SALES IN FINANCIAL SERVICES

TABLE OF CONTENTS

SALES IN FINANCIAL SERVICES

SALES IN FINANCIAL SERVICES

Notes

LEARNING OBJECTIVES

Following the successful completion of this session, you should able to:

Introduction to Sales Management

- Describe how bank sales and marketing have shifted over the past twenty years.
- Describe the role of selling and sales management as transactions and interactions continue to become technology-based.
- Describe the role of selling and sales management as non-bank competitors enter the market and target bank customers.
- Recognize two common errors in managing a sales program.
- List the components of a sales culture.
- Describe what is required of other bank departments to support a sales culture.

Selling Systems and Processes

- Create a job description, determine criteria and interview to select people who want to sell.
- Describe what training is needed to be effective at selling in a branch environment.
- Explain the five necessary components of an effective goal.
- Describe how to set sales goals for various target markets and skill levels.
- Explain factors to be considered in making annual sales goal adjustments.

- Create a branch sales plan.
- Create a personal sales plan.
- Describe the elements of an effective sales tracking program.
- List two types of tracking programs, and the pros and cons of each.
- Describe three types of sales incentive programs, and the pros and cons of each program.
- Describe two types of reward programs.
- Describe how to structure an incentive program to reward the behavior you desire.

Implementing Sales Routines

- List three methods by which the corporate vision can be communicated, initially and on an ongoing basis.
- List four types of information that should be regularly communicated to performers in a healthy selling environment.
- Recognize the critical role behavior modeling plays in developing and sustaining sales habits.
- Identify and use four basic sales coaching techniques.
- Describe how to recognize and manage fear of selling.

Explain how to reward high performance, and encourage improved performance.

- List three topics to include in every sales meeting.
- List five topics to consider for adding diversity to your sales meetings.

- Explain how to arrange sales meetings with full-time and part-time employees, or when your staff works at different times during the day and night.

- Practice skills through exercises and/or role plays.

- Optional skill practice through case study.

INTRODUCTION TO SALES MANAGEMENT

Overview

For over thirty years, banks have been talking about the importance of implementing and sustaining a sales culture; still many banks have yet to put forth the whole bank concentrated effort that, once achieved, will have a profound impact on profits. Part of the problem may lie in that many may not realize how to go about structuring and managing a sales culture. To understand this issue, it is helpful to consider major movements that occurred within banking the past and present, and to also consider the future of sales and marketing efforts in the financial services industry.

Past

Before the 1970's few sales efforts were established in banking. After that point, many early adopter banks plunged into teaching their bankers selling skills and began to focus on sales activities. Consider the following:

- Prior to the 1970's, banking was highly regulated with little product differentiation.

- Selling was not considered to be a job responsibility until the late 1970's and early 1980's, when the laws changed and non-bank competitors began to emerge.

- Since the 1980's, distribution systems have become more diverse, including ATMs, supermarket banking, internet banking, and mobile banking.

- Mergers, acquisitions and bank holding companies were rapidly forming as a way to increase capital and quickly grow market share and asset size.

- The Glass-Steagall Act, repealed in 1999, allowed for the creation of financial supermarkets, including banking, insurance and investment products and services.

Present

Right now, selling is a firmly established and integral job function within banking. Technology and customer expectation changes continue to challenge and define the role of bankers and banking in America.

- New distribution systems continue to emerge, both internet and mobile banking are considered viable and necessary delivery channels for even the smallest companies, including start-ups.

- Better and improved technology options prevail, both for management and customers.

Future or Now?

- The role of selling continues to evolve and will differ from what we have come to expect and manage.

- Continued migration of customers away from the branch and toward online/mobile options is fast becoming the preferred delivery choice for routine (and even moderately complex) transactions.

- High use of artificial intelligence and predictive modeling to identify and serve the customer's need for financial products. All customer contact personnel will need to be trained to recognize and act on sales opportunities.

- Offering competitive and profitable products will continue to be a critical factor in determining the long-term success and viability of the bank. However, because financial services products and services are by definition undifferentiated (e.g., easily duplicated from one institution to another), competitive advantage will go to the banks that have the highest trained and motivated people in all functions, especially sales.

As we proceed, please remember that this material is designed to introduce banks to the most common sales management systems, processes and routines. The module is not meant to be a complete resource for implementation.

Structuring the Sales Management Process

Two of the most common errors that banks make in managing the sales process are not gaining full support of the organization, especially management, when implementing the new concepts and systems, and not structuring the bank to support the sales function.

An important way to avoid these errors is to begin the process by conducting an annual strategic planning conference that includes representation from all areas of the bank to determine performance goals over the planning horizon (3-5 years) and then identifying what those goals need to be during the upcoming year (budgeting). Past performance, market data, market planning, overall bank goals and internal resources, including personnel are considered in this plan. Corporate goals are set, and communicated to each functional area. ***These become the performance metrics from which the sales planning systems, processes and routines are developed.***

It is critical that the sales management process is supported by several key functions in the bank. Some of these systems are already in place and only require minor adjustments, while others may be new to the bank. All are important and need to be effective.

Current Systems and Processes

The current systems or functions which are important to sales management include: human resources, training, marketing and back office operations. Listed below is a summary of their respective roles:

✦ *Human Resources* – Job descriptions are written with clear sales expectations and updated at least annually. Hiring practices are criteria based. Performance appraisal systems include annual reviews, quarterly updates, and managers who are trained to provide consistent feedback, coaching and effective sales force management techniques.

- *Training* – Training programs are skill based and designed to produce employees equipped with all the capabilities needed for effective selling to include operations, product knowledge, customer service, sales, and, for managers and supervisors, sales management, problem solving, and performance management.

