 2006

#### About The Author

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