



# Q&A ON PROSPECTING

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# What is a good prospect list?

- ✓ All of the good customers are already taken. They are reasonably happy with your competitors.

## MISCONCEPTION

- I have a good list because I know all the companies on it.
- The Marketing Department has a list of all the credit worthy prospects who want to move their accounts to me tomorrow.

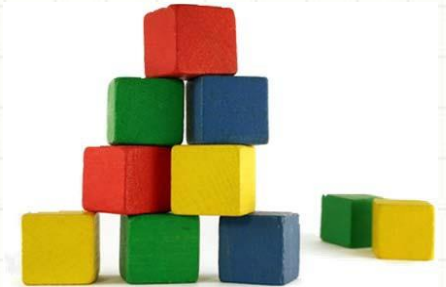
**Sales Managers must focus their team's energy on the BEST prospects in their markets.**

BEST means building a target profile of desirable prospects that incorporates guidance on the industries you want more business from and those that you don't as well as the characteristics of the businesses themselves.

## REALITY

- This can lead to a narrow focus.
- There is no magic list.

- ✓ The following page shows an example of a sample target profile for the small or micro-business segment (under \$2 million in sales).



# Micro-Business Segment Example

<i>Target Industries</i>	<i>Limited Market Industries</i>
• Distributors and Wholesalers	• Restaurants and Bars
• Law Practices	• Trade Contractors
• Architect, Consulting, Engineering, and Business Service Firms	• Real Estate or Construction Businesses
• Medical, Dental, and Health Practices	• Low Volume Retail
• Accounting Firms	• Convenience Stores/Gas Stations
• Insurance Brokers	• Car or Truck Dealers
• Property Management	• Lawn, Garden Services and Landscaping
• Not-for-Profits (501c3) (501c6)	• Mini-warehouses
• Retail Trade	• Carwashes
<i>Prospect Profile</i>	
• In business over 2 years	
• Sales revenue between \$250,000 and \$2,000,000	
• Employing more than 3 people	
• Located within 3 to 5 mile radius of a branch location or within natural market	
• Owner has industry-specific experience	
• Borrowing needs under \$250,000	
• Satisfactory credit history	
• Deposit balances average more than \$25,000	
• Using or needing 5+ business banking or consumer product categories	



## Sales Managers can help by:

- 1** Reviewing the names to be sure they match your target profile.
- 2** Supplementing the list with the names of other prospects you want your new colleague to be calling on.
- 3** Acquainting all new hires with your target profile early on.

If a new hire's prior focus was real estate and your bank is more interested in C&I, get that on the table sooner rather than later.

## What's the best way to get in the door with a prospect?

Why is getting in the door with prospects becoming harder?



Some people think it's because business owners have less time than they used to. I think the real reason that bankers are having trouble arranging appointments is because they don't realize that they are competing for the business owner's time. And, for a prospect to give up his valuable time, he will need to get something of value from you.

**How do you demonstrate possible value and get a prospect interested in talking to you? Here are several approaches that will improve your chances.**





## THIRD-PARTY REFERRALS

Use a referral from an existing client, an acquaintance, or a third-party professional. Be sure to ask for permission to use his or her name before using it as a referral: “Betty Jones from XYZ Electronics suggested that I contact you.”  
**(65%)\***



## INDUSTRY EXPERIENCE AND EXPERTISE

Focus on your experience and expertise with the prospect’s industry. “Over the last few years I’ve worked with a number of trade associations like yours and I’d like to discuss with you some of the ideas . . .” **(30%)\***



## REFERENCES

Refer to a piece of news, an article in a publication, or the company’s website. For example, if the prospect is a dental practice: “I saw on your website that you do cosmetic dentistry. . .” **(20%)\***



## NEW SITUATIONS PRODUCTS SERVICES

Discuss a new situation, a new product, or any innovation at your bank that might be of value to the prospect: “We recently enhanced our cash management products to provide wholesalers with . . .” **(10%)\***



## COMMUNITY APPROACH

Discuss the fact that you both do business in the same community and could be a resource for each other in the future: “You’ve been doing business in this area for a number of years and so have we. I’d love the opportunity to find out more about your business, where you are, and where you’re going. Do you have some time in the next week or so to get together?” **(Varies by market. In small towns this can work 80% of the time. In larger metropolitan areas, it has a much lower success rate.)\***

*\*(In parenthesis is our estimate of the success rate that a typical banker speaking to a decision maker has for each.)*



## Tips for Bankers

If you’re struggling setting up appointments with prospects, write out the key points of your opening for the next 10 calls you make. Review them with your Sales Manager or a colleague before you make the phone calls. See whether your percentage improves.