- *Marketing* – Marketing campaigns are established annually to support the sales efforts. Sales tools, such as brochures, handouts, mailings, campaigns, etc. support and motivate the sales staff. The marketing department is typically responsible for sales database management.

- *Back Office Support* – This includes operations, item processing, data processing, loan processing, online and mobile banking site management and customer service support such as call centers and online 'help desks'. All transactions and interactions with customers, internal and external must be flawless 99.9% of the time or the credibility of the sales force will be compromised.

New Systems and Processes

The following new systems, or processes, are typically handled by the branch manager or department manager, and include:

- *Goal Setting* – Setting performance goals for all employees. Example: Each customer service representative will open five new accounts each week.

- *Sales Planning* – Writing sales plans for both branch/department and individuals. Each sales plan includes stating specific goals, identifying activities to achieve the goals, assigning who is responsible for completing each activity and establishing a due date for completion. Some banks create a new position to monitor, measure and report sales results. Because the duties of this important job are often operational in nature it is best titled "Sales Database (or Program) Manager. This ensures that the person hired to serve in this capacity understands that s/he *does not manage the sales people* and signals to managers that they are accountable to meet their goals and manage their sales force.

- *Tracking and Monitoring* – The use of a tracking system to monitor progress and report results. A tracking system can be as simple as making tick marks on a log sheet each time a sale is made, then tallying these results at the end of each day. Most banks today, however, are using technology-based tracking systems, thereby reducing errors and ensuring consistent reporting of sales results

- *Incentives and Rewards* – Implementing an incentive and reward programs. A simple example of an incentive and reward program is paying $5.00 for each new checking account opened during the month of August.

- *Communicating* – Establishing and using ongoing, bank-wide communications. This can be as simple as writing a newsletter each month that announces top performance results, but often includes more frequent short messages to provide information, motivation or encouragement to the organization

Sales Routines

In addition to the new systems and procedures, the following routines support and ensure that the sales personnel stay motivated and have a better chance of being successful.

- *Coaching* – Daily coaching shapes and reinforces desired behavior. An example of a manager coaching can be as simple as complimenting an employee when he or she cross-sells multiple products, or providing corrective feedback when an employee makes an error in their paperwork.

- *Meetings* – Meetings can be conducted daily, weekly, quarterly, and annually and typically provide feedback on performance and motivation to performers.

- *Appraising* – Performance appraisals, conducted annually and updated quarterly, serve as a development tool and ensure accountability. Performance development plans are written annually as part of this process. An example is provided in the appendix.

- *Celebrating* – Periodic celebrations reward performers and high achievers, and support teamwork and bonding. Example: Some banks have sales rallies before or after work, and some banks have a party to celebrate a good month or year.

As you can see, effective sales management is the result of various systems and processes, coupled with a routine that collectively produces the desired results.

SELLING SYSTEMS AND PROCESSES

Selecting and Training Salespeople

One of the most critical pieces of sales management is hiring and training people who want to sell. All of the systems, processes and procedures amount to very little if people with the wrong skill set have been hired for this job function or if they do not do what they are supposed to do. This process begins with writing a thorough job description.

Writing Job Descriptions

Understanding what the job of selling actually requires and hiring people who want to do that job with energy and enthusiasm is the first step to establishing a solid sales management program. Start by writing a job description for each sales position. A job description should describe the knowledge, skills and abilities required to be successful in that position. These are commonly referred to as “KSAs”, which are described below:

- **Knowledge** is information that you must *know* in order to be able to do the job correctly. (Example: knowledge of United States currency)

- **Skills** are behaviors that you learn in order to perform the job correctly. (Example: count a tray of $25,000 in 10 minutes or less)

- **Abilities** are qualities you must be able to do in order to perform the job correctly. (Example: see money, pick up money and perform rapid movements with hands)

If you do not have job descriptions, or if they have not been updated in a long time, there is an easy way to start the process. Find a person who is doing the job correctly and ask her to keep a journal of everything that she is doing daily for at least two weeks (and preferably for one month). When reviewing the individual’s list, determine if the items would be classified as knowledge, skills or abilities. [This is an example of where the support of other departments, e.g. HR, in the bank is needed.]

Exercise: Identify KSAs for a Customer Service Representative

Listed below are qualities of effective sales people. Determine if these represent knowledge (K), skills (S) or abilities (A) by writing the appropriate classification next to the word.

______ Knows bank regulations as they pertain to the job of a teller.

______ Uses open probing skills when determining a product or service for customers.

______ Hears, understands, and reacts appropriately to comments made by customers and co-workers.

______ Manages multiple projects and meets deadlines as needed to be effective on the job.

______ Understands and competently uses spoken language when interacting with customers.

______ Delegates work and completes projects on time.

Training Your Sales Staff

There are literally thousands of options available for training your sales personnel including books, audio tapes/podcasts, videos, DVDs, web-based training and computer-based training. Decide which method you want to use based on the time and budget available. If you are unsure of how to configure a training program, you may want to talk to fellow bankers that you have met through professional organizations about their training methods and whether or not they are pleased with the results. [Again, call on internal resources where available…HR/Training, Technology (for computer-based instruction).

The following illustrates necessary training to be effective at selling in a branch environment.

New Branch Employee (Complete within 90 days)

- Systems Training (computer and telephone)
- Operations
- Product Knowledge
- Customer Service/Active Listening
- Needs Based Selling
- Individual Goal Setting

Advanced Training (Complete within 6-9 months)

- Talking to customers about loan needs
- Effective referrals to consumer or commercial lenders
- Analyzing Financial Statements
- Sales Review

Group Discussion: Determining the Best Training Methods

Working in groups of three to five people, discuss the best methods of training the skills listed above. Be prepared to share your answers with the class.

