



Developing and Maintaining a Sales and Service Culture

By Michael Neill

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Dedication

To my mother who loved me so much she always believed I was a genius even though I did nothing to confirm her belief.

To my wife who knows all too well that I'm not a genius, but loves me anyway.

To my daughter who knows she is a genius, but loves me even though I'm not.

To my son who still thinks I am a genius.

To Chuck Gordon who gave me a chance and taught me the value of passion for and commitment to principles.

To God for all the above and everything else of value.

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Chapter One: What Is a Sales and Service Culture?

“There are always two choices, two paths to take. One is easy. And its only reward is that it’s easy.”

—unknown



TO UNDERSTAND THE DEFINITION OF A SALES AND SERVICE CULTURE, WE MUST FIRST UNDERSTAND THE BASIC CONCEPT OF A CULTURE. My working definition of a culture is an agreed-upon method of thinking and behaving. This right way of doing things is taught to those who assimilate

into the culture. If I act outside the cultural norm, there is a price to pay. If I act within it, life moves much more smoothly.

A culture can be changed in a short period of time. When employees fail to pass along the accepted way of thinking and acting or decide a new way is better, the existing culture can be replaced with a new one rather quickly.

A sales and service culture develops when a credit union exerts continuous effort to teach sales and service skills and develops methods to hold employees accountable.

How is a sales and service culture different from sales and service training?

My experience is that training by itself will cause a change in behavior in a small minority of people. I feel I do a pretty good of job teaching employees how to sell and provide outstanding service. However, if these skills require a change in their behavior, what

motivates them to make that change? Any motivation I provide through training is temporary. They can leave my seminar ready to take on the world. Unfortunately, reality sets in the first day back at work when the new skill is uncomfortable to use. Most people drop the skills learned at training at this early stage. They know what to do and that it will make them better, but they can't make themselves do it. Why does this happen?

Have you ever tried to lose weight? I was on a diet for seven years and gained 32 pounds. Every morning I swore that today would be the day I began my new diet. This commitment lasted until about 10:30 a.m., when I would see the employees in the loan department enjoying their daily smorgasbord of sweets that had been baked the night before. The next thing I know, I'm shoving one of everything into my mouth. Afterwards I would feel guilty and swear that I would begin again... tomorrow. Over the seven years on this diet plan, each day began with the commitment to do better. What happened? When the discomfort of following the diet began, I quit.

The same thing happens when we ask employees to do things differently. A few will push through the discomfort and master the skill. Some won't even try. Most will give it a shot and quickly revert to what is most comfortable. This is why I turn down invitations to present sales and service training when

there is no plan to develop an infrastructure to develop the skills culturally.

What are the seven steps required to build a sales and service culture?

1. Develop sales and service coaches who can grow employees to their full potential.
2. Hire employees who have the ability to provide outstanding service and perform relationship selling.
3. Train employees in how to provide superior service, identify a member's need, and understand what product or service will fulfill the need.

4. Develop and communicate a sales and service culture vision.
5. Set service and sales goals.
6. Track performance.
7. Develop and provide incentives for those who exceed the standard performance.

In the following pages, we will examine how to use these seven elements to create a credit union that exceeds members' expectations and ensures long-term financial success.

Chapter Two: Why Is It Critical to Develop a Sales and Service Culture?

“We can’t become what we need to be by remaining what we are.”

—Oprah Winfrey

I’m a former banker. While I worked at the bank, the concept of sales culture began to develop. The basic idea was to get employees to sell as much as they could to customers, whether they needed the products or not. While the end goal was not very admirable, the process of developing a culture to support the behavior made sense.

When I left banking and went to work at The Southern Federal Credit Union as the vice president of branch operations, I learned that a credit union is “not for profit, not for charity, but for service.” Account holders are members, not customers. Credit unions offer low interest-rate loans, free checking and low fees. I thought to myself, “People should be fighting to use the credit union as their primary financial institution.” However, what I saw at the credit union was only average service, and checking and Visa penetration of approximately 20 percent. Our overall product penetration was about two products per person. If we were so great, why didn’t the members want to do more business with us? We didn’t have more business because we weren’t asking for it. Developing a sales and service culture seemed like a natural.

Over time, the Southern Federal Credit Union came to be rated by Callahan & Associates No. 2 in the nation in its peer group for product penetration. This did not happen by accident, nor did it happen quickly, but it did happen. It

happened because the credit union chose to live up to its commitment: Not for profit, not for charity, but for service. If a credit union can save members money and make their lives better, telling them how we can do this is merely an extension of service.

What is service?

Great service is difficult to define and even more difficult to find. When I ask, “What is good service?” most people will define it as:

- Fast
- Friendly
- Accurate
- Personal
- Consistent

Service is all of those things, but there is an element missing from this list: finding ways to help beyond what was expected.

Let’s take a look at how this would work in a credit union. Two members come in to apply for an automobile loan. The member service representative (MSR) completes the paperwork and tells the members they will have an answer by the next morning. The MSR reviews credit reports to determine how the members have managed their debt. What if the MSR saw that the members have a credit card with a local bank, four credit lines totaling \$10,000, and a 10-year-old mortgage with an original balance of \$75,000 and a current balance of \$50,000? What if the MSR took the

opportunity to tell the members how the credit union could save them money on their Visa cards and roll their high interest-rate unsecured debt into a low-rate home equity loan? Now that would be service. The members expected a reply on their auto loan. What they got was much, much more. This is value-added service that exceeds members' expectations.

Members expect credit unions to be accurate, fast, consistent and friendly. If we fail to be any one of these things, we disappoint them. If we are all of those things, we have merely met members' expectations. If we can make members' lives better, we have made a member for life. Relationship selling is merely an extension of good service.

What is relationship selling?

Relationship selling is built on the principle that a good sale benefits both the buyer and the seller. We should never sell something to members they do not need. Our job is to find out what members need and provide them with information that will make their lives better. Relationship selling cannot be achieved without a foundation of great service. We must learn to value members and to develop trust with them before we can think about selling.

I have seen some credit unions bypass the step of developing outstanding service. This creates an atmosphere in which each member is a potential cross-selling opportunity. You don't like to feel this way as a consumer. Credit unions can't do it this way and stay true to the foundation principles of the movement. Any effort to instill a sales culture must be based on the cornerstone of concurrently developing a service culture. All the efforts of the credit union are directed to making members' lives better.

Why do we resist the concept of selling?

Can you think of a situation in which you were frustrated or angry as the result of your interaction with a sales person? Your response may be, "Which one do you want me to tell you about? There are so many I can discuss." When I ask participants of my sales training workshop, the first adjective they use to describe a sales person is "pushy." It is almost one word, "pushysalesperson."

Most of us have negative images of selling based on our experiences with sales people. Therefore, when the term selling comes up in relation to the credit union, many managers and board members respond, "We would never sell to our members!" What then is the alternative for the credit union to facilitate increased business? Many credit unions, while revolted at the concept of selling, subscribe to a product promotion mentality. Great promotions have their place, but let's look at what happens when product promotion is used instead of building a sales and service culture.

The marketing director says, *"Let's have a superduper Visa blowout month. We'll put up banners and have the tellers hand everyone a Visa brochure. If we reach our goal for new Visa cards, let's give everybody a pizza party!"*

We know what happens next. The tellers hand out hundreds of Visa applications over the course of the month. The member does not know why they are handed the Visa brochure. Members who already have a Visa card throw the brochure in the trash. Some members, however, are very excited to see the brochure come their way. They are the members you have already turned down for a Visa card.

As the month wears on, the marketing director spends less and less time visiting the loan department. The reason for the decreased contact is that, upon observation, the loan officers can't be seen as they are buried behind

stacks of Visa brochures, most of which will be denied.

Promotion-based marketing is like door-to-door selling. The only difference is the member is coming to you instead of you going to them. Everyone gets a brochure whether they need one or not.

Relationship selling solves this problem. Using it, we develop trust with a member by providing outstanding personal service. We notice a need and offer a solution that makes sense for the individual. This is not what we think of when we think of selling. Our memory conjures up a vision of plaid polyester pants, white patent leather shoes and the comment, "What've I got to do to make you drive out in this car tonight?" We have seen it done poorly so many times that we draw the conclusion that this is the way selling is done. We must redefine selling rather than run from it.

How do credit unions compete?

We have been taught that success in any business comes from being discernibly superior to the competition with regard to one or more of the following attributes:

- Price
- Product
- Convenience

Let's examine how credit unions compare to our competitors with regard to each of these attributes.

Price — We are merely competitive. A 1999 Bank Rate Monitor survey revealed that the

difference between the bank and credit union credit card rate was 270 basis points. The automobile loan rate difference was only 107 basis points. Let's not discuss the introductory offers on credit cards and Ford Motor Credit's auto loan rates.

Product — Credit unions rarely invent new products. We copy what others have found successful or what the member demands we provide.

Convenience — Most credit unions lag behind in this area. Large banks have thousands of branch locations and ATMs. Their pricing provides profits to support large investments in technology to improve customer access. Credit unions are forced to provide similar services to retain members rather than create members.

In each of the above areas, there is no positively discernible difference the credit union can look to that will create and keep members. The only solid foundation for credit unions on which to build will be service. Service has been our motto and focus from the inception and will be the only cost-effective method to provide a positive difference between our competitors and us.

For credit unions to thrive we must provide the highest-quality service in our markets and look at members to find ways we can improve the quality of their financial lives. If and when we commit to do the work to achieve this goal, credit unions will be peak performers.

Chapter Three: The Importance of Strategic Planning

“When you come to a fork in the road, take it.”

—Yogi Berra, Famous Baseball Catcher and Manager

One of the most important and least-often performed activities in sales and service culture development is strategic planning. Implementing a sales and service culture is no less an undertaking than a system conversion or a new product, two activities for which we would surely plan. As you will discover in the coming pages, developing a sales and service culture touches every aspect of the organization. As a result, all parties must be involved in planning to make the cultural implementation a success.

