

Retail Banking Insights

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Maximizing Frontline Sales in Retail Banking

For North American banks, branches remain the primary source of retail customer acquisition and product sales; at the same time, they typically account for more than half of bank operating expenses. In an environment with strong bottom-line pressures, maximizing frontline sales performance should therefore be a high priority. But in practice, sales performance tends to receive little attention, and improvement efforts often fail to generate lasting changes.

This lack of focus on sales activities results in wide variability in performance, even among branches of the same bank. To improve and bring more consistency to sales at branches, banks must focus on three imperatives: developing sales proficiency in the branch front line; instituting a clear and consistent sales process; and devoting management focus to ongoing monitoring and refreshing of the sales process. A well-thought-out and implemented system based on these imperatives can increase sales performance by 15 to 25 percent in the first year.

Common obstacles to improving frontline sales

A number of common stumbling blocks impede banks' sales improvement plans, such as trying to make too many changes at once or trying to implement a program too quickly. Sales performance depends on many diverse factors, from recruiting and resource allocation to training techniques and incentive plans. Setting too many goals—or excessively high ones—can overwhelm frontline staff: recently a Canadian bank tried to attain best practice results in all aspects of sales management during a single transformation effort. Other banks, intent on a quick return on investment, abandon programs too early.

Another common hurdle is finding coaches who are well trained and providing them with adequate management support. In Southeast Asia, a national bank's attempt to

roll out a sales improvement plan was hindered by an inability to recruit qualified talent. In addition to including qualified coaches, the approach itself must fit the program's objectives, and involve all levels of management, if it is to realize the full potential and endure.

As with sales of all types, an incentive program can help obtain results, but it must be designed with the initial objectives uppermost in mind. If management changes its sales program in response to a new marketing strategy, for instance, its sales incentive plan must be revised accordingly for optimal performance. Overlooking this key element can result in counterproductive incentives and frontline confusion.

Growing frontline sales

Successfully maximizing frontline sales greatly depends on the extent to which banks can adhere to three key principles: frontline sales staff proficiency; a disciplined sales process; and close monitoring and skilled leadership of sales efforts.

Each of these elements can be challenging to implement effectively and—more important—difficult to sustain at optimal levels over long periods. Changes in marketing strategy, staff turnover, new products, market evolution and other factors demand consistent attention in the form of ongoing coaching, hands-on workshops and updated development plans.

Build and sustain frontline sales proficiency

Effective selling skills are the key to frontline sales effectiveness. Financial institutions typically use a variety of sales tools and processes to achieve weekly goals. Among the best practices of those with highly successful sales programs is having a playbook—a reference document provided to management and frontline staff at all branches that de-

scribes tools and processes in detail, helping to ensure that everyone involved in sales, no matter how remotely, operates on a coordinated basis.

Playbooks typically contain selling techniques, scripts, tools, tips, agendas and templates, all organized according to their stage in the sales process. For example, initial sections will focus on client calls, with details on setting up call times, improving listening skills, handling

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objections, and converting service calls into sales opportunities. Another might explain how to guide in-person conversations with sales prospects by using benefits-based value propositions, or how to use cross-selling and bundling techniques to sell more products. Yet another may suggest ways to seek new client referrals and introductions. Management must keep these reference guides current and communicate the guides' importance by referring to them regularly.

A playbook is of little value, however, unless it is accompanied by effective ongoing sales leadership and coaching by district and branch managers. Best practices include

monthly coaching sessions at all sales levels, weekly joint customer meetings, daily branch huddles and briefings before and after client meetings. Managers often need to reduce their administrative activities to allow sufficient time for coaching and to stay fresh by engaging firsthand in sales themselves. In larger branches, top managers devote 50 percent or more of their time to coaching and 20 percent to sales. In smaller branches, there are fewer salespeople to coach, and managers must devote more of their own time to selling.

Maintain a disciplined sales process

For busy managers, balancing time between administrative duties, direct selling and coaching can be challenging. Too often managers divert their attention to other needs that, at a given moment, seem more urgent. But in high-performance banks the importance of ongoing sales training and coaching is well understood.

The following steps have been helpful in isolating time for coaching within a crowded schedule:

- Remove nonessential time demands; for example, eliminate unnecessary reports and streamline those that remain by combining them into an integrated digital dashboard.
- Shift activities that do not add value, such as ATM balancing, quick deposits and cash reconciliation, to an assistant manager or a senior teller.
- To the extent possible, simplify remaining activities, including branch opening and closing procedures, end-of-day checklists and cash remittance handling.

Begin with the processes that consume the most time or offer the greatest opportunities for time gains. Besides identifying adequate training and coaching time, institu-

tions should help sales leaders structure that time in ways that will address the full range of needs of a high-performance sales team, from coaching sessions and staff briefings to client calls and meetings.

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members an opportunity to participate in the bank's outreach effort by contacting prospects as their respective workloads allow. Management then provides those interested with appropriate sales training, leads and goals, and also includes them (when appropriate) in sales meetings, briefings and other sales-related activities. Alternatively, managers can weave some limited sales responsibilities into the teller role so tellers soon see themselves as having a dual role. Tellers could be trained, for instance, to

suggest products that selectively appear on their computer screens when accessing customer accounts, and be coached on sales-closing techniques, such as how to overcome objections. Whatever the approach, being more inclusive effectively extends the branch's sales reach with little or no added cost.

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on the same capabilities across the board. By diagnosing the root causes of over- or underperformance at the individual level and putting in place a tailored action plan based on the playbook practices, frontline teams can significantly improve their capabilities and productivity in a matter of weeks.

Finally, an effective lead generation and customer relationship management system is an important enabler for the sales process. Fine-tuning the lead generation engine to feed the frontline high-quality sales leads, based either on propensity

modeling or customer cues like activity on an online mortgage calculator, and then helping to prioritize which customers to proactively contact—and when—can be a powerful addition to any sales transformation program.

Closely monitor and manage sales performance

The essence of rigorous sales management lies in the establishment of aspirational goals against which performance can be measured at frequent intervals (typically weekly). While many managers only track outcomes, those at top-performing institutions set objectives for each stage in the sales pipeline, such as prospect and client calls completed, client meetings held, sales closed and products sold. Teams achieve maximum effectiveness when goals are clearly communicated, metrics are simple and the objectives are perceived as obtainable. It also helps when teams can see how their own branch sales goals contribute to district and bank-wide sales objectives.

Having well-defined and well-communicated goals provides a good base for frequent and ongoing performance tracking and feedback. By contrast, banks encumbered with inefficient sales tracking mechanisms tend to lag in performance. A dashboard that tracks sales activities and results enables managers and sales staff to quickly compare their goals with their actual performance. Dashboards are extremely useful because they allow managers to drill down for more detailed information wherever a problem might be emerging. They can then quickly provide coaching or take other remedial actions.

Incentive programs are also a vital part of successful sales programs. In larger banks, these are frequently established at high levels, but districts and branches should be free to implement others to address local sales needs. Incentives can take many

forms, including the usual monetary reward. In fact, frontline staff often value non-monetary rewards—such as recognition by senior management, event tickets, a thank-you note, or a half-day off—more highly. Incentive programs, rewards and performance recognition that are fully transparent will do much to reinforce desired behaviors.



Strong long-term sales performance throughout a bank's branch network maximizes its return on what is typically one of its largest investments. But such performance comes only with a well-executed effort that is diligently sustained over time.

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