Setting Sales Goals

One of the most critical elements of a successful sales management program is effective goal setting. Goal setting is determining in advance what sales results you are trying to achieve during a specific time period. This process provides everyone in the company with a clear understanding of what needs to be accomplished and by when, and who has been assigned each activity.

How Do You Determine What Goals to Set?

At the bank-wide level, senior management determines what the bank needs to accomplish in order to meet financial objectives during the next fiscal year. Bank-wide goals are then developed to reach those objectives. For example, if the bank wants to achieve a certain net profit, set that profit figure as a goal, and then determine everything else that needs to be done to meet that goal. If you need a certain amount of fee income in order to increase profits as desired, establish a goal for fee income.

If you need more deposits or loans outstanding on the books, establish deposit and loan growth goals. Continue this process until goals are established for every objective that needs to be met. At each other level of the goal setting process, goals are determined according to the ability of the division, branch or individual to contribute to the overall plan for the bank. Each division, branch and individual establishes goals for the objectives they are capable of affecting.

Several types of commonly used goals are:

- Net growth of deposit balances
- Net growth of loans outstanding
- Fee income generated
- Profit (the product of multiple other goals)
- Number of products sold
- Amount of risk (bad debts, losses, etc.)
- Retention percentage (accounts, staff, etc.)
- Cross-sell ratios
- Number of activities completed (sales calls, phone calls, etc.)

Other goals that may be set at the branch and individual levels may include customer service goals, or even operations goals that, if not performed correctly, impact sales goals.

What Makes A Goal Effective?

The most important concept to remember is that you want your goals to be SMART:

Specific – What exactly do I want to sell/grow/do?

Measurable – By whom, how much or how many?

Attainable – How will I do this?

Realistic – Is my goal too high or too low?

Timely – By when will I accomplish this?

Goals should be specific so employees know exactly what to focus on, whether it is a growth measurement to reach, product to sell or activity to do. Measurement, or the ability to track progress toward a goal, is another key element in goal setting. Any goal you set needs to be measured to see whether or not it is accomplished.

Goals should also be attainable and realistic. If you are not sure, ask the employees to explain how they would reach the goal. If they cannot conceive how a goal would be obtained, it won't be. Setting goals too high, especially early in the process, will sour employees to the sales program, negatively impact morale and may lead to mediocre effort since they perceive the goal won't be reached no matter how hard they work. The converse is also true – goals that are too easy to attain and require no "stretch" effort falsely communicate that your program requires no special effort and the goals are therefore less important.

Exercise in goal setting:

Write a bank goal making sure that all SMART principals are being followed.

____

____

____

____

____

How Do You Determine Numbers and Time Frames?

If your bank has never established goals in the past, the best way to start the process is to take the sales results achieved during the previous year and add 10 to 15%. If the employees easily reach a goal set this way, you can safely move the bar a little higher. Goals should be high enough to motivate people but not so high as to overwhelm them. A good guideline is that performers should be able to see the goal and realistically think that they can at least make 60% of it.

Establishing Time Frames

Once annual goals are established by senior management, the division and branch managers take the process one step further to establish quarterly, monthly, weekly and daily goals for their areas and each of their employees. For example:

Goal to be determined:	***Divide annual goals by:***
Quarterly	**4**
Monthly	**12**
Weekly	**52**
Daily*	**240**

[*Assumes 20 working days/month]

To determine daily goals by employee, divide the daily goal for the department or branch by the number of employees in it. Full time and part-time staff should be included in goal setting, with part-timers receiving proportionately smaller goals. This supports the concept of a "team" and allows everyone to be included in the sales management process. Typically, part-time worker goals are adjusted to reflect the number of hours actually worked.

Adjusting Goals for Different Markets and Skill Levels

It is appropriate to adjust goals to reflect the market or an individual's level of expertise. For example, say you have four branches – two are in areas of the city where young families live and significant growth and construction is taking place, and two are in older, established neighborhoods with many elderly customers. It makes sense to adjust your goals to reflect the needs of each market – higher loan goals for the younger area, and higher deposit goals for the older and more established area.

Likewise, when dealing with goals for individuals, give your seasoned and more experienced bankers more challenging goals. Provide newer employees goals that are more likely to be achievable for someone at their skill level.

When to Set, Adjust and Review Goals

Goals are usually set annually by senior management during the fall for the upcoming year, and then distributed to each division to create quarterly, monthly and daily plans. Each quarter, managers may want to revisit quarterly, monthly and daily goals and adjust them to make sure they are realistic, as well as account for campaigns or promotional activities that could skew results. Many branch managers compare goals to actual production daily, never allowing themselves to "get behind" in attaining them. Daily review is recommended. At the very least, branch managers should review goals versus actual production weekly.

Senior management should review goals versus actual weekly, but no less than monthly; this allows them to notice very quickly if any area or objective is behind plan, so action can be taken immediately to get back on track and reach the goals. It also gives them information on individuals so they can congratulate high performers, and provide encouragement to those who are struggling.

Exercise: Setting Sales Goals

Break down an overall annual loan outstanding growth goal of $10,000,000 into quarterly, monthly, weekly and daily goals for two branches. One branch is in a new neighborhood with many young families, and the other branch is in a neighborhood with many retirees. Next, break one of the branch's goals down into monthly, weekly and daily individual goals for a branch manager, an assistant manager and three customer service representatives; one of the customer service representatives has only been with the bank two weeks.

Use the Goal Minimizer worksheet in your appendix for this exercise.

Developing Personal and Branch Sales Plans

Once goals are established, the next critical step in the sales management process is developing sales plans for the branches and for each individual responsible for selling. While goals tell you where you need to go and by when, a sales plan provides the road map for how you plan to get there.

What Does A Sales Plan Include?