How does strategic planning relate to building a sales and service culture?

1. Ensure that those who will be involved in directing the implementation have a clear picture of what a sales and service culture is. When one uses the term “sales culture,” there may be as many ideas of what that means as there are people. Have a firm idea of what form the sales and service culture is to take and be able to express that to those involved in the planning process.
2. Ensure that all functional elements of the operation are involved in the planning process. It is easy to see how branch operations would need to be an integral element of the planning process because branch employees will be using sales and service skills daily. However, you will discover that those in the accounting, human resources

and information services departments will be needed to make the cultural shift a success.

3. Ensure that those who are to be responsible for coaching employees are involved in the planning process. One of my early mistakes in developing a sales and service culture was to tell those who would be impacted the most by the results of the planning what they had to do. This left them frustrated and left me without valuable insight on how the actions I had planned would be received. When I began to use the coaches as an important part of the planning process, I received more buy-in for the actions planned. I also learned more about the issues, from the employee’s standpoint, that would make the implementation more or less effective. Creating a sales and service culture is something you do with people, not to people.
4. Move slowly, but deliberately. Rome was not built in a day, nor is a sales and service culture. For most credit unions, the process of building will take more than a year. You are not installing a new computer, you are changing a way of thinking and behaving. Be patient, but keep moving forward. If you pace the implementation steps, you will not overextend the resources of the

organization. All other work does not stop while the credit union becomes a sales organization. A paced but focused approach will ensure that the credit union remains on track without overreaching what it can realistically do.

5. Follow the plan and don't succumb to the "tyranny of the urgent." As with most strategic plans, the major problem is the lack of follow-through. In fact, I truly believe many of us plan because it provides comfort that we are going to do something without actually having to do it. Many issues, most of an urgent nature, will easily

sidetrack the credit union from its sales and service culture goal. In fact, when you begin to change the culture in the organization, most will expect the credit union will not see the plan through. They have seen it before. Today's plans become tomorrow's excuses. Employees will believe the credit union is committed to it when they see the credit union committed to it. Stay the course.

I have provided a sample time line for the aspects of sales and service culture implementation common to all credit unions as Appendix A.

Chapter Four: Developing Sales and Service Coaches

“Coaching is keeping the guys who hate you away from the rest who are undecided.”

—Casey Stengel, Famous Baseball Manager

Why is coaching important?

How important is coaching? Can you think of a team with outstanding talent that consistently underachieved? Can you remember a team that had only average talent that defied all odds to win a championship? The answer to both, for most of us, is yes. The difference between a championship team and a losing team is often coaching. Coaching is the cornerstone to maximize the performance of individuals and a team.

What are the characteristics of an outstanding coach?

Great coaches come in all varieties. Some are quiet and reserved. Some are excitable and vocal. However, there are some similarities. All great coaches:

- **Teach** — they provide new ideas and skills for every player, regardless of talent level.
- **Communicate** — they talk about what is important and make sure the team understands the core values.
- **Set goals** — they ascertain the potential of the team and develop a goal that provides a rallying point and standard of success for the players.
- **Understand personal differences** — they don’t treat everyone alike. They find out what connects with each player and use it to motivate him/her. While always fair, coaches understand that no two people are alike.

- **Create accountability** — They create positive consequences for appropriate behavior and negative consequences for inappropriate behavior.
- **Plan** — They develop a plan for success that complements the talents of the team members.

What is the credit union coaching challenge?

I present a number of management training programs each year for credit union professionals. It is a great pleasure to work with branch and department managers of credit unions. These employees are truly middle managers. They are in the middle of everything. They are responsible for people, performance and proper procedure. They often have little say in the strategic direction of the credit union, but are expected to implement the actions to get there. They are responsible for everything that goes on in their departments/branches, but often do not have the authority to make critical decisions.

To describe the challenges they face, let me tell you one of my favorite things to do when I am presenting training to these people. As I begin the session I ask, *“How many of you began your career in the credit union as a teller?”* Approximately 75 percent of the hands are raised. I then ask, *“How many of you would rather be a teller than do what you’re doing now?”* Most of the group raises their hands. They are saying, *“If I could make what I’m earning now, I’d give up the responsibility and pressure associated with being a manager.”*

Because middle managers will often be key sales and service coaches, this presents a serious coaching challenge for credit unions.

What is the coaching development problem?

The coaching development problem at credit unions is related. Middle managers are most often chosen based on their technical and procedural prowess, rather than their experience and ability to work with employees.

In fact, the process of becoming a manager many times works this way: I start at the credit union as a teller. The credit union provides me with training on how to process transactions accurately and quickly. I do a good job and soon bid for a job as an MSR because I need more money. Again the credit union trains me on how to open accounts and complete all the paperwork. Time passes and I bid for a job as a loan processor because the pay is better and loan processors don't have to deal with members. As a loan processor, I am trained in all aspects of lending and, over time, I become a loan officer. With each new position, the credit union provides me the necessary training to perform the job at a satisfactory level. One day, the credit union has a branch manager opening. The credit union looks at me and says, "Let's offer him the job." I take it, and what does the credit union do? It stops training me. At every step of the way, the credit union provided knowledge to support my success, and then, when I have the responsibility to develop and direct people, it quits training me.

As I speak at management workshops, I am amazed at how many attendees have been managers for several years and are attending their first workshop. It is very rewarding to work with these credit union professionals because they are so grateful for any and all information they can get to make them confident in their ability to manage.

What happens in the interim? From the time they take the management job to the time they receive the training, they focus on their strength — the technical processes. They avoid and ignore what is most uncomfortable and confusing: dealing with people. When they see a performance or morale problem, they ignore it and hope it goes away. Worse, new managers may misdiagnose the problem performance and handle the problem incorrectly. Because they have a great deal of technical expertise and experience, they spend their time over-managing the process and under-managing the people. They are the best teller, MSR and loan officer at the branch. They can outwork and outperform any of their employees and can be counted on to take care of any emergency that may arise. But oftentimes they don't know how to coach.

Experience has proven that a potential problem in developing a credit union sales and service culture is ineffective coaching. While working with a client, I noticed a particular branch having difficulty adapting to the new culture and skills required for success. I was given the opportunity to sit with the tellers of the branch office to discuss how I might be able to break down their resistance to the concept of cross selling. During the discussion, one of the tellers spoke out, "Mike, I just don't have time to sell! I've got to move the line." Now, this teller had been in several training sessions with me and had been taught how to identify a member's need and cross-sell in no longer than five seconds. The idea that she did not have enough time to sell was simply her excuse. Employees have a tendency to throw this excuse out there because a manager or consultant many times is afraid to say, "No, you're not too busy!" Rather than dealing with the issue the teller presented, I asked, "What is your manager doing to coach you to sell?" The teller's reply told me all I needed to know. She said, "Oh, my manager is coaching me every

time I turn around. Every time I see him he's yelling at me to sell, sell, sell! He's always nagging us about our minimum point totals."

There was the answer. The manager had not learned to coach, so he did what was natural to keep the idea of selling in the forefront of his employee's minds: nag and hound. No motivating, no teaching, just good old-fashioned nagging. You've heard it before from your mother, "Am I the only one around here who sees these dirty clothes laying around the house?" How did you react as a child? You let her nag, because that was her job, and you let her pick up the dirty clothes because you know she would. This example is perfect because the employee, while irritated at the nagging, knew there would be not real accountability for not cross-selling, so the teller let the manager complain. The result was the manager thought he was coaching and wondering why it wasn't working. The teller let the manager nag and dealt with the mild irritation because, in the end, her performance would not have to improve.

Coaching development can be the greatest challenge in sales and service culture development. While I can focus on other cultural changes and sales skill improvement training, managers need to move their focus from procedure and process. Management and leadership training is key to making a consistent improvement in the sales and service culture.

How do you develop sales and service coaches?

If you want to make the shift to a retail culture from a process culture, your credit union will need managers who can develop employees. So you will need to train them to be coaches. If your credit union has not taken the time to train its managers as coaches, don't place the responsibility of coaching on their shoulders.

There are many opportunities to provide training these days. Regardless of a credit union's asset size, budget or number of staff, a training opportunity exists. Training presented by nationally recognized credit union organizations, state leagues, books, videotapes and audiotapes can help. The most effective training will not come from a one-time training event, but from ongoing skill development. The following is a recommended curriculum.

TRAINING AGENDA

1. Definition of coaching [1 hour]

- Have participants define the attributes of a coach
 - Teacher
 - Motivator
 - Leader
 - Knowledgeable
 - Fair
- Have participants give a working definition of coaching
 - Coaching is developing employees to their potential
- Have participants discuss how coaching is different from management
 - Coaching is different from management – Management is about process, coaching is about people.

2. The importance of coaching [30 minutes]

- Lasting skill changes come from coaching. Most of us know how we can improve, but few make the necessary sacrifices to do so. Coaches motivate us to get better.
- Coaching makes managers' lives easier as people are developed to be better employees.
- Have participants set a learning goal for the day that will help them to be a more effective coach.

3. Performance management [2 hours]

4. Learning how to be a one-minute coach [1 hour]

5. Goal setting for skill improvement [15 minutes]

- Coaches identify their primary area of focus for skill improvement and set specific, attainable and measurable goals. The supervisor monitors these goals. When they are achieved, the next area of skill development is identified and new goals are set. This process continues until the coach is fully developed.

What is the process of sales and service coaching?

Below is the basic process I teach new sales and service coaches to follow.

Step 1: Catch employees doing something right!

