



The Sales Process (Part 1)

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Up until the 1980's, the word "sales" was seldom heard in banking circles. Today, the term has been shelved in favor of the euphemism "business development." By any other name, a rose is still a rose. The sales management process is a necessary one, though it is generally neglected or given short shrift in community bank circles.

As sales managers in Fortune 500 industrial firms have known for over 50 years, the sales management process is vital to the life of the business. The same holds true in banking, although somewhat less obviously so. In all sales circumstances, relationship development is key to the success of the sales or business development effort. In banking, relationship development trumps most other elements in determining success or failure, and can determine whether you have profitable long term clients or missed opportunities.

In our experience with community banks, the President/CEO is most often the designated sales manager for the bank. Certainly, for banks with under \$1 billion in assets, this is most often the case. Given the spectrum of executive level responsibilities the President/CEO faces on a daily basis, it is no wonder that the sales management process frequently ends up neglected or under exercised.

Look at those Fortune 500 industrials that are generally considered to possess the most effective and professional sales organizations (IBM and Xerox Corporation come to mind, both former employers of the author). These firms devote significant resources to managing, coaching, and training their sales organizations. Despite the fact that most of their sales people are highly trained, possess excellent sales skills, and in most cases, have enjoyed considerable success, the commitment to manage their efforts is unwavering. It is very common to have extended sales planning, coaching, training

meetings on a weekly basis. Do they know something that bankers do not?

In our travels, most bank officers with sales responsibility not only have the standard set of responsibilities their title suggests, but are simultaneously loan officers as well. Given any free time, virtually all such individuals can find reasons why their workload prevents them from venturing out to meet a potential prospect, a current client, referral source, etc.

But the game is won face to face. This is true for IBM, and it is true for any community bank. As a point of fact, how much time and energy is devoted to relationship development by your loan officers, either with current clients or prospects?

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Regardless of their financial expertise and skills in assessing the credit worthiness of a potential client, where do your loan officers stand on the spectrum of interactive skills? On Professional selling, which has become known as “the consultative sell”? To what extent are they skilled at developing relationships, creating trust and the like? To what extent are they aware of the plans and dreams of their key commercial clients? To what extent can they differentiate themselves and the bank from other financial service providers? And, finally, to what extent are they in the “inner circle” of confidants with their key clients?

More to come in our next issue. What is sales management? What does contemporary thinking say about what works in a sales environment? What training works? How adept is your officer team at this process, and how do you know?

Truelson Associates has served over 200 clients in its 20+ years of existence. Our greatest concentration has been in the independent community banking field. We have served in excess of 50 such institutions, including several in the \$1+ billion asset size range, plus a number of start ups, and every size in between.

We were generally considered to be the leading firm in this field in the northern and central California market. In 2009, we transferred the firm to Oregon, and are prepared to serve the Oregon bank community from our offices in Portland.



We are associate members of The Oregon Bankers Association.

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