Sales plans should be written for the branch as a team and for each individual in the branch with sales goals. Examples of both types of sales plans are included in the appendix. Both branch and individual sales plans should include the following:

Goals

The first step in writing a sales plan is to restate or include the goals you have already determined to accomplish. Make sure that you write the goals in terms that are specific, measurable, attainable, realistic and timely.

Activities

The next step is to identify and include all the activities you and your staff can do to make sure you accomplish each goal. Some examples of activities are: 1) Make ten phone calls or e-mails to targeted home equity prospects per week, or 2) Open two new interest checking accounts per day. Each goal in your plan may have several activities associated with it to make sure it is accomplished. Try to think of every possible activity you or your branch could do to help reach the goal and write them in the plans. Just like goals, activities need to be SMART: specific, measurable, attainable, realistic and timely.

Responsibility

One of the keys to writing a good sales plan is to make sure it identifies who is responsible for making sure each activity is done. For the branch plan, make sure each activity has a champion to see that it occurs. For example, if one of the activities you include is a promotion for car loans, assign tasks and goals for the promotion to everyone at the branch to make sure they know what they are responsible for doing and achieving. Write those responsibilities in the branch sales plan; this insures that the promotion is done as planned, that it occurs when planned and that it is successful. For individual plans, the person for whom the plan is written is responsible for each goal and activity listed. Managers and supervisors are advised to work collaboratively with each individual to ensure s/he understands and fully embraces accountability for the plan .

Deadlines

All activities need deadlines, just like goals need time frames in order to be meaningful. Each activity in the sales plan needs to have a stated time by which the activity should be done. Saying that you will contact ten customers about opening a new money market account without stating a deadline for that activity to occur is too vague to be truly motivational. Saying you will contact ten customers each week this month about opening a new money market account is much more specific and provides more accountability.

How Often Do You Write A Sales Plan?

Branch sales plans are usually written on a quarterly basis, although they can be adjusted monthly or as needed to account for new opportunities or obstacles that could affect the branch's ability to meet its goals. Examples of things that merit an adjustment to the plan include a newly announced advertising and direct mail campaign that could bolster sales beyond expectations or the realization that a planned activity did not achieve the results needed to reach your goals.

Individual sales plans should be written monthly, to coordinate with the quarterly branch sales plan. An individual sales plan helps employees determine what activities they spend their time doing each day, so the individual sales plan needs to be updated and adjusted for any opportunities or obstacles as they occur.

Exercise: Developing Personal and Branch Sales Plans

Write a portion of a branch sales plan, using the Sales Plan worksheet provided in the Appendix. Use the quarterly loan growth goals determined in the goal setting exercise. Include at least three planned activity goals for the plans. Be prepared to share your plan with the group.

Using Tracking and Reporting Systems

The main idea behind a tracking system is record keeping – being able to quickly determine whether or not you are reaching your sales goals or performing your planned activities. A tracking system also allows you to determine which sales employees are high achievers, which are moderate achievers and which require additional support.

What to Measure and Why

Basically, you should track anything that is important to your bank. Any goal you have set or activity you have planned must be tracked in order to know if you are successful.

This means that you may need the ability to track many things. The most common statistics tracked and reported are listed below, as well as how often the reports should be available:

Per Individual (on a daily, weekly, monthly, quarterly and annual basis)

- Name
- Branch
- Products sold by type
- Activities stated in plans (calls, prospects, applications, etc.)
- Cross-sell ratios
- Balances/Outstandings
- Risk measurements (over/short, charge-offs, bad debt, etc.)

Per Branch or Division (on a weekly, monthly, quarterly and annual basis)

- Branch/Division Products sold by type
- Activities stated in plans (calls, meetings, promotions, etc.)
- Cross-sell ratios
- Balances/Outstandings
- Risk measurements
- Profitability
- Fee Income

Bank-wide (on a weekly, monthly, quarterly and annual basis)

- Branch
- Division
- Products sold by type
- Cross-sell ratios
- Balances/Outstandings
- Risk measurements
- Profitability
- Fee Income

WHAT ARE THE ELEMENTS OF A TRACKING SYSTEM?

The main requirement of a tracking system is that it is capable of measuring and reporting results for the activities and outcomes you need to understand to effectively manage the sales effort. There are several ways banks do this, and in some cases, it may be necessary to use a combination of tracking methods.

The two broad categories of tracking systems are manual and automated. Typically, bank size and complexity will determine the number of different statistics you need to track. It is critical to understand what information is important and how it will be used in order to make an informed decision about the type of tracking system, or combination of systems, required. That information also helps avoid expensive and time-consuming errors when purchasing a more sophisticated software system.

Manual Tracking Systems

Manual tracking can be as basic as a tick sheet, with totals tallied and reported weekly. The tick sheet can be as simple as a pad of legal paper or as complicated as a web-based tracking system. A sample of a manual tick sheet is in the Appendix.

The reporting capabilities of a manual tracking program are limited to specific needs or requests of management and the creativity and talent of the person responsible for maintaining and compiling the data. In some cases, reporting may only be as sophisticated as a tallied tick sheet for the week, faxed or e-mailed to whoever needs the information. In other cases, tracking and reporting may be the responsibility of one person, or a team, who gathers the information from the tick sheets, creates and generates the reports, and distributes them on a regular basis.

The important aspect of a good manual system is that it is capable of recording the needed information and reporting it to the people responsible for managing the sales process. The downside of a manual system is that it is by nature self-reporting and therefore subject to human error or even (unfortunately) exaggeration of reported results.

Automated Tracking Systems

There are many types of automated tracking systems available. Some are more truly automated than others are. Some banks use spreadsheet programs where results are compiled in worksheets on an individual and branch basis, then rolled up into preprogrammed division or bank-wide reports. Once the worksheets and reports are set up, the program actually does the computations and generates them automatically, although the data *must still be entered manually* as sales or activities occur.