Sales coaches are instructed to observe their employees for two weeks after the sales and service training. They are instructed to only catch employees doing things correctly. The purpose behind this exercise is to begin to have the coach use positive reinforcement to motivate employees to use the new skills. I have found that employees respond initially to encouragement much more than constructive criticism in the early stages of skill development. The second purpose of this exercise is to have the manager focus less on a management skill (finding the flaw in the performance) and more on a coaching skill (motivating an employee to try something new by providing no negative consequence for failure). It is critical that the employee attempt

to use the new skills very early. I have found employees who do not try the new skills early on become bigger performance challenges later. Remember when you learned to ride a bike and fell for the first time? The most important thing you did was get right back on the bike. If you hadn't, your fear of riding would have grown. The same holds true when adults learn a new skill. They must work through the uncomfortable stage of learning. If they don't begin to use their new skill shortly after the training, they may convince themselves that they will fail.

Step 2: Transactional Coaching

Once employees have been trained on the sales and service skills the coach is responsible for helping the employee transfer the skills from the classroom into the workplace using, "real world role play" we call Transactional Coaching. Take a look at how Transactional Coaching works.

TRANSACTIONAL COACHING:

1. For Teller

- A. Review a transaction that was recently run
 - Let's take a look at that transaction you ran.
 - When you look at the Main Screen what credit union solution could you have recommended that would allow us to live out our mission with this member? (Can they identify the next best product to recommend?)
 - How would you have recommended the product (make sure they use a benefit term)
- B. Look to see that the rep goes through all of the skills taught in *Referral Training*
 - Identify a need
 - Recommend the product using a benefit
 - Provide the product Collateral
 - Don't over-talk

2. For New Accounts

- A. Take time to sit down with the rep and say, "Let's pretend I am a new member. Let's role play what you would do to live out our mission and to get this new member to be a productive member, rather than one who only has a share account"
 - Look to see that the rep goes through all of the skills taught in Sales Training
 - Asking Open Ended Questions
 - Selling using Benefit terms
 - Asking for the business
 - Overcoming Objections

3. For a Loan Officer

- A. Take time to sit down with the rep and say, "Let's pretend I am a member applying for a X Loan. Let's role play what you would do to live out our mission and to provide additional solutions that would benefit the member."
 - Look to see that the rep goes through all of the skills taught in Sales Training
 - Asking Open Ended Questions
 - Selling using Benefit terms
 - Asking for the business
 - Overcoming Objections

4. For Support

- A. Choose a Service Standard and/or one of the key behaviors taught in Internal Service Training to focus on each week.
- B. "This week let's focus on the first Service Standard for our department, Treating Internal Members with Respect. What are the behaviors we would use to show that we are treating our internal members with respect?"
- C. Employees will provide suggestions. List them, now
 - You and the other department employees catch each other using the skill/behavior, compliment the teammate and note it for the rest of the team to see.

When you have exhausted all the Service Standards for your department you are complete.

Step 3: Conduct monthly performance meetings with staff

Meet one-on-one with each employee to review:

1. Internal Service Survey action plan results:
 - Commend good performance
 - Get employee to develop Internal Service Action Plans to improve skills that need to improve
 - Review progress on Internal Service Survey action Plans each month and provide feedback on progress
- Member Service Measurement results
 - Commend good performance
 - Get employee to develop Action Plans to improve skills that need to improve
 - Review progress on Action Plans each month and provide feedback on progress
- Referrals/Sales results
 - Stay *Missional* “You did/didn’t do a good job of living out our mission with our members last month. I can tell that because you did/didn’t meet your minimum expectations”
 - Make sure the employee has their numerical results prior to your meeting so that you don’t get caught up in a meeting that focuses on simply reviewing their numbers.

Resolve problem performance until he/she has properly diagnosed why the problem is occurring. Very often managers look at the symptoms of the problem and then diagnose a solution. This severely hinders effective performance development. For example, if an employee is not selling, many would look at this as the problem when, in fact, it is a symptom. If I merely look at the symptom, I must make some dangerous assumptions

about why the employee is not selling. If I misdiagnose, I may cause more problems. The question at hand should be, “Why is the employee not selling?” When I answer this question, I will have diagnosed the problem. Let’s look at a grid that may help:

What are the four types of employee performance?

| | | |
|------------------|-------------|---------------|
| | Able | Unable |
| Willing | Recognize | Train |
| Unwilling | Coach | Quit Coaching |

How can you deal with problem performance?

In the ideal world, each employee would respond to basic coaching in a satisfactory manner. Unfortunately, experience has proven that this will not be the case. Some skill development situations are more complex. A coach can’t know what to do to If an employee is choosing not to provide excellent service or to sell, the reason for this behavior will be one of those illustrated in the diagram. The undesirable performance is a symptom of the problem, not the problem itself.

For example, if I have a low-grade fever, stuffy nose and sore throat, a doctor would look beyond the symptoms to determine what illness is causing the symptoms. If the doctor dealt only with the symptoms, she might prescribe medicine that might make me feel better but mask the deeper ailment. A good doctor will examine the symptoms, discover the cause and heal the sickness. Undesirable employee performance is not different. Most often we deal with the symptoms rather than the cause of the symptom. Let’s look at an example:

Mary is a teller who is fast, accurate and well-liked by members. However, Mary does not cross-sell. When you ask her why she is not selling, she gives such excuses as, “I’m too busy,” “I just don’t think about it,” or “I do when you’re not around.” Mary’s lack of cross-selling is a symptom of a problem, not the problem itself.

If you deal with the symptom, you will say things like, “Well, just try to remember to do it,” or “You need to focus on cross-selling more.” The result of this type of management is that the employee will do better for a short period of time, as long as they think you are watching. Then he/she will revert back to his/her previous behavior.

To fix the problem, you must determine if the employee is failing to cross sell because he/she is unwilling or unable. To do so, try asking these questions:

1. Has the employee ever cross-sold?
2. Has the employee been trained to cross-sell?
3. Are other performing at or above the expectation?
4. Have you told the employee they are not meeting the expectations?
5. Has the employee ever come to you to ask for help?

You can add any number of additional questions to the list, but by now you can see that the questions are focused on determining if the employee is unwilling or unable to cross sell. In this diagnosis lies the solution to improving the employee’s performance. As you look at the above grid, notice that each of the four performance types prescribe different coaching/management behaviors.

Willing/Able These employees should be recognized for their effort and attitude to be the best they can be. Unfortunately, in many organizations, they go unrecognized and

under-appreciated. Take time to pat these employees on the back in a public way. Don’t be afraid to hold them up as a good example for others. If you don’t, these employees will become dissatisfied and leave. They do not work harder for more money. They are “wired” to give their best all the time. They desire recognition and your trust. These employees can easily go ignored by the coach because they are not a problem. Don’t fall into the trap of spending all your time with those who can’t or won’t. It will leave you with very little time to focus on those who can and do.

Willing/Unable These employees want to do a good job, but they don’t know how. Most credit union employees are not natural sales people. They need cultivation. Don’t expect an employee who has never been in a sales environment to attend one training and have it all down pat. Additional instruction from you, the coach, may be required. Remember, one of the functions of a good coach is teaching. Observe the employee and see how and when he or she cross-sells. When you notice areas for improvement, share them with the employee in a constructive manner.

Unwilling/Unable These are employees you determine are incapable of cross-selling and refuse to try. I call these employees, “*The Black Hole of Coaching.*” We have heard that a black hole in space is a place that sucks all of the energy from this universe into the next universe. Well, a coaching black hole is someone who will let you coach them ad nauseam, but has no intention of improving. When you tell these employees they should do better, they say, “I know, you’re right, I will.” Then nothing changes.

My advice to you is quit coaching those who you determine are unwilling/unable. This may sound harsh. However, think about the alternatives when training, coaching and praise do not work. You can’t coach someone who

will not be coached. It is time to quit coaching and begin to hold them accountable for their actions. One other important reason to hold these employees accountable is that those who are willing/able lose respect for a coach who will allow an unwilling/ unable person to continue to underperform.

Many managers ask me, “Do you fire an employee just for refusing to sell?” I respond by asking, “Do you have a sales culture or not?” If an employee told you, “I’m just not into balancing,” you would escort him/her out the door quickly because you value accuracy. If you don’t value selling and effective member service equally with speed and accuracy, you will never fully develop a sales culture. The message will be clear in your decisions and actions. Selling and service are good things, but what is critical is balancing and how many transactions you run. It is not easy to transform your organization from process focus to service focus. It definitely won’t happen if the process is valued more than service and cross-selling.

Unwilling/Able With the employees who are unwilling/able, there are two appropriate resolutions. First, the coach should work with the employees to determine why they are choosing not to cross-sell. To do this, the coach must use what I call **effective confrontation**. The steps to effective confrontation include:

1. Remember that people are good. It’s their behavior that is not acceptable. Just because some people choose not to cross-sell does not make them bad.
2. Tell employees what behavior is inappropriate. Get to the point.
3. Attempt to express some positive the employees have that is diminished by not cross-selling. Just because employees are unwilling to cross sell does not mean they are not performing in other areas of work.

4. Tell employees what impact not cross-selling will have on them, others and you.
5. Ask them to provide you with a solution to the problem. This is most important. Remember, it is the employees’ problem, not yours. If they determine a solution, they will buy in to it. If you determine a solution, they will not do it and then tell you why your idea didn’t work.
6. Agree on a solution.
7. Monitor the behavior.
8. When the behavior improves, even incrementally, let employees in this category know you have noticed.
9. If the behavior does not change, reevaluate your diagnosis of the problem and approach from a different perspective. If the behavior still does not change, maybe they are unwilling/unable.

I will give you an example of effective confrontation, which is a compilation of several I have performed.

“Mary, I wanted to meet with you today to discuss why you are not cross-selling. Mary, you are a very good teller. You run a lot of transactions and balance very well. However, that is only part of the job. An important part of our job is to improve the financial lives of our members. The way we do this is by determining ways we can help members and suggesting a solution to their needs. Mary, when you don’t do this, our members are losing an opportunity to make their lives better. Our members trust you have their best interests in mind. Not only do we want to know about our products and services, we must be willing to share this information with the member.”

