Management & Marketing Tools For Blending High Tech With High Touch

Marketing and product-and-service managers have learned how to query the database and read those marketing customer information file (MCIF) reports in their quest for information. But faster than you can say "information highway," the output of quantitative marketing trends has become yesterday's solution to tomorrow's opportunities in marketing campaigns.

Data and information aren't the same. At best a data-driven marketing campaign is only a "glass half full." In the future, marketing and sales managers will need more. Let's look at the challenges, tools, and strategies needed to enhance your credit union's sales performance and member profitability during the 21st Century.

With the advent of data warehousing and client-server applications, businesses are rethinking data management. The adoption of this technology by banks, brokerage house, and insurance companies has blurred product-and-service lines to the point that consumers today have many options for building and protecting their assets. To remain competitive, credit unions must learn quickly to access, identify, organize and analyze, and personalize all member information.

And that's not all. With most financial delivery channels adapted to the Internet, intranet, and extranet, the future will focus on increased content and convenient solutions. This will force credit unions to develop information strategies that deliver complete answers to members and actionable information that a broad spectrum of credit union staff can use to provide service.

However, the availability of direct/on-line access to products, services, and information isn't the only challenge ahead. To lay claim to the title of the one-stop financial supermarket of the future, industry leaders must learn to use and manage information to form individual member relationships proactively.

The winners of this high-stakes/high-tech poker game will be sales team leaders who capitalize on information within the credit union's data that promotes long-term relationships with the members.

Blending High Tech And High Touch

Until recently, standard database programs enabled a few power users to make simple, one-dimensional queries of limited data fields and receive answers in charts and graphs. Those statistical trends drove marketing programs for targeted populations, such as a direct-mail campaign offering a reduced auto-loan rate for members with high credit scores.

Now automated “data mining” processes can generate information seeking patterns and conditions. For example, by analyzing the rational matrix of selected information fields, you can pinpoint high-profile members in a financial position to buy a new car or trade in the current model.

Instead of a shotgun blast of blind advertising, you will use relational data management - the rifle approach - that picks and chooses your targets with extreme accuracy. Instead of sending impersonal loan offers by mail, today’s financial managers can make a proactive phone call to discuss the member’s current needs and offer a pre-approved loan. And instead of a sales call - which is often perceived as an attempt to sell someone something they don’t want or need and can’t afford - the call offers a well-timed service of great value to the members.

More important, the call demonstrates the credit union’s knowledge and skill, and it highlights the personal attention each member will enjoy. True mastery of the automated database management process is necessary to provide the right information. But it’s the personal relationship between member and credit union’s staff that is the linchpin to acquiring new members and retaining current ones.

Credit unions no longer can choose whether they’ll be technologically driven or focused more on personal relationships - they must be both. To compete in the 21st century, credit union sales managers must adopt both high-tech and high-touch strategies.

Taking Care Of Members

“Ultimately, selling gets down to care of the members,” says Jeanne Murphy, Growth Strategist and President of Strategic Solutions. She analyzes the complexities of credit unions’ sales and marketing strategies. “The key to success is never a specific product or a special service. It’s nothing more than taking exceptional care of individuals by vigilantly protecting and assisting them in managing their financial assets,” she says.

“The way to build the membership base and grow the bottom line is by paying attention to one member at a time. “Each employee’s job is to give members the best possible financial services to improve their financial lives,” Murphy says.

“Managers employing the new technologies and personal information generated from data mining can identify individual needs of high-profile members. Meeting those needs today is the foundation for tomorrow’s business. And, tomorrow’s business always relates back to yesterday’s member care,” says Murphy. “It’s no surprise that the best sales managers are changing behavior and now spend substantial time and money promoting member care.”

Because a one-on-one relationship with members is much too demanding for one individual, the secret to increased profitability through controlled expansion is in developing the right sales behaviors throughout the credit union. The starting point for that process begins with creating the right environment.

Aiming for 'Member Delight'

To remain competitive with other financial service providers, credit unions must be better than the competition – 1,000% better. Because there are no financial products or services exclusively unique to competitors, the chance of being 1,000% better at any single part of the business seems unlikely.

However, if you create the right environment and instill system-wide behaviors for providing exceptional member care, it's possible for employees to collectively find 1,000 different ways to be 1% better – which accomplishes the same end.

The $780 million asset North Island Federal Credit Union in San Diego successfully used new technologies to identify and segment its 120,000 members to provide better member care. "We don't like to settle for member satisfaction; we strive for member delight," says Geri Dillingham, North Island Federal's Executive Vice President for Marketing and Retail Services.

Dillingham attributes a large part of the success of the credit union's "stair-step plan" – a plan for migrating members into new services, and to management's commitment to train all 310 employees in every aspect of member care.