There are also many types of software available, designed specifically for tracking sales production. Sales tracking software typically includes the capability to produce standard and custom reports. Some of these programs require data input from a central location, where others allow data input at the branch level with weekly or even daily download capability.

Programs are also available with immediate or real-time feedback with sales data captured online as the sales occur. With these programs, information can be compiled, arranged by division, branch, or individual, and posted online for review at any time.

WHAT TYPE OF TRACKING SYSTEMS WORK BEST?

The best tracking system for your bank depends on several factors because each system has its pros and cons. The main things you need to keep in mind when selecting which tracking system is right for you are:

- The complexity of your information and reporting needs. Is the information you need to report complex or voluminous to gather and report or fairly simple and easy to capture and distribute?

- The size of your bank and branch network. Are you gathering sales data from a relatively small number of branches, such as 5 or 10, or do you need to compile data from a large number of branches, such as 50 or 100?

- The resources you have available (budget, staff, existing computer systems, etc.). Do you currently have a platform system that could be interfaced with an online tracking system, or do you operate on a paper based system that is fairly manual?

The following chart shows how your needs can determine the best type of tracking system to use:

Manual Tracking:	**Automated Tracking:**
Straightforward, simple reports	Complex reports and projections
Limited number and type of reports	Larger number and variety of reports
Weekly reporting is as frequent as needed	Reports are more frequently needed or needed on an ad hoc basis
Small number of branches to track	Large number of branches and sales people to track
Limited budget to spend on tracking	Budget available to buy software and/or hardware
Existing staff able to absorb responsibility or small additional staff can be justified due to cost	More staff would likely be required to manage a manual system than to manage an automated system
Paper based, manual loading of sales	Centralized loading of sales or platform system whether online or not

Who Should Receive Reports?

Everyone involved in selling or in managing the sales process should receive progress reports of actual sales versus goals. Senior management needs to review reports for the bank as a whole and for the divisions or branches they are responsible for managing. Weekly, monthly, quarterly and annual reports should be distributed so it is easy to see at all times where the bank stands to meet its goals. Frequent reporting allows you to see any problems quickly so you can make adjustments to get back on track.

Branches and individuals also benefit from reports showing where they are compared to goal on an annual, quarterly, monthly, weekly and even daily basis. If automated daily reports are not available, the branches should create their own manual tracking system to monitor their sales plans and see how results for the branch, and for each individual, compare to their daily goals. It is also recommended that branch managers be provided with weekly reports to show how their branches compare to goal, along with the same data on other branches for easy comparison.

Effective Reporting Methods

Managing the distribution of the tracking reports may seem like a daunting task. To make it simpler, banks establish systems, or methods, to organize the reports for easy access. A few of these methods are described below:

Sales Management Notebooks

Create a notebook with tabs for goals, sales plans and each type of report needed to manage the sales process, such as net growth, product reports, P & Ls, etc. Everyone involved in selling or managing sales should have a notebook, or they should have access to one that includes the information they need. As an example, a branch sales management notebook needs tabs for branch goals, sales plans and tracking reports, plus tabs for individual goals and sales plans. Each individual may also want to keep a personal notebook with his or her individual goals, sales plans and daily/weekly/monthly sales results.

Online Reporting

Banks with automated tracking systems often produce reports that are accessible online. Standard reports are created and posted on a computer network. Different levels of authority or security are established for access to the reports, such as individual sales reports, branch sales reports, division sales reports and senior management reports. Anyone with the proper level of authority can pull reports off the network at any time, eliminating the need to distribute large amounts of paper, and thereby saving time and money.

Leader Boards/Newsletters

Many banks also find it helpful to distribute sales results in leader boards and newsletters. Leader boards are one page summaries of sales results by category, which include all branches or divisions for easy comparison. They are especially helpful for reporting results during promotions or campaigns where all the branches are competing.

Newsletters contain sales results similar to leader boards as well as sales tips, sales success stories and other valuable sales related information. They are typically published on a regular basis, such as monthly, weekly or even daily.

Developing Incentive and Reward Programs

Goal setting, sales plans, tracking and reporting are essential elements of a sales culture. Incentives and rewards are also powerful motivational tools that quickly and directly impact the sales results you desire. An incentive is a reward providing motivation to accomplish a sales or activity goal. It can take the form of money, prizes, trips, time off, plaques, awards, recognition or anything that would motivate a particular individual or group of individuals to succeed.

Incentives are most powerful when they are packaged as an effective incentive plan. An incentive plan is a carefully thought out program where sales and desired sales activities are monitored and reported, and the sales people are paid or rewarded for achieving their goals. The most effective incentive plans are open to all sales people, are communicated clearly and are easily understood by all the participants. Most importantly, there must be a clear line of sight between reaching a sales goal and the actual incentive to help ensure employees clearly understand which are the most desired activities and outcomes.

The most effective incentive programs currently used by banks include a combination of monetary awards/prizes and public recognition

- *Points acquired for each sale*, leading to purchase of merchandise or a trip.
- *Money paid per product sold* or per activity completed.
- *Money paid as a percentage of the goal achieved*, such as net growth in deposit balances or loans outstanding, a fee income target accomplished, profitability threshold met, etc.

- *Membership and recognition* in an exclusive club for achieving or exceeding goals (President's club, Chairman's club, etc.).
- *Special privileges*, such as days off or a weekend at the President's beach house.

Why Select One Type of Incentive Program Over Another?

The most important aspects of an incentive program are that it provides true motivation for the participants, and it rewards participants for the behavior and results you want. Make sure that the incentive plan you put in place accomplishes both these things, and it will benefit the bank and the employees.