Additionally, when you don't cross-sell, it places a burden on our other employees to do more to achieve our goals. Mary, I want you to tell me what you think you should do to solve this problem."

At this point the conversation becomes Mary's. I want her to develop a specific solution to the problem. I'm not going to let Mary get away with suggesting that she will think about cross-selling more or try to remember to cross-sell. These are classic responses of someone who is unwilling/able. Mary needs to suggest something more specific — such as that she begin to focus on those members who do not have a checking account and suggest to them that the credit union may be able to save them money. This is a specific, attainable and measurable goal.

Now that we have discussed how to handle each of the four performance types, let's look at some easy coaching techniques I call, "one-minute sales and service coaching."

How can you become a one-minute sales and service coach?

1. Understand the four most common reasons for resistance to selling.
 - Lack of product knowledge. People will not sell what they do not know. Develop product knowledge in your employees.
 - Fear of rejection. This can prevent someone from suggesting something that may be helpful. Teach the employee that the member rejects an idea, not a person.
 - Fear of being pushy. Reassure the employee that being pushy will not work in the credit union's sales culture. The job is to provide outstanding service by determining a member's needs and suggesting a solution.

- Lack of positive role models. When most people think of selling, they think of a used-car salesman. They may never have seen selling done the way you want it done. Be sure that the employee receives adequate training to know how to sell correctly.
2. Model the sales and service skills.
 - Your employees will care no more about service and selling than you do. They will probably care less.
 - Never joke about members. Employees will not provide outstanding service to those they disrespect.
 - Meet and greet your members in the lobby. Set a welcoming example by treating members as guests.
 3. Seek to hire employees who have sales and service ability.
 - Don't ask, "Do you have cash handling experience?" Ask the applicant, "Can you sell me this pencil?" Ask, "Tell me what bothers you most about working with customers?"
 - Look for employees with retail, not banking, backgrounds.
 4. Catch employees doing things right.
 - Don't be a "sea gull" coach. A sea gull swoops down, makes a great deal of noise and dumps on everyone. Don't let your employees feel that the only time you spend time with them is when something is wrong.
 - Make it a point to catch at least three people doing something right, every day, and compliment them in public. When you do, you will see their performance rise along with the performance of others who want you to catch them too. Spend at least as much time praising good performance as you do correcting ineffective performance. If you focus too much on negative reinforcement, people will

- attempt to do just enough not to get caught.
5. Talk about sales and service routinely. Ask coaching questions, not management questions.
 - Management questions:
 - “How many transactions did you run today?”*
 - “Were you in balance?”*
 - “How many loans did you get today?”*
 - “How many calls did you take?”*
 - Coaching questions:
 - “How many members did you help today?”*
 - “How many members spoke with you about a loan today?”*
 - “What did you do to make a member’s life better today?”*
 - “What needs did you identify today?”*
 - “Tell me about the best member service situation you had today.”*
 - What problem did you solve for a member?”*
 - These coaching questions cause the employee to focus more on the member as a person rather than on a process to be performed and completed.
 6. Show employees the possibilities of their talents.
 - The wrong question to ask: *“Why didn’t you say something to that member about a home equity loan?”* The employee will respond with an excuse because you have asked for one.

- The right questions to ask: *“If you were going to talk to the member about a product, what do you think would have been of most benefit to him?”* *“How would you have said it?”* *“What is the worst thing that could have happened?”* *“What is the best thing that could have happened?”*
- Overcome resistance to skill development by playing, *“What if?”*

Employee: *“Why should I hand out these Visa brochures? I did it one day last week and only two came back approved!”*

Coach’s response: *“Great, you were able to help two members who would have otherwise not been able to take advantage of our Visa. If you multiply it out, if you help two people every day you worked, in a year you would have helped 480 people. Not bad, eh?”*

7. Value sales and service equally with balancing and accuracy.
 - What would you do if a teller said, *“I can’t sell!”*?
 - What would you say if a teller said, *“These members get on my nerves?”*
 - What would you do if a teller said, *“I can’t balance!”*?

The point here is that until you feel like part of being a good employee is selling and service, you will never have a sales and service culture. Sales and service must be as important as accuracy and speed.

Chapter Five: Hiring the Correct People

“Life is like a box of chocolates — you never know what you’re going to get.”

—Forrest Gump

Computer programmers have a saying, “Garbage in, garbage out.” When they use this phrase they mean you can’t take bad data and make a good program. It works the same way in sales and service culture development. Let’s face it, not everyone was cut out to work in the service industry. This doesn’t make them bad people. So how do we find high quality employees focused on outstanding service and who consider cross-selling an integral part of members service? Bottom line: It’s not easy.

What is behavioral interviewing?

Behavioral interviewing is one technique that may be used to determine if a job candidate is likely to provide outstanding service. For example, the interviewer may say, “One of the important parts of our job at the credit union is to be able to explain how our products and services can assist our members. Do you see this pencil? I would like you to tell me why I should buy this pencil from you.”

If the applicant can say a few words describing the pencil and what it is used for, this is a good sign. If the applicant looks at you in stunned silence, this may mean that he or she cannot develop an “off the cuff” sales discussion with a member. Another question you may ask is, “Can you tell me about the most difficult customer you’ve ever dealt with? How did you handle it?” These questions may allow the interviewer to determine if the applicant has the necessary tolerance.

While behavioral interviewing is better than focusing only on applicants’ technical experience, it is only slightly more reliable than any other type of interview. A recent Northwestern University survey revealed even the best behavioral interviewing techniques provided only a 51 percent chance of accurately determining if an employee would be effective in the position. That doesn’t provide a great deal of comfort. Even so, behavioral interviewing is more effective than just looking at a person’s past financial institution experience.

What about pre-employment tests?

While I strongly recommend behavioral interviewing as an important part of the hiring process, several valid pre-employment tests have been used by companies all over the world to accurately determine a person’s aptitude, with regard to personality and temperament, for the job at hand. I recommend using these pre-employment tests, not as a screening process, but as a method to consider similar applicants you feel are both suited for the job opening. Other information, such as references and your own understanding of the applicant, is equally important.

The bottom line is, when you choose to develop a sales and service culture, it may change the kind of applicant you seek. All the training and coaching in the world cannot make someone into something they cannot be.

Chapter Six: Product Sales, Service and New Employee Training

“It’s better to keep your mouth shut and have people assume you’re an idiot than to open your mouth and confirm it.”

—My mother, speaking to me

It makes perfect sense for you to train your employees as you develop your sales and service culture. Here are some suggestions to ensure the training is most effective.

What are best practices for product training?

Remember, the number-one reason people do not sell is that they do not sell what they do not know. Many times, credit union employees do not sell because they do not know about the products available to members.

Our employees will not become involved in a conversation that will make them appear ignorant. Have you seen what can happen when credit unions run a home equity promotion? We encourage tellers to discuss our home equity program with members. We even provide cursory training on our home equity product. However, when members ask about our home equity line of credit, the conversation moves toward the details of the program unfamiliar to the tellers. This causes members to wonder why they know more about our home equity product than the credit union employee. The tellers think to themselves, “That is the last time I will ever do that. I felt like a fool.” You can forget the cross-selling effort from that point forward.

With the value of product knowledge established, let’s discuss steps you can take to make product training most effective:

1. Develop a product manual that describes the features and benefits of,

and open-ended questions for, every product and service the credit union offers. A three-ring notebook with a separate page for each product and service will allow for easy updates. Every employee should be expected to know the products and services of the credit union. Just because someone works in accounting does not mean that product knowledge is not important. All the employees of Ford Motor Co. know what models of automobiles Ford produces.

2. Provide a comprehensive product knowledge assessment. When the product manuals are delivered, attach a copy of a product knowledge assessment that will be given to each employee in four to six weeks. Reassure employees that they will be given an assessment exactly like the one attached to the product manual. Set a standard of 90 for a passing grade and give the assessment. Reward all those who pass the test the first time. For those who fail, simply have them retake the section they failed until they pass it. Create no negative consequences for failure and only positive consequences for success. Keep the actual scores private.

What are best practices for sales training?

Sales training should be provided to every “member contact” employee of the credit

union. To be effective, any sales training must deal with the fact that most people have a negative view of selling. Also, if your employees have not had sales experience, they must be taught the relationship selling process. Don't expect your employees to perform a skill they have not been taught. Effective sales training should cover the following information:

1. **Why people are reluctant to sell and breaking down the resistance to selling** [1 hour, 30 minutes]

- What are the major reasons people are reluctant to sell
 - a. Fear of rejection
 - b. Lack of product knowledge
 - c. Lack of appropriate role models
 - d. Fear of appearing pushy
- Explain the need for relationship selling
 - a. To provide outstanding service, we must provide information that will help the member.
 - b. Define relationship selling as identifying a member's financial need and recommending an appropriate solution. A relationship sales person never sells something members do not need and is never pushy.
- Understanding the buying process
 - a. We can better understand how people want to be treated when we look at how we make our own buying decisions and match our behavior with how people buy.
 - b. Have employees work in groups and review the steps they would go through to buy a new car. Then share the four steps of the buying process with them. This will allow them to see how important it is to a consumer to get good information from a sales person.