By empowering its work force and allowing staff to make compassionate, commonsense decisions about individual member situations, the credit union accomplished its goal of providing "value-appropriate" services for the entire membership. North Island Federal restructured its membership base into six segments while also improving its member survey results on "member delight."

"The formula for creating an environment similar to North Island Federal's and fostering a member-care sales culture isn't easy, but it is well-defined. It includes six essential components: clarity of purpose, established expectations, skill development, measurement of success, motivation of staff, and recognition of staff efforts," says Jeanne Murphy.

Defining clarity of purpose: As with North Island Federal, when team members are committed to a common goal, the results often are spectacular. To achieve the necessary unity, have a vision statement that clearly reflects the group's common purpose and goal. Without "buy-in" by the entire team, even the best plan may fail. To produce such a declaration and gain the system-wide support required for implementation, first go through a rigorous self-assessment and address the "hardball" questions. Explore and discuss the answers until there is consensus. Start by resolving these questions:

- Why does the credit union want to have a culture which is sales and service driven?
- Has senior management allocated the resources required to build a high-performance sales organization?
- Are line managers committed to the idea of sales management?

- Are member-contact personnel committed to their role in a member-centric organization?
- Does the credit union require member-contact personnel to have service quality, sales and referral goals?
- Can you track sales and referrals automatically?
- Do you have a simplified method for determining member profitability?
- Do you have a user-friendly method to manage and build member relationships?
- Do you have a method for member-contact personnel to identify sales opportunities?
- Do you have a way for sales managers to identify exceptional performance and areas for improvement?
- Do you have a method for providing sales managers with ideas for coaching, sales meetings, and training?
- Does your sales system provide a link to member needs and desires, effectively targeting market opportunities?
- Does your system allow sales personnel to identify and respond immediately to member service issues?

Establishing expectations: Once you've clearly identified the goal and purpose behind it, the next challenge is to put the right people in the right jobs, doing the right things. This goes well beyond crafting detailed job descriptions.

To have value, each assignment must plainly outline who's responsible, what's expected, when it's due, and how you'll measure results. This also is true for top managers. Hold sales managers and associates accountable for sales results. It's also imperative to relieve them of administrative and operational assignments that may interfere with achieving stated performance goals.

To reach the groups' sales projections, clearly translate performance expectations and delegate to individual sales staff. Without individual accountability, the group's performance will be less than optimal.

Skill development: Nearly 90% of all credit unions believe they have a "good" or "excellent" sales culture. However, only a small percentage of this group has any formal training program to instruct sales personnel in mining the database or in personal skills required for improving member care. Even fewer credit unions devote attention to training managers on how to coach and develop their employees. One without the other results in significant underperformance, frequently missed goals, and diminished teamwork. For the desired behaviors to take hold, skill development – of both staff and management – needs to be experienced as on ongoing process rather than a single event.

Measurement*:* "If you can't measure it, you can't manage it" is an old business maxim applying to performance areas in a credit union. The sales management tools for the next century still include the standard components: setting goals, tracking performance, measuring results, and holding individuals accountable.

With automated data analysis and instant retrieval of results, however sales managers can develop talent and target training more effectively. For example, on the Intranet you can offer information about your products and services, and test employees' knowledge to identify areas for improvement.

Motivation: Motivational guru Dale Carnegie said, "There is only one way … to get anybody to do anything . . . and that is by making the other person want to do it." Most people think of sales incentives as a motivational tool in business. But research indicates that monetary incentives seldom rank higher than fifth on the motivational list. Good sales managers recognize that specific feedback, professional growth, personal achievement, and a sense of belonging are the strongest motivators for building and sustaining high performance.

Recognition and rewards: Words of appreciation are the most powerful force a manager has to reward performance. Kind words of recognition for a job well done cost nothing, yet they accomplish so much that it's puzzling why they're not used more often by managers and supervisors to improve performance. Tom Peters and others have observed, "The simple act of paying positive attention to people has a great deal to do with productivity."

To maintain a strong sales culture with a member-care focus, have a well-developed recognition and reward program - both formal and informal appreciation of individual and team performances. Paying for performance is an equally vital component of a well-balanced recognition and rewards program. Today, employees who are achieving or exceeding their goals expect that they will share in the financial rewards of their work.

Rather than read "incentives" into this statement, think more systematically and long-term. Ongoing performance reviews which are linked to an employee's goals, rather than a slew of the typical subjective criteria, along with an annual compensation adjustment based on actual performance is an exceptionally powerful combination in building high performers who desire to stay with your organization for the long haul.

The bottom line: You can't afford to lose the business and members you already have. With the proper application of high-tech and high-touch sales and marketing management tools, however, you'll retain your business and see it grow well into the 21st century.

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