In order to be truly motivational, the incentive program mirrors the goals established for your sales people. It should be attainable and include incentives or rewards that your sales people desire. Because of varying corporate cultures, meaningful rewards or incentives may differ by bank. Unique incentives may even need to be established for different groups of employees within a bank. For some employees, money provides the most meaningful incentive. For others, profit sharing and stock options are more effective. In other cases, prizes, trips, time off or public recognition may be more highly valued. Find out what rewards are most meaningful to your sales force then structure your program with those in mind.

How Do You Set Up an Incentive Program to Reward Desired Behavior?

Create a program that pays for results you want to accomplish. You will find your sales people adapt very quickly to focus on the activities they need to do to make the most incentive. For instance, if you want to sell more home equity lines, pay a higher per product incentive for each home equity line sold. You will be amazed by the results you get when you pay $50 for each home equity line closed, and only pay $15 for an auto loan or $5 for a credit card.

If you don't really care to focus on particular products but want to make sure that net deposit and loan growth are at top of your staff's mind, pay a percentage of the goal, such as .5% of $1,000,000 in net loan growth. This type of program can provide a very meaningful incentive. Some banks have found that structuring incentives this way eliminates "product pushing", and it focuses sales people on developing deeper customer relationships with a broader mix of products. This has the added benefit of increasing customer retention, which is an early indicator of improved profitability.

If you want to improve branch profitability, establish an incentive plan that pays for reaching profit goals—but set guidelines for how those goals may be achieved. Failing to replace a customer service representative will save salary and incentive dollars in the short-term, but may negatively impact customer service/satisfaction. The same holds true with any goal that merits a salesperson's focus. In fact, you can design a program to reward nearly any behavior you want! Just make sure that the goal is attainable, otherwise people will be discouraged.

How Do You Know What to Pay?

Deciding what you want to pay for any incentive boils down to one principal – profit. Incentives and rewards should be large enough to motivate your sales force. Make sure they are worth the effort. At the same time, it is important not to overpay. When structuring a successful incentive program, understand how your incentives will impact profitability. After all, your program is supposed to help the bank meet its goals, not eat up the bottom line.

If you structure a program that pays per product incentives, first determine the amount of profit you can make, on average, for each product sold by product type, being sure to take into account estimates for direct (e.g. customer facing personnel) and indirect (e.g. back office processing) costs. Then determine the amount of incentive you can pay for each one while still making money for the bank. For a program that pays a percentage of net growth, it is essential to understand the spread or the yield the bank makes on those balances. Then determine the percentage you can pay as incentive for reaching the goals without reducing the net spread by too much.

After you have designed your plan, it is a good idea to figure a total amount that you would pay if 50% of the goals were met and make sure that amount is in your budget. If the number is outrageous, rethink the plan and only publish one that you are able to honor regardless of how positive the outcome.

Disincentives

Purposeful disincentives

Sometimes you may want to use your incentive program to discourage undesired behavior. Disincentives are powerful tools you can use to turn that behavior around. One example of this is not paying incentives on the products you do not want to sell or for products that are unprofitable. Another is withholding sales incentives that are earned because other aspects of an employee's behavior are unacceptable – such as too many charge-offs, a large number of loan exceptions, etc. Whether the signal is subtle as in the first example, or more obvious as in the last, your sales people will take notice.

Fatal errors

The power to withhold sales incentives after they have been earned is an awesome one. As long as the rules are understood, employees can accept the outcome. Make sure you explain any reasons that incentives could be withheld on the front end when you first communicate the plan. Most importantly, set the expectation at the outset of any program rollout that 'gaming' the system is unacceptable and will result in withheld incentives and potentially serious disciplinary consequences. An example of this is closing a current account to add a new one or splitting a $50K CD into two $25K CDs to inflate the 'new accounts sold' goal (yes, these are real life examples).

From time to time, a company may make the fatal error of withholding incentives that are earned according to the rules, or altering an incentive program midstream without paying what was promised. This usually occurs when sales are better than expected and the incentives turn out to be much greater than the amount budgeted to pay them. This is a mistake that can dishearten even the best and most consistent performers.

Once an incentive program is communicated, the best thing to do is honor it to the letter - regardless of how amazing the results are – even if it causes you to pay more than you budgeted. Reneging or changing the rules midstream causes mistrust, making your incentive program meaningless to your sales people. They won't trust the bank to honor it, so they won't put their whole efforts into the sales process. If you must make changes to the plan that could negatively impact the amount of money employees will earn, honor the incentives that have been earned so far and then change the plan going forward.

Exercise: Incentives and Rewards.

Can you answer the following questions? Work with a partner with one person answering questions one through three, and the other person answering questions two through six.

1. Name three of the five most popular incentive programs banks currently use.
2. What makes an incentive program truly motivational?
3. How do you set up an incentive program?
4. How do you know what to pay?
5. What is a disincentive?
6. What is a fatal error, and how would you recover?

IMPLEMENTING SALES ROUTINES

Communicating the Vision

Establishing solid and effective communication is another important component to sales management. Listed below are some of the methods that, when used as a regular and ongoing part of management, ensure that all performers are up to date on all matters important to their performance.

What Should be Communicated and to Whom?

In the past, knowledge was considered to be a form of reward for managers, and the higher your position, the more information you received that was not shared with subordinates. This **outdated** mindset can cause employees to become distrustful. The list below provides ideas of what type of information should be regularly communicated to participants in a selling environment.

Notes

Communicate to All Participants

- ✯ Corporate vision
- ✯ Sales campaigns
- ✯ Sales expectations
- ✯ Detailed information about the current product line
- ✯ Daily, monthly, quarterly, and annual performance goals
- ✯ Budgets
- ✯ Recent successes and stories of best practices
- ✯ Changes in the competition
- ✯ Changes in market conditions, pro and con
- ✯ Other concerns of a general nature,

Communicate to Managers Only

- ✯ Pending managerial changes
- ✯ Pending strategic changes
- ✯ Upcoming product changes

Communicate to Individuals Only

- ✯ Individual performance concerns

Communication Methods

Although it may seem obvious, many bankers forget that they have many methods by which communication can take place. Use all of the methods available for variety.