- Steps of the buying process
 - a. Determine there is a need
 - b. Search for a solution
 - c. Make a buying decision
 - d. Determine post-purchase feelings

2. **The steps in relationship selling** [4 hours]

- Gain the member's confidence
 - a. Provide a proper first impression in person or by phone – Ask the participants, *"What are the elements of a positive first impression?"*
 - b. Determine a member's needs.
 - 1) Observing need. Give examples of how we could tell members have a need for a product by watching them.
 - 2) Listening to a need. Define good listening skills
 - 3) Asking questions.
 - Open-ended questions — Begin with who, what, where, when, why and how. They get information from a member.
 - Closed questions—Let the member know why you are asking the questions and to get the member interested e.g., "Would you be interested in me telling you how I could save you some money?"
- Providing a solution to the member's needs
 - a. Recommendation of the correct product
 - 1) Features. Things that describe a product e.g., interest rate, fees, etc.
 - 2) Benefits. Things that tell how the product will help the member

- Saves time
 - Saves money
 - Provides peace of mind
 - Convenience
 - Makes money
- 3) When discussing a product with a member, use both features and benefits to tell the member how the product will help them, e.g., *“Our checking account will save you money because it has no fee.”*
- b. Overcoming objections by being empathetic with the member and/or by asking open-ended questions to determine why the member is objecting.
 - c. Closing the sale
 - 1) Ask members to open the account so that they will know you want their business.
 - 2) If members say, “no,” they have rejected your idea, not you.
 - 3) Don’t be pushy. “No” means “no.” Allow people to take their own time to make a decision.

You can develop many fun exercises and examples to use during sales training to make it your own. However, I have listed the most important information to be covered.

I am always asked the question, *“Is it better to have someone from the outside do the training?”* The answer is maybe. It never ceases to amaze me that employees will listen more attentively to someone outside the organization. The message has added credibility coming from a perceived expert. However, you should never use this as an excuse not to train. When I work with clients, my goal is to teach someone in the organization to deliver the training when I am

finished. The training cannot die with the consultant. All things considered, you must have someone internally who can provide the training to the new employees. The primary consideration is that the material is effective.

What are best practices for service training?

This is the most-often neglected step in credit unions’ efforts to develop a sales and service culture. Service training is as an integral element of sales training and all member-contact employees should attend. To have an effective sales culture in a credit union, there must be a corresponding focus on service. Otherwise, employees will view selling as an end rather than as a method of extending service to new level.

Here is a sample agenda with suggested timing:

1. **Understand the need for outstanding service** – [1 hour, 30 minutes]
 - Have participants define the attributes of good service in their own words.
 - Have participants share where they experience good service consistently and what makes the service so good.
 - A 1996 survey of former customers of several businesses revealed that 68 percent moved their business because they felt the business didn’t care about them as a customer.
 - Explain how good service gets and keeps members.
 - a. Word-of-mouth advertising has great credibility.
 - b. Members want to do business with a high-quality business.
2. **Define the moment-of-truth concept**
 - Have employees list all the moments of truth that occur when a member makes a deposit, e.g., Was there adequate parking?

Were deposit tickets available? How long was the wait? How pleasant was the greeting I received? Was the transaction performed accurately? Was I thanked? etc. Ask the participants, *“How many moments of truth occur for our credit union in a day, week, month?”* Explain that service is received one moment of truth at a time. Every point of contact with a member is important.

- Define the internal/external member concept. Ensure employees understand that service is everybody’s job. That includes service an employee provides internally to other employees.

3. The elements of excellent service [1 hour]

- Consistency
 - a. Don’t bring personal problems to work with you.
 - b. Choose not to be moody.
- Follow through
 - a. Keep promises.
 - b. If the job had to be turned over to someone else, make sure it was completed.
 - c. Respond quickly.
 - d. Know your job.
 - e. Apologize for delays.
- Concern for complaints
 - a. Be empathetic, not judgmental.
 - b. Thank people for their complaints — now you know what to fix.
- Project a positive image
 - a. Don’t joke about members — You can’t give good service to people you disrespect.
 - b. Call people by name — By doing so, we tell them they are people, not account numbers.

4. How to handle an irate member [30 minutes]

- Why members become irate — members are rarely mad at us personally, so don’t take it personally.
 - a. Poor communication
 - b. Repeated problems
 - c. Lack of follow through
 - d. Sometimes members have a bad day.
- How to handle the member’s anger
 - a. Let the member vent — do not interrupt.
 - b. Realize the member is angry at the situation, not you.
 - c. Let the member’s anger blow by you and listen actively for the facts.
- Model for resolving an irate member’s problems
 - a. Pause before you respond — this allows you to remain calm and to listen fully.
 - b. Maintain eye contact with the member. This tells the member he/she has your full attention.
 - c. Remain calm and don’t react to the member’s anger. This keeps you in control and the member calm.
 - d. Empathize with the member’s feelings. For example, say, “I am sorry that happened,” or “I see how you could feel that way.”
 - e. Don’t argue with the member. Don’t take out the policy manual at this point. You are attempting to calm the member.
 - f. Use active listening to show you are attentive. Ask questions and paraphrase to make sure you understand.

- g. Assure the member you will do everything possible to solve the problem. This tells the member that you want to help.
- h. Help the member find a solution to the problem. Sometimes what the member says is the problem isn't the deeper problem. Look for a solution of some kind, rather than going to policy to tell them why you can't.

Of course you can add other information that would be pertinent to your staff. I have given a sample agenda of those issues I feel are most important to cover. One of the goals of any service training should be to get employees to start thinking like members. This develops empathy. Emphasize the point that we often ask for better service as consumers than we provide as employees. Use as many real-world stories about the elements of excellent service as you can. Begin to create the image that outstanding service is the standard and that there are no excuses to explain away anything less than our best efforts.

A special service training class should be provided to employees who may consider themselves "nonmember-contact" employees. This training should cover the following:

1. **The internal/external member concept.** The service we provide to members is never better than the service we provide to each other. Personal differences and intra-departmental bitterness must be set aside so that we can serve the member.
2. **The moment of truth concept.** Members experience service one experience at a time. It is not enough to be friendly, accurate, fast and knowledgeable. We must be all of these things and do so

consistently, regardless of branch, department or person providing the service.

3. **The elements of excellent service.** Such skills as professionalism, effective greeting, follow through, calling the member by name, etc., can no longer be assumed to be understood as important by our employees. We must define good service and communicate how to deliver it.
4. **How to effectively handle irate members.** An irate member is an opportunity to make a member for life. Irate members intimidate most employees. Employees should be given the skills to effectively handle these members.

What are best practices for new employee training? Sales and service training must be provided to those new to the credit union's culture. Here is a suggested training time line for new employees:

| | |
|--|--|
| <i>Day 1 of New Employee Orientation</i> | Service Training |
| <i>Days 1 Of Teller Training</i> | Product manual and product assessment delivered to the employee. Embed the referral training with the Operational Training in New Teller Training. |
| <i>Day 1 on the job</i> | Have the teller begin referring from day1 by only referring 1 easy product (e.g., e-statements) per day for the first 5 to 10 days |
| <i>Days 30-45</i> | Product assessment completed by the employee |

You must combine the sales/service training into the operational training if the employee is to understand that selling/referring is a critical part of the job.

Chapter Seven: Communicate the Vision of a Sales and Service Culture

“First say to yourself what you would be, and then do what you have to do.”

—Epictetus

The most difficult element of sales and service culture development is convincing employees this is the right thing to do. As a result it becomes extremely important for leaders in the organization to effectively explain the importance of developing a sales and service culture. If this does not happen, the amount of resistance received from the employees will be greater.

Many credit unions that have not done a good job of sharing the vision for a sales and service culture have quit the process in mid-stream. All of this can be avoided, however, by leading effectively. I learned this the hard way when I began my efforts to develop a sales and service culture at the Southern Federal Credit Union.

I was under the illusion I could “blame and train” my way to success. All of my efforts were focused on the issues of hiring, training, goal setting and incentives. To my dismay, I constantly was in a position of forcing employees to sell. It became very frustrating that employees did not see the benefit of this new way of thinking and acting. While very obvious to me that the credit union and its membership were improving, this fact was lost on the employees.

When I took time to determine what I could be doing differently, it dawned on me that I had done a very poor job of explaining why we were going through all of this. At that point I made it my goal to take time every day to explain to anyone who would listen that our

number-one objective was to improve the financial lives of our members. Each meeting someone was asked to share a story of how we had gone above and beyond the call of duty to help a member or how we had turned a denial into an approval. Those who performed these acts were rewarded and recognized. Soon, there was less and less resistance to selling and the changes around the credit union. The reason is simple. The employees had an understanding of why we were going through all of these changes: to improve the life of each member. Here are some important points of which you should be aware as you communicate the vision to the employees.

People do not make difficult changes without a good reason to do so.

Have you ever tried to lose weight? I have and am still trying. I know that I should lose weight. I know it will make me feel and look better, but I still eat carrot cake. Why? Because it is more comfortable for me to be overweight than to give up the dessert. The times in my life when I have lost weight are when I said to myself, I’d rather be hungry than feel like this. Then my motivation is high and I achieve my goal.

As humans, most of us need a vision to carry us toward making a change in our lives. Your employees have been performing the job the same way for weeks, months and maybe years. Now you are asking them to do it differently. Even if they agree with the idea of changing, it is difficult to adjust patterns of behavior that have been in place for a long time. Explain that

service cannot be good without finding a way to help members beyond what they have asked for and you will notice people change more readily.

People do not change their behavior to improve the credit union's financial report.

One of the greatest characteristics of credit union employees is they are so member-focused. They really believe the member is the owner and, consequently, should be treated in a special way. Unfortunately, I hear many credit union CEOs and managers explain to the employees, "As many of you know, we have not had the best of years financially. Our capital ratio is down and our loan volume is not improving. Additionally, we have noticed that we are below our peer group with regard to product penetration. Therefore we have decided to implement a sales and service culture." Don't be surprised when the employees don't seem as excited about it as you do. Credit union employees are committed to the member, so don't explain why the credit union benefits from developing a sales and service culture. Explain how it helps the member. When we help the member more effectively, our financial position will improve.

Repetition is more lasting than impact.