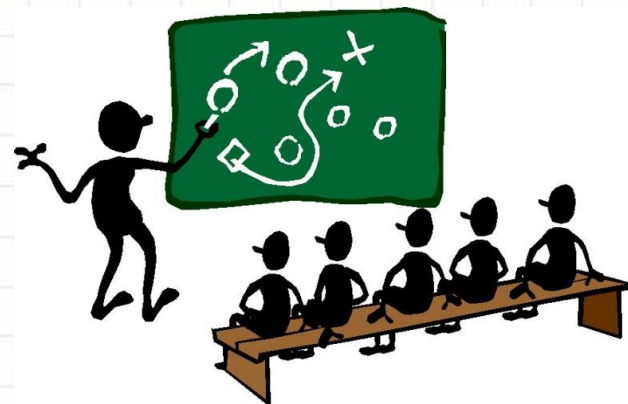
# How do you build a competitive sales strategy?

The best way is to find an **internal or external coach**. You can use the coach's understanding of the company to help you gain insights into the competitive situation.

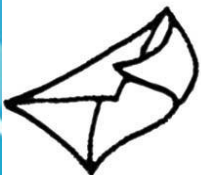
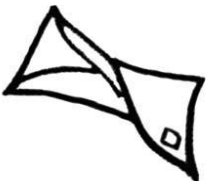
## Here are six things that a coach can assist you with:

1. Determining how the prospect sees its relationship with the current bank
2. Getting a clear idea of the decision making process within the organization
3. Identifying the tangible and intangible needs of the key players in the decision-making process
4. Determining what specific needs were developed in the organization either internally or externally by another banker or consultant
5. Identifying any previous solutions that the company has considered in the past or is currently considering
6. Cluing you in on who the competition is for the business you are seeking. The coach can give you background about other bankers who are involved with the company, both the incumbents as well as any other bankers who are prospecting the business.

***Is it easy to find a coach?  
No, but if you do you'll get a leg up on your competition.***



## Does it make sense to send a letter to a prospect before calling to set up an appointment?



I know several bankers who do this. The ones who are most successful at it do three things:

- 1** They usually tailor the letter in some way, making specific reference to the prospect's situation or industry. This obviously requires doing some homework in advance.
- 2** They send out a limited number of prospect letters at once—usually no more than 5 to 10 in a given week. This enables them to follow-up by phone with each prospect (see #3 below).
- 3** They state in the letter that they will be calling on a specific day to set up an appointment—and they do, without fail. When asked, most of the bankers who write letters say that this is the most critical part of their process.

So, if it's the telephone call that gets the appointment, why bother with a letter? Some people like the discipline of targeting a certain number of prospects each week, building a folder with information on them, and drafting a letter that they can refer to when they call to schedule the appointment. Many others skip the letter writing and start calling.

Your job is to get in front of the right prospects. If you want to send letters, that's fine, but you have to evaluate your success in scheduling appointments. If you're not getting in the door at least 20% of the time with the prospects you've identified, you may need some coaching. And, it won't be on the quality of your letters, but on your strategy and technique for the telephone follow-up.



### Tips for Bankers

Some bankers are having success today using email to arrange appointments. Many of the same principles discussed above apply to email communication.

# What's the best way to work with assistants?

- Recognize the importance of the assistant to the prospect.
- Use names or references to build credibility: "Jack Smith, your CPA, suggested I call."
- If you don't have a third party referral, use whatever possible value statement you had developed to capture the prospect's attention (e.g. industry experience, reference to website or article, etc.)
- State your objective for talking with the prospect.
- Avoid using the term secretary. Instead, you can ask, "Do you work with Brad Caswell?"
- Ask for his/her help in making contact with the prospect. You can also see if the assistant can schedule an appointment for you—some can.
- Be appreciative of any help given.
- Ask for several alternate times for talking with the prospect before asking to be placed in the prospect's voicemail.
- After the first call, address the individual by name.
- Be friendly in a professional way.
- Some bankers consciously contact the Administrative Assistant of the prospect they are trying to reach first. By following the steps outlined above, they believe they have a better chance of getting in the door than if they tried to go directly to the prospect.





## Tips for Bankers


Begin capturing information on the key subordinates of your customers and prospects. Make sure you treat them like the VIPs they are.




# What is the best way to follow up with a prospect?

 Obviously the best approach is to get your prospect to agree to a follow-up meeting before leaving the first call but if that doesn't happen you need to have a plan. The most important thing is to know what your objective is—usually it involves getting another appointment or getting the prospect to send you information.

 Review your notes from the meeting. Figure out what specific needs you uncovered. (If you have trouble doing this or if your notes are vague, you may not have had a very successful first meeting.)

 Develop the questions you want to ask about the needs you identified. Your goal is to keep the dialogue going. You may want to bring some additional information to the discussion based on further reflection about the prospect's situation.