- ✯ Annual bank-wide meetings or sales rallies
- ✯ Quarterly bank-wide meetings or sales rallies
- ✯ Monthly or quarterly newsletter
- ✯ Weekly newsletter during campaigns
- ✯ E-mail or Video (YouTube)

- ✯ Letter from the President
- ✯ Weekly or daily branch meeting
- ✯ Personal notes from manager thanking employee for extra effort
- ✯ Bank-wide voice mail or e-mail
- ✯ Reading file from various bank magazines on pertinent articles
- ✯ Reading file for the local daily newspaper

Coaching High Performance

Did you know that one of the best ways to motivate your employees to sell is to provide regular coaching? Most sales employees, when asked, feel that they do not receive enough coaching, and therefore, they welcome the opportunity to receive more feedback. Coaching is not a performance appraisal. It usually takes place instantaneously, and it shows the performer what he or she is doing correctly or incorrectly so that adjustments can be made.

Statistics show that without coaching most behavior adjustments made after attending a training program are lost. Based on this statement, it is obvious that coaching is one of the most important and critical things that you can do as a sales manager.

There is also a significant amount of evidence that proves that if the manager's skills are significantly different from what is being trained, measured and given incentives, then behavior change will not take place. The converse is also true – if a branch manager has mastered selling skills and performs effectively according the sales process, so that employees are able to view these attitudes, behaviors and skills being used on a daily basis, they tend to model and adopt them as their own.

There are five basic coaching techniques that can be used to help improve employee's performance. The techniques are listed below:

One-on-one spontaneous coaching
The manager provides instant feedback on a skill the employee has done well or on areas needing work; this takes place throughout the day and is not planned.

Coaching following a planned observation
The manager and employee determine a time when the manager will observe the employee performing, and they meet afterwards to discuss what was done correctly and where additional growth is needed. This can be accomplished during a sales call, by conducting a role play, observing from a nearby location or through telephone monitoring. Typically the manager will encourage the employee to work on just one or two things per coaching session.

New Employee Mentoring and/or Observing a High Performer
When using mentoring, a new employee is coupled with a seasoned employee who is a high performer, who provides personal coaching and regular feedback over a period of one to two months. Typically mentors are provided with a list of the skills they are to train and coach so that as the employees work together, the new employees' progress is being noted. A second method is to ask the new employee to observe a high performer working and create a list of all of the things he or she is doing correctly that allows him or her to be successful. Sometimes the new employee is named "sales assistant" so that he or she is able to learn all of the details involved in selling and servicing an account.

Skill Drills
During sales meetings, the manager returns to the content studied from a given training program and conduct drills to renew and refresh skills.

Role Plays
During sales meetings and using actual selling situations, role plays are conducted to practice the skills studied in a training program and receive constructive feedback from the manager. When role playing, one person plays the role of the banker, one person plays the role of the customer, and one person is an observer. Critique is provided by the observer following the role play, and then roles are rotated so that eventually, everyone plays the role of the banker once. Ideally, role-plays should not be interrupted while they are taking place, and feedback is provided at the end of the role play. A feedback sheet can be prepared to assist the observer while they are listening. (A sample of an observer's feedback sheet is provided in the Appendix).

How Do You Give Feedback?

Some managers make the mistake of never providing feedback when things are going well and only providing negative feedback when correction is required. Studies show that behavior decreases when it is either ignored or punished, and increases when it is praised or rewarded.

Therefore, try to use praise often when attempting to change habits or the behavior patterns in employees. Say something positive when performance is as it should be or when it is improving and be specific.

To praise an employee, you should:

- ✯ Specifically state the BEHAVIOR that you are praising.
- ✯ Tell the employee WHY it was good/important to the company.

For example, if you hear an employee selling and they are doing a good job using open questions, you might say "You really asked good open questions during that sale, which resulted in two additional cross-sells. Keep up the good work."

Correcting an employee

When giving corrective feedback, make sure you:

- ✯ Tell the employee what they are doing well as it relates to the behavior being corrected.
- ✯ If there is nothing genuine that you can think of, skip this step.
- ✯ State the BEHAVIOR to be adjusted. Avoid the use of the word "you." Say "Open probes were not used", not "You did not use open probes."
- ✯ Get the employee's input on how this can be improved or changed.

For example, you may say, "I know that we need to protect the bank by asking for proper identification, which I appreciate, however, the tone of voice that was used really seemed to upset the customer. Did you notice that?"

When providing corrective feedback, be careful with your voice tone and body language. Try using a neutral voice tone; with the same intonation that may be used to say, "I'm going downstairs to get a drink of water." Do not close your body language by crossing your arms or frowning – both of these tend to cause the people to whom you are speaking to become defensive.

Focus only on one or two items when correcting. Don't compare employees, as this makes people defensive and will ruin the relationship between the two being compared. Most importantly, do not give corrective feedback in public, when the employee is tired, or when they are too busy or distracted.

Try to praise three times for every time you correct, and keep a record, if possible, of your coaching so that you will have this to refer to for performance appraisals and to help you stay on track.

Conducting Sales Meetings

Sales meetings are important because they provide an opportunity to refocus your group on the goals and action plans most likely to produce an increase in sales. They also produce a sense of belonging and common purpose, and to this extent, they are highly motivational. When meetings occur at the same time each week, they provide a built-in "deadline" for achieving sales results that can help keep your group focused and on track. Sales meetings do not have to be a big production, but rather, they should be a genuine show of your emotional support to the group and their goals.