It is a great idea to have a big, fun-filled kickoff celebration for the sales and service culture. It's great to have a wonderful time with balloons, hot dogs and music. However, if this is the last time the vision is communicated, it won't work. The party and the CEO's speech are soon forgotten, as the employee hears "no" from the member more often than "yes." The vision should be communicated every day by the entire management team. Share great stories of how members have been helped. Ask managers to ask employees, "What did you do today to make a member's financial life better?" Develop an internal newsletter that maintains the focus on why we do what we do.

There are many other good ideas you will develop, but keep the vision alive.

Get employees involved in the planning process.

Developing a sales and service culture is something you do with someone, not to someone. One of the mistakes I made in the early stages of my work with the Southern Federal Credit Union was that I made the plans and told the managers to enact them and the employees to follow them. Consequently, I pushed them toward the sales and service culture while they pushed back. It's human nature. If you make me do something, I resist — even if I think it is a good idea — simply because I don't like being told what to do. Have managers and employees share in all aspects of developing the culture. Be sure to have detractors involved too. They will give you valuable insight as to how to obtain their agreement if you will just listen. Now, I am not asking you to do agree with everything they say. Someone still has to lead. However, the time you take to listen and respond to employees' ideas and concerns will be time well spent.

Be prepared for more resistance later.

Most credit unions are shocked when the idea of implementing a sales and service culture does not meet with an immediate, visceral negative reaction from the employees. The credit union then operates under the false illusion that the employees are fine with the change and it will be smooth sailing from then on. Nothing could possibly be further from the truth. In many cases, there will most often be more resistance to the implementation of the culture twelve months from the kick off than there was in the beginning.

Why is this? It's because employees are really smart. Many credit unions have what I call organizational ADD - Attention Deficit Disorder. Every year, the credit union president stands

before the staff and says, “(Fill in the blank) will be the most important thing that the credit union has done to date. And it will take a concerted effort on each person’s part to be successful. To this end, we will be seeking your input on (fill in the blank.)”

As the year wears on, nothing changes and the employees are told that the credit union had every intention of doing (fill in the blank), but (fill in the excuse) happened. As this happens every year, employees learn not invest their emotional energy into things that will not happen. Consequently, when the CEO announces the implementation of the new culture, employees who may disagree feel like the best plan of action is to “play along” until the credit union gets bored with the effort and moves on to something else.

The real test comes sometimes twelve months into the cultural change when it dawns on the employees that the credit union leaders were not kidding. This is really going to happen. Employees think, “We better stop them before it goes any further.” Then the credit union is blindsided by this “sudden” lack of cooperation. Be prepared for the resistance to come because it will come.

Lead and develop followers rather than developing consensus.

Margaret Thatcher said, “Consensus is the absence of leadership.” I think she is correct. Your job as a leader is to do what is necessary to improve the credit union and its ability to serve its members. While you should be cognizant of the need to develop understanding and agreement, everyone will not agree or understand. This is where leadership comes to bear. Stay the course and keep moving forward. If Abraham Lincoln had done what the majority of Americans had wanted, slavery might still exist in America.

Develop a service mission.

Most employees, maybe even you, can’t remember the credit union’s mission statement. Therefore it has no real meaning. It does nothing to drive people to go beyond themselves in service to members. I recommend working together with employees to develop a service mission statement. This mission is a short, easy-to-memorize, and motivational statement of intent.

For example: “Improving the financial life of each member.” The employees of Frazier Federal Credit Union in Madawaska, Maine, came up with that gem. When you or one of their members reads this statement, you have no questions as to what Frazier Federal Credit Union is in business to do. Most mission statements have issues like “secure, innovative products” and “knowledgeable staff” in the statement. I would propose to you that members expect both of these issues to be a part of the package. However, “improving the financial life of each member,” makes a real statement to all involved. Once this mission is developed, it should be seen everywhere: on desks, in annual reports, in break rooms, newsletters, and so on. Make every effort to make the statement come alive.

Don’t create “internal terrorists.”

Don’t make the mistake of associating disagreement with the sales and service culture with a poor attitude. Find out why people feel the way they feel. Work to sell them on the idea of the change rather than let them know they better get on the ship because it has set sail. When you, the leader, refuse to listen, employees who disagree will tell someone. That someone will be every employee who will listen. They become internal terrorists.

Don’t drive such employees underground where they will do untold damage. Meet with them and work to overcome their concerns. A

method that has worked for me many times is this. When I meet with the employee who says, “I’m not going to sell. I’m not going to do that to my member.” I say, “I appreciate your desire to take good care of our members. If a member pays too much in interest on a credit card and we can help them, but choose not to, haven’t we done something to them by not telling them?” Most often the employee says, “I see what you’re saying, but I still think it’s wrong.” My follow up response is, “I will never

encourage something that will be wrong for our members. If you ever see any element of this program encouraging employees to do the wrong thing for the member, let me know.” The employee then will come to me to discuss what 15 other people are thinking. When I explain the rationale to the person in my office, they go back and tell my story the other 15. Amazingly, the 15 believe her when she tells them, while they would suspect me.

Chapter Eight: Goal Setting and Tracking

“If you don’t know where you’re going, you may end up someplace else.”

—Yogi Berra, Famous Baseball Catcher and Manager

The Marine Corps has a saying, *“What gets inspected gets respected.”* How true! The credit union sets goals for and measures everything it deems important. Employees learn what is important by what you set goals for and measure. Do you think the balancing record of the credit union’s tellers would be as good if you did not have a goal and a tracking mechanism? Of course not. The employees know balancing is important because you have told them what is an acceptable level of balancing — you measure performance and you report results. Additionally, there are consequences for both exceptional and poor performance. We will discuss this aspect in the next chapter.

If you want to develop a sales and service culture, you must set performance goals and track results. This concept makes some people shy away from developing a true sales and service culture. I hear managers say, *“Measuring sales will make people nervous.”* Then stop measuring all the other things you’re measuring. It’s bound to make someone nervous!

If you are going to value sales and service, there is no getting around the fact there must be a standard of performance and a corresponding tracking method. Employees will never believe you are serious about this new culture without goals and tracking.

How do you set service goals?

There should be two categories of service expectations/standards, internal and external. I recommend that employees, in conjunction with management, develop the service standards. Remember it is vitally important you set these standards with your employees. They must buy in to the validity and fairness of these expectations.

All goals should meet the S-A-M test. That is, they must be specific, attainable and measurable. If the goals do not meet the S-A-M test, rework them until they do.

Here is an example of a service goal that does not meet the S-A-M test: *Take responsibility.*

This is a nice thought. I want employees who will be more responsible, but how do I measure it? It would be better to determine the attributes of being responsible and create goals that can be measured. For example: All inquiries handled within 4 hours. This meets the S-A-M test and is one of the characteristics of taking responsibility.

Here are some examples of some effective service standards:

External:

- Greet each member with a smile
- Call each member by name
- Thank each member for his/her business

- Ask each member if there is anything else you can do before the transaction is complete
- Handle all transactions in a timely fashion. (Timeliness is always subject to the members' perception of what timely is)

Internal:

- Handle all inquiries within 4 hours
- Provide the correct answer the first time • Treat each employee as a member
- Thank the internal member for allowing you to help
- Follow up to ensure the internal member is satisfied

You or your employees can use these and develop many others that are appropriate for your specific organization. Baseball manager Yogi Berra said, "If you don't know where you're going, you may end up someplace else." Right, Yogi. Without standards employees won't understand what you expect and they may give you something different.

How do you measure service standards?

Equally important is measuring the standards you have set. Effective service measurement has two important criteria:

1. The measurement is accurate
2. The measurement is ongoing

For example, an annual member service survey is a good thing to do. But it is not sufficient to determine if the service goals you have set are being met. Members and employees experience service in an ongoing fashion on a transactional basis. Therefore, the best way to measure service success is in an ongoing transactional fashion.

Think about this for a moment. Most credit union managers can tell me the status of every

financial measurement. However, when I ask them what their members feel about their service, I hear comments like, "I think its O.K.," or "That member survey we did a few years ago is around here somewhere. Let me see if I can find it." Wow! Some of us have lost our focus. If we are "Not for profit, not for charity, but for service," then we should certainly measure it.

Here are a few methods to measure member service that meet the above criteria:

Secret shopper program

Make sure you utilize one that uses your own members, who have been fully trained on what behaviors you want to observe.

Transactional surveys I suggest the Member Effort Survey to measure the service delivery and ease of service. This is the single best predictor of the member's likelihood to spend more money with the credit union. www.membereffortsurvey.com

Internal surveys

I recommend you use a 3rd party to conduct your Internal Service Survey. www.internalservicesurvey.com. If you are serious about outstanding service, you cannot avoid measuring internal service.

A word of warning: You must provide training to employees before initiating the internal survey. Employees must be told that there is great gravity placed on the results of the survey. The surveys should be anonymous so they will be honest. Additionally, employees should be told that any unprofessional comments made on the survey will cause their survey to be thrown out. When employees understand the purpose and importance of the internal service survey, I rarely see difficulties arise.

What is the basis for the sales goal?

There are two methods to use for setting sales goals.

1. Examine historical data. Look at what happened in the same period last year as a baseline for what should happen this year. Notice I wrote historical data, not hysterical data. Use the past to project the future. Do not pull a number out of a hat and expect people to buy in.

2. Benchmarking. Benchmark performance after the sales and service culture is underway and then make goals based on the results of the employees' efforts in the new culture.

Both methods have pros and cons associated with them. Whichever you choose, your efforts will be more effective if you:

1. Set the goals in conjunction with employees. Employees automatically will be suspicious of any new goal for which they will be held accountable. If they do not see the logic behind the goal, the assumption will be that the goal is unachievable. Also, if employees have some perspective, they will see that the goal is attainable.
2. Set unique goals for unique departments. If you set departmental goals, analyze the unique aspects of each branch or department. Each office and department is probably different in terms of the type of members, number of members, number and type of transactions performed, and so on. Benchmark or look at historical data but also review each unique area with an eye toward that area's opportunities and limitations.