 Come up with a good reason why the prospect would want to speak to you again. Don't wing it. Way too often bankers dial the phone before engaging their brains. They end up leaving a message that sounds like "I just wanted to check in with you..." You can do better than that if you think for a minute about what you're trying to communicate.



## Tips for Bankers

If your follow-up is thoughtful and informative, it will be appreciated. Persistence coupled with some creativity usually wins out in the end.

**Your follow-up message should be short and to the point. It could include any of the following:**

- Something relevant that may apply to the prospect's business or industry
- Any analysis you have done based on what you learned about the prospect
- A story about a similar company that you or your bank has helped
- Questions you'd like to ask the prospect
- A next step

If you've left a good message for the prospect, decide how and when to follow-up. Some people like to vary their approaches between emails and phone contacts.

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## What's the best way to plan for initial meetings?

This valuable (and too often skipped) step starts with identifying your objectives for the first call. At a minimum, we would suggest the following for your initial meeting:

1. Identify at least one opportunity that results in second appointment within the next 2 months.
2. Understand the practice's history and keys to success.
3. Understand how the practice operates today-- its specialties, patient mix, services, etc.
4. Determine what its current business priorities are.
5. Gather information about the practice's medium to long-term plans (going out 3 to 5 years.)

In our consulting practice we used to give bankers a blank call plan and encourage them to prepare their questions in writing.

Now we provide call plan templates with possible questions for the bankers to edit, based upon their research on the prospect.

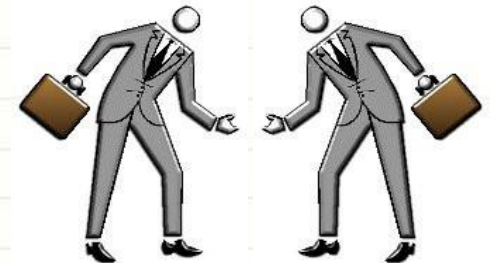
This takes considerably less time and usually leads to the desired result: a more focused conversation with the business customer.



***Your success will be determined to a large degree by the questions you ask.***

### Conclusion

Does this preparation always lead to a second meeting? No, but it dramatically improves your chances. And in prospecting, if you can't get back in the door with the decision-makers in the business a second time, you're probably not going to be successful. The research on this is clear: bankers typically have to make 5 or 6 face-to-face calls on a prospect before they win the lion's share of the business. That many have difficulty getting a second meeting and give up is often the result of a poorly planned first encounter.



## What's the best way to identify needs?

The value proposition that we are recommending in most prospecting situations is based upon demonstrating that you have more banking experience and expertise than your competition. You begin to show how you are different by drawing on the research you have done prior to the meeting to ask relevant business questions.

### **Identifying and developing needs is the most important step in selling, because in it you:**

1. Create dialogue to uncover your customer's perceived needs.
2. May uncover needs the customer or prospect was not aware of.
3. Get the customer to acknowledge the importance of the need(s) you identify and,
4. Establish the implications of not meeting the needs.

### **Preparation is the key to effectively developing needs and to call success.**

Here are some things to keep in mind:

1. **Be prepared to discuss the industry and the business.**
2. **Position your questions so the customer understands why you are asking them.** For example: *"So that I can be more of a resource to you in the future, I'd like to ask you a few questions about your business."*
3. **Use open-ended and neutral questions to create a dialogue.** Use what, where, when, why, who and how questions. A neutral structure might sound like this: *"Tell me a little bit about..."* or *"Please expand..."*
4. **Use closed-ended questions to get facts and details or to confirm information.**
5. **Listen intently, no multi-tasking. Don't try to think and listen at the same time.**
6. **Stay focused on what the customer is saying instead of thinking about your next question.**
7. **Be sure you understand the customer's responses to your questions.** Use follow-up questions to "drill down" and get more in-depth information. Listen for possible implied needs. Stay with a line of questioning until you understand the need.
8. **Take notes.** Write down key phrases or words the customer uses, not entire sentences. Maintain eye contact. Acknowledge what the customer is saying to demonstrate you are listening.
9. **Use silence or pauses to give the customer enough time to respond.** Pause for at least 2 to 3 seconds before asking you next question.
10. **Avoid answering your own questions with multiple-choice answers.** Don't ask two or three questions in a row—that usually confuses the customer.



# Q & A

## ? What's the best way to follow-up with a prospect after an initial meeting?

Obviously the best approach is to get your prospect to agree to a follow-up meeting before leaving the meeting. If that doesn't happen you need to have a plan. **The most important thing is to know what your objective is—usually it involves getting another appointment or getting the prospect to send you information.**

Review your notes from the meeting. Figure out what specific needs you uncovered. (If you have trouble doing this or if your notes are vague, you may not have had a very successful first meeting.)

Develop the questions you want to ask about the needs you identified. **Your goal is to keep the dialogue going.** You may want to bring some additional information to the discussion based on further reflection about the prospect's situation.

Come up with a good reason why the prospect would want to speak to you again. **Don't wing it.** Way too often bankers dial the phone before engaging their brains. They end up leaving a message that sounds like *"I just wanted to check in with you..."* You can do better than that if you think for a minute about what you're trying to communicate.

**Your follow-up message should be short and to the point. It could include any of the following:**

1. Something relevant that may apply to the prospect's business or industry
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4. Questions you'd like to ask the prospect.
5. A next step.

If you've left a good message for the prospect, decide how and when to follow-up. Some people like to vary their approaches between emails and phone contacts.

## ? What marketing material should I give prospects at the first call?

Do you think that business owners are seduced by slick and glossy leave behinds? Or that prospects actually read them?

Maybe, if the subject relates to a specific need that the customers have that emerged as a priority in the course of the sales call. But my sense is that too often bankers view marketing materials as critical props in a prospect call, which in most cases they are definitely not. Spare your prospects the glossy brochures.

**Focus on identifying and developing needs and then showing how your products can really make an impact on their business.**

After the call you can always send them a note that indicates how much you're looking forward to the meeting you set up for the following week with a living, breathing brochure (your Treasury Management representative or Capital Markets specialist or Trust Officer). Business prospects buy from people, not from brochures.



## Q & A on Account Plans

**? An account plan is a great tool. The problem is getting folks to fill it out completely and keep it updated. The key to being a “trusted advisor” lies in understanding the company’s short and intermediate term goals. We deal with a lot of small companies and many business owners have not thought that through. And I find that bankers are not asking the questions to make them think about it. Any suggestions?**

ANSWER: You’ve got two issues. The first is getting bankers to ask business owners about their medium to long-term plans. Maybe the reluctance comes because many small business owners don’t immediately come up with a coherent answer. It’s OK if you make them think about this. Barlow Research says that about 24% of business owners (under \$10 million in sales) are planning to exit their companies within the next five years, so my guess is that many more are mulling over their options.

The good news is that if you ask customers what they’re planning to do in the next three to five years, you may be able to steer them toward your solutions. With prospects, it’s even better. If their current banker hasn’t broached the subject first, you might get a chance to demonstrate your expertise fast.

Keeping it simple helps; the account plan we recommend calls for checking boxes and short answers. CRM systems are for bullet points, not lengthy memos to the file. (I can’t believe RMs once had time to write those things!) Make sure that bankers focus only on their key and high potential customers and prospects, not on everybody in their portfolios.

The truth is that the only reason most red-blooded bankers will fill out account plans the first time is because somebody is asking them to do it. The way to insure that they continue to update them is to show them that the exercise produces results.

How do you do that? By reviewing the account plans periodically. You can do it as part of regular annual or semi-annual strategy sessions. Attach them to annual credit reviews. Don’t go on a joint call without one in hand. Make sure you ask to see them after important prospects are called on.

Account plans are worth it if you make sure they don’t end up in desk drawers or forgotten in CRM cyberspace.

# Q & A

**?** I made a call on one of the larger law firms earlier this year and got them to agree to have lunch over a month ago. The call went well. I followed up with phone calls and e-mails, and I can sense some momentum, but not lots. They called me back and let me know they have not decided on anything, but should make a decision sometime in about 6 weeks when all the partners are back in town after their vacations. Should I just sit still now and wait?

It sounds like you've made some progress. I think what they are telling you about vacations is plausible. What you do in the interim could include the following:

1. Based on your understanding of their current situation, craft a preliminary proposal for discussion with them. Be sure to share it with anybody at your bank who might be able to give you useful feedback. If your proposal involves things like cash management or investments, get your specialists involved.
2. Invite one of the partners at the firm—somebody you have connected with—to breakfast, lunch, etc.
3. If you haven't done so already, get them on your mailing list.
4. Stay on top of what's happening in the legal profession. Many firms are struggling in the current environment.
5. Call on other law firms. There are lots more fish in the sea. If you've done your homework on the industry, leverage it in prospecting other firms.



## Who Are We?

We work with bank CEOs, Executive Management and first-line sales managers on their toughest sales performance challenges/. We help them improve the consistency of their messaging, change the behaviors of their sales teams, and address infrastructure issues that impact top-line results.

## What is our Consulting Philosophy?

A bank's sales force is only as good as its sales leadership process. Sustainable sales team performance is a direct result of effective **sales leadership**.

## Which Areas of Banks Do We Work With?

Commercial, Middle Market and Corporate Banking teams, Retail units focusing on Small Business or Business Banking (including the branch system if branch managers are making outside calls), Executive or Professional Banking, Private Banking, Treasury Management, Trust and Investment Management and Mortgage Banking.

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