What terminology should I use for the sales goal?

The terminology used for the sales goal is very important. I recommend you describe the sales goal as a "minimum expectation." This will help

diminish the perception that the employee should strive for this number of sales/referrals and stop. Think about it. If you want the employee to get to 50, 49 is not good enough. The "goal" is to find ways to improve the member's financial life with our products and services. So really, the goal should be to do this with every member every time. The number assigned is not the goal, but really a minimum expectation.

How do you track sales results?

The question I am asked most often by participants in my seminars is about tracking sales goals. My advice is always to use your computer system to track cross-selling. More and more systems are adding sales tracking software or upgrading their existing programs. So check into it.

It is important to automate your tracking system for cross-selling because manual tracking is labor-intensive, complex and time-consuming.

For a credit union with several employees, it can become a nightmare. If you want to track the cross selling of each employee, you should have an adequate tracking mechanism to do so. If not, don't track individual cross-selling efforts. Instead, track group or credit union-wide efforts.

What should I track?

1. Individuals

Teller referrals. Tellers should get credit for a referral each time they speak to a member about a product or service and provide the member with literature. Also track closed business resulting from the referrals so you can assess the efficacy of the referral efforts. You want the tellers to cross-sell without taking too much of the members' time — or their own. Teach

your tellers to identify a need and say, “I think I can save you some money. Let me give you this.” That should be the extent of their effort. Members do not visit us with the intention of taking the time for us to explain how we can improve their lives. They probably only came in to get \$10 to go to lunch. Let’s not burden the member or the teller with the responsibility of conducting a formal cross-selling interview with each transaction. I read recently that 75 percent of all transactions in a credit union are still performed on the teller line. This statistic underscores the need to get the tellers involved in the information-sharing process. If not, we are missing out on a great

percentage of our opportunities to help our members.

Additional closed business. For all other employees on the front line, the goal should be to find additional ways to assist the member beyond what the member requested. For example, if a member comes in to apply for a car loan, the employee should notice that he/she has a credit card with another institution and ask a few questions to determine if we can save the member money. The focus should not simply be on complying with the member’s request; a video kiosk can do that. A person can notice another way to be of service and suggest a solution

Chapter Nine: Incentive and Recognition Programs

“A man always has two reasons for doing something: a good reason and the real reason.”

—J.P. Morgan

The most controversial issue associated with sales and service culture development is the effectiveness of incentive and recognition programs. I believe that a well-designed incentive and recognition program can improve sales and service performance. Let me explain why I feel this way.

In a credit union surveyed its employees and found the following:

1. 73 percent of employees said they were less motivated than they used to be.
2. 84 percent said they could perform significantly better if they wanted to.
3. 50 percent said they were doing just enough to keep their job.
4. Front-line employees listed recognition as the No. 1 motivation.

When I read these results, I was shocked. I began to think about my own employees to determine if they would have responded similarly. After much depressing analysis, I determined that our results would indeed have been fairly similar. I tried to find some logic in people being satisfied with performing at such a low level.

Then it dawned on me. Mediocre performance is like speeding! Let me explain. Do you drive faster than the speed limit? I do, too. How fast do you drive over the speed limit? I drive nine miles an hour over the speed limit. Not eight, not 10, but nine miles an hour over the legal limit. I will drive the speed limit where I saw a

police car yesterday. When I observe the cop has not returned today, I speed up to my comfortable speeding limit and go on. I have no desire to obey the speed limit. In this case, my only desire is not to get caught breaking the law.

Why do I do this? There is a very logical reason for such behavior. When it comes to abiding by the speed limit, there are very few positive consequences for appropriate behavior. You may say, “If I don’t speed, I won’t get a ticket or I won’t be injured as badly in an accident.” These are not positive consequences. They are absences of a negative. Avoiding negative consequences does not make me want to do the right thing. It only makes me want to do the wrong thing in such a way as to not get caught.

Employees perform at such a low level because most reinforcement in the organization is negative. When employees make mistakes, they get in “trouble.” The motivation becomes not to get in trouble. So, employees reduce the odds they will make a mistake that will lead to getting in trouble by doing less. As a manager, I was very good at catching people doing it wrong. I was not nearly as good at catching people doing it correctly. I came to realize that I had created my own performance problem. There was no one to blame for poor employee performance but me. Based on the above survey results, my own observation and my belief in the four types of employee

performance, I have developed the 10-80-10 Theory:

If we have done a good job of training our employees:

- Approximately 10 percent of employees are willing and able
- Approximately 80 percent of employees are unwilling and able
- Approximately 10 percent of employees are unwilling and unable

Remember the performance grid:

| | Able | Unable |
|------------------|-------------|---------------|
| Willing | Recognize | Train |
| Unwilling | Coach | Quit Coaching |

I believe most employees can do a better job if they choose to. The previously mentioned survey reinforces this idea. For those who are unwilling and able, negative reinforcement causes them to focus on the lowest level of performance you will accept. They operate at that level to avoid the pain of negative reinforcement. What if we were to provide positive reinforcement for exceeding the sales and service goals we have developed? Do you think performance would improve? Sure it would. Also, when performance improves, the employees who fall into the unwilling/unable category will be easier to notice. They will not be motivated by any incentive or recognition plan. Therefore their performance will not improve while that of employees in the other groups do.

How do incentive and recognition programs relate to the four types of employees?

Willing and able: Recognition programs are designed for those who are willing and able.

The primary intent is not to motivate, but to recognize someone who is doing very well. We need to recognize high performers with something other than more work. We need to spend the time to recognize high-performing employees rather than get too busy worrying about lower-performers. A good recognition program shines light on what a great job looks like to the other employees. They can choose to emulate this behavior.

Unwilling and able: Incentive programs are designed for these people. The purpose of an incentive program is to incent employees to move beyond their current performance level. Having used several types of programs with many different credit unions, I feel confident telling you incentives work if they are constructed correctly.

Willing and unable: These people need training, not incentives or recognition.

Unwilling and unable: Nothing works on these folks. They consume your time with no return. Find out who they are and begin termination proceedings. You will be amazed at how much more time you will have to coach and motivate other employees.

What are some keys to effective incentive and recognition programs?

1. **Don't let anyone tell you there is one correct way to develop incentives.** Sales and service incentives are a function of organizational capacity, culture and conscience.
 - *Capacity.* The value of the incentive can only be what the credit union can afford to pay.
 - *Culture.* If the credit union's board of directors and/or management team has had limited or bad experiences with incentive plans in the past, you may have to begin with simple, low-cost programs.

From there you can build toward a more valuable program.

- *Conscience.* Have you heard someone say, “Pay an incentive? Don’t we pay them a salary?” This person will have a difficult time with any incentive plan, especially one that does not have a minimum performance standard associated with it. Some credit unions have had great success with an incentive program that pays an employee for each item sold. In most credit unions, this type of incentive would violate the conscience of those who feel there is a minimum performance that should be expected before becoming eligible for an incentive. The minimum standard or piecemeal depends on the conscience of those involved in developing and approving the plan. Don’t ask people to compromise their conscience. It rarely works. There are so many ways to develop incentives, you should find a method that all can feel good about.
2. **Keep the incentives consistent.** Don’t use the temporary incentive ploy of paying employees to cross sell only during promotions. When the incentive is taken away, the employees quit cross selling. Surprise! I have seen employees hold back on cross-selling until management rolls out the next promotion. If cross-selling is worth something today, it should be worth something tomorrow.
 3. **Allow employees to assist you in developing the program.** Don’t make the mistake I made in the early stages of my experience with sales culture development. I developed the plans and

told employees how much they would like the reward. This method rarely brought about the excitement I desired. When I developed the plan, employees found fault with it from the beginning. It is always easy to criticize others’ work. When I began have employees help develop the plans, the programs were received much more readily and generated more excitement and buy in.

4. **The incentive program is only as good as your ability to track it.** As previously stated, the ability to track will dictate not only the goal, but also the type of incentive. An inability to track individual performance inhibits your ability to incent individual performance.

Every program has potential advantages and disadvantages. Don’t be frustrated because the program you have put together has some flaws. Everything has flaws. The credit union’s current policies, procedures and operating systems are all flawed. However, the credit union continues to open and operate every morning. While you look to improve the flaws, you continue to operate. There is no perfect incentive or recognition program. Try your best to create a program that meets these criteria:

- *Control.* Employees must be able to impact the achievement of the goal in a significant way. If you incent things such as the capital ratio, you must explain completely how the employee impacts the capital ratio. I recommend you incent issues more directly in control of the employee, e.g. cross-selling, service satisfaction, over and short, new accounts.
- *Value.* For a reward to be motivating, the employee must

perceive it as valuable. Remember, most employees value recognition very highly. If you can't afford a large monetary reward, seek to ensure that the praise will be significant.

- *Compete against a goal, not against other employees or departments.* This is a critical issue. Competition against fellow employees creates winners and losers. Losers always find a reason they lost. They never blame themselves, but rather say the program was unfair. Also, programs that develop competition against colleagues generally diminish departmental teamwork. Not everyone handles competition the same way. Some become hyper-competitive and do whatever it takes to win. Others are hypo-competitive and refuse to compete because they don't like the way those who compete are behaving. A good recognition or incentive program is based on specific, attainable and measurable goals. Use the sales and service goals the credit union has developed as the foundation for the incentive plan.
5. **Ensure that everyone in the organization has the ability to receive an incentive, including support employees.** Credit union bonus plans are a great way to pay these folks for their extra efforts. Additionally, if you do evaluate internal service, those departments that exceed their service rating goals can and should be rewarded.
 6. **Don't worry if tellers make more money.** The good tellers just might have a reason to stay. Most of us have been involved in discussions about how to control teller

turnover. Here is my idea: Give them the opportunity to make more money based on their performance. This is a critical issue in credit unions today.

Let's analyze the basis of the problem. Our tellers have more member contact than any other position. They are responsible for thousands of dollars in cash and can be robbed at any time. We want them to be fast, accurate and cross-sell. To encourage hiring and retention of these talented people, we pay them about what a fast food restaurant pays. Consequently, we attract very young, inexperienced applicants who, when hired, can't wait to get promoted because the next job pays more money. Once we have hired the employee, we have turnover rates nearing 100 percent annually when we take into consideration internal and external turnover. Consequently, we have difficulty developing relationships with members because of the internal and external turnover. As a result, the teller position is perceived to be a job with little respect and value.

Of course we know how important tellers are, so we must change the way we pay tellers. If we are truly going to operate as a retail organization, we should pay those involved directly with the member a base salary and incentives based on their level of selling and service prowess.

Currently, we actually encourage our employees to move father away from the member by paying them more to do so. As a result, our best and brightest employees are in support functions and the least trained and least experienced are in direct contact with the member. If you create an incentive program that provides more

incentive money for tellers than other positions, that's OK. If a person in the back office complains that the tellers' incentive program is richer than theirs, look them in the eye and tell them that there are several teller openings if they would like to bid. Let's keep people who want to be tellers on the line by paying them more based on their performance. This will develop improved service to our members.

7. **Evaluate the program each year to fine-tune the system.** Work with employees on an annual basis to improve the flaws in the program.
8. **Timing the implementation of incentives and recognition programs is very important.** Implement a service recognition program in the early stages of the culture's development. Service is

always the foundation for the culture. Implement sales incentives no sooner than three months after the sales training. Allow the coaches to become comfortable with developing employees' skills through coaching. When sales incentives are implemented too early, coaches have a tendency to define success by how their employees "score" in the incentive program rather than focusing on developing the employees' selling skills. This focus on a "quota" can destroy the culture.

What does an effective incentive/recognition programs look like?

I have included a sample plan on the next page.

Frontline

- ☆ External Service measured via Member Effort Survey
 - ◆ Measures of Value
 - Overall Individual Score
 - ◆ Recognition based on
 - Top 10% above established minimum expectation
 - ◆ Recognition Value
 - 1 unit for score in top 10%.
 - 1 unit for score above minimum expectation
- ☆ Sales measured via results from core processor
 - ◆ Measure of Value
 - All product units and/or dollars valued by the credit union, e.g., New Loan Dollars, Checking Accounts, Home Banking, etc.
 - ◆ Recognition Based on
 - Meeting and exceeding established initial minimum expectations
 - ◆ Recognition Value
 - Points are assigned to units/dollars sold based on value to credit union.
- ☆ Referrals measured via Referral Tracking System (CRM, Cross Selling Module)
- ☆ Measure of Value
 - ◆ Number of referrals that meet or exceed minimum expectation (*Gatekeeper Metric)
 - ◆ Referrals that result in a sale
- ☆ Recognition Based on:
 - ◆ Employee must meet or exceed the minimum number of referrals to be eligible to receive recognition for:
 - ◆ A sale resulting from a referral that occurs within 45 days of the referral.
- ☆ Recognition Value
 - ◆ Value is assigned based on points assigned to respective products based on their importance to the credit union, e.g., all products do not have the same value to the credit union.

Support

- ☆ Overall Credit Union Score on the Member Effort Survey
- ☆ Measure of Value
 - ◆ Overall Score
- ☆ Recognition Based on
 - ◆ If overall score is higher than minimum expectation
- ☆ Recognition Value
 - ◆ 5 units for score above initial minimum expectation (5)

*A Gatekeeper Metric is one that must be achieved for the employee to be eligible to receive an incentive or recognition.

How to set Teller Referral Goals

This is a format that I use to set teller referral minimum expectations. The point is to take away all of their potential objections and still get enough referrals to be Missional.

- ☆ Look at each branch as unique.
- ☆ Take the average monthly transaction volume for a typical full time teller at that branch. For our example we will use the number 1,000.
- ☆ Let's assume that each member runs 2 transactions per visit. $1,000/2 = 500$ members per month.
- ☆ Of the 500 members let's assume that 20% of them are the type that, "come to the branch all the time." Let's deduct them from the 500. $500 \times .80 = 400$.
- ☆ Of the 400 members let's assume that 10% are, "The members that are so broke and have such bad credit we they could never qualify for anything. $400 \times .90 = 360$.
- ☆ Of the 360 let's assume that 20% are the, "Member who already have everything."
 $360 \times .80 = 280$
- ☆ This gives the teller 280 unique referral opportunities per month.
- ☆ Now you decide what percentage of this 280 you feel comfortable expecting the teller to take advantage of. For example, at a 25% referral expectation. $280 \times .25 = 72$
- ☆ Set the initial expectation as a weekly or daily expectation. This gives us 15 referrals per week or 2 per day. Very hard for the teller to argue that this is not achievable

When Do I Raise the Minimum Expectations?

When 80% of the performers are within 10% of the expectation or greater, it is time to raise the expectation. This should be done each quarter with minimum expectations subject to change quarterly.

It is important to remember that the credit union should provide incentives for both service and selling to ensure that service and selling are valued equally by the employees.

Summary

Creating and maintaining a sales and service culture should be a top priority for every credit union. Ensuring that our members receive the highest quality service and information that can be used to improve their financial lives is the basis of the credit union movement. Beyond remaining true to our roots, it will be critical to the success of a credit union that it provides something that its competition does

not. The only thing that a credit union will be able to always provide better than its competition is good, honest, helpful information that is only focused on helping the member. To achieve this end, the credit union's leaders will have to make a concerted, coordinated effort to develop a culture that focuses on service and cross-selling.

It will take an investment of time and effort to create this culture. When the credit union chooses to invest this time and effort, using a logical and planned approach, the goal will be attained. While any organizational change is difficult, a change such as I have proposed impacts the way the credit union acts at every level of the organization. Therefore, there will be more discomfort. Having a member oriented vision and intelligent and strong leadership is required for success.

Good luck to you in your journey.

Appendix A: Implementing a Sales and Service Culture Timeline

Start

1. Planning for implementation of sales and service culture
2. Development of product manual and product assessment
3. Coaching training for managers and supervisors
4. Begin to determine sales tracking methodology

90 days after start

1. Kickoff celebration to present the concept of the culture to the employees.
2. Service coaching by managers and supervisors begins.
3. Delivery of product manual and product assessment
4. Presentation on becoming a sales champion
5. Presentation on service excellence
6. Management and employees work together to develop internal and external service awards.
7. Employees begin their shopping of the competition exercise.
8. Service tracking methodology is determined.

120 days after start

1. Internal and external service standards are introduced.
2. Internal and external service excellent recognition program is introduced and continues.
3. Service tracking system implemented.
4. All employees take the product knowledge assessment.
5. Sales and service meetings begin – The first meeting will allow employees to share the results of their shopping-the-competition exercise.
6. Decide on sales tracking methodology.
7. Benchmarking of referral and cross-selling performance begins.

180 days after start

1. Coaches have their first formal performance meeting with each employee to review steps-of-the-sale worksheet and to complete a goal-setting worksheet.

210 days after start

1. Coaches have their second formal performance meeting with each employee to review steps-of-the-sale worksheet and complete a goal-setting worksheet.
2. Initial sales and referral goals are determined.
3. Sales incentives developed.

240 –365 days after start

1. Initial sales and referral goals are introduced to staff.
2. Sales incentive plan introduced to staff.

Appendix B: Shopping the Competition—What Does the Member See?

Now it is time for you to see what consumers of financial services experience when they go shopping for a product or ask for service. What you will notice is that some employees of our competition are very good, some are average and some are inexcusably bad. Remember the one person that potential customer or member will see is the one speaking with them. They will base their entire perception of the institution on that one person. For the credit union, you are that person. Be the best you can be. You have now completed the training on all three steps of the sale. You know how the employee you are shopping should perform.

Instructions:

To perform the competitive shopping you will need to do the following:

Pick a competitor financial institution. Walk into the lobby and go to the new account area. When acknowledged, simply state, “I want to talk to someone about a checking account.” Allow the customer/member service representative to work with you.

If you are a call center employee, shop the institution by phone.

When you return to your car, immediately fill out the attached “Shopping the Competition Worksheet.” This allows you to evaluate the interaction while the experience is fresh.

Be prepared to report to the group your evaluation and impressions.

SHOPPING THE COMPETITION WORKSHEET

LOCATION _____

DATE _____ TIME _____

| | YES | NO |
|---|-------|-------|
| 1. Were you acknowledged in a timely fashion? | _____ | _____ |
| 2. Did the representative stand to greet you? | _____ | _____ |
| 3. Were you greeted with a smile? | _____ | _____ |
| 4. Did the representative introduce himself/herself? | _____ | _____ |
| 5. Did the representative call you by your name? | _____ | _____ |
| 6. Did the representative maintain good eye contact with you? | _____ | _____ |
| 7. Did the representative engage you in anything you would consider small talk? | _____ | _____ |
| 8. Did the representative ask questions to identify your needs? | _____ | _____ |
| 9. Did the representative listen effectively? | _____ | _____ |
| 10. Did the representative sell the product using benefits? | _____ | _____ |
| 11. Did the representative ask to open the account for you? | _____ | _____ |

Provide an overall rating of the experience based on the above skills _____

Scale:

- 1 - Perfect; yes on all 11 skills.
- 2 - Very good; Almost all steps were performed. We should try to hire this person.
- 3 - Average; tried hard, nice person, but did not achieve many of the above steps related to selling.
- 4 - Poor; Did not achieve many of the above steps and did not seem to care much that I was there.
- 5 - Dreadful; I could have done better taking a brochure home.

COMMENTS: _____