Don't schedule a sales meeting at the same time you schedule other meetings, as you will find that the sales material will tend to get crowded in the agenda with other non-sales items. Hold one weekly meeting that will last anywhere from 15 to 20 minutes and then daily 5 minute "rallies" to keep people focused and enthusiastic about their work.

Every meeting should have a clear purpose, and an agenda should be prepared. Of course, you will want to review goals and the sales action plan. Your commitment to your sales meetings is a commitment to the growth of your staff and the meetings should not be cancelled unless it is completely unavoidable. Most importantly, have fun in every meeting so they become anticipated events and not dreaded reviews of numbers.

What Should Be Included on the Agenda of Every Sales Meeting?

- Stress the importance of the week ahead, such as, three weeks left in the campaign, one more month in the quarter, etc.
- Review sales statistics: How much have we produced? How does this compare to monthly, quarterly and annual goals?
- Review the branch sales plan. Are we on track?
- Review individual production reports and celebrate successes.
- Establish a focus or objective for the week.
- End the meeting on a positive note by providing one productivity tip or motivational theme for the week.

To Add Diversity to Your Sales Meetings, Consider Adding One or Several of the Following:

- Guest speaker
- Product training
- Skills review
- Tips on how to be more productive
- Role plays
- Book or article reviews, which focus on "How can we use this idea in our bank?"
- A "good things" report

Encourage Group Participation

If you worry about having time to plan sales meetings, delegate this responsibility to someone else in your area. For example, one bank has a rotating "Sales Leader" who is responsible for organizing and conducting sales meetings each month for one quarter.

You can also encourage people to participate by using one of the following ideas:

- Give participants a pre-meeting assignment.
- Organize small group discussions to solve a common problem.
- Brainstorm ideas on a white board/flipchart.
- Stand during the meeting.
- Follow your agenda closely.
- Ask open questions that encourage people to talk.
- Make eye contact with participants.
- Establish a rule that each idea presented requires one good thing mentioned before any criticism will be heard.
- Circulate agenda early and encourage people to add to the agenda.

How Should You Arrange Meetings with Full- and Part-Time Employees?

- Assign a "scribe" whose job is to take notes and share the results of the meeting with those coming in at different times.
- Conduct shorter meetings when all staff is present.
- Video or tape record the meetings and make them required viewing/listening.
- Occasionally have meetings after hours.
- List key points in a "Meeting" folder – pass around and have all sign after viewing.

Exercise: Small Group Discussion

Working in groups of three to five, write an agenda for a sales meeting that will take three to five minutes. Select a team leader and be prepared to role play the meeting if asked.

Notes

SUMMARY

For more than twenty-five years, banks have been talking about the importance of implementing and sustaining a sales culture, yet many banks have yet to put forth the whole bank concentrated effort that, once achieved, will have a profound impact on profits. If the problem lies in not realizing how to go about structuring and managing a sales management program, use the components listed in this program as an outline for putting all of the pieces in place. There are also many excellent resources available online or in your local library. Your state banking association also provides information and seminars that can help support this process.

A Glossary found in the Appendix provides a list of terms unique to the sales management process. Full implementation can take as long as three to five years; therefore, managers should be aware of this and ready to make changes as needed. A well-managed sales program will dramatically increase the profits for the bank and produce a company for which all employees can be immensely proud. It is well worth the time and effort required.

APPENDIX

Sales Management Worksheets

- **The Goal Minimizer Worksheet**
- **Sales Plan Worksheet**
- **Tracking and Monitoring Worksheets (Monthly Sales Logs)**

Optional Sales Management Case Study

Glossary of Terms

Goal Minimizer Worksheet

What annual sales goals have been set for your branch?

List these below:

Deposit: $3,000,000 increase

Credit: $750,000 increase

Now, break this goal down into a quarterly, monthly, daily and individual sales goal:

To Find Your:	Take Your Annual Goals	Divide By:	Minimized Goals
Quarterly Goals	D $3,000,000 C $750,000	4	$750,000 $187,500
Monthly Goals	D $3,000,000 C $750,000	12	$250,000 $62,500
Daily Goals	D $3,000,000 C $750,000	240	$12,500 $3,125
Individual Goals	D $12,500 C $3,125	# of FT Employees	$2,500 $625

(Blank Page)

Monthly Sales Plan

Branch: Main Bank

Month/Year: July – 2012

Goal	Activities to Reach Goal	Who Will Do This?	Due Date
#1 $250,000 in New Deposits.	Ask each new account customer about at least one additional deposit product.	All	End of Month
	Call Certificate Customers for additional deposits.	Managers/CSR	15th
	Ask CD customers for referral business.	All	End of Month
#2 $62,500 in New Loans.	Ask customers with children in private school or college about an equity line for tuition payments.	All	All month
	Call customers with three years plus old car/loans. RE: new car promotion.	Managers/CSR	20th
#3 Answer the telephone by third ring and apply proper phone skills.	Have refresher review of skills and prepare job aid to remind all of requirements.	All	All Month
	Daily reward for individual who does the best job.	Manager	Daily
	If month goes well, hold a pizza party for the branch if goal is met.	Manager	End of Month
#4 Cross-sell one product to 20 new or existing customers.	Tellers ask every customer about one new product each day.	Tellers	All Month
	CSR's use open ended questions to identify one additional need per conversation.	CSR	All month
	Develop one new prospect per week from an outside source.	Managers	Weekly, by Thursday

Goal	Activities to Reach Goal	Who Will Do This?	Due Date
#5 Use promotion to sell car loans to new and existing customers	Give promo flyer to each person visiting bank in the lobby or drive-through. Call loan customers for promo - have a call party. Ask each new account customer if they are in the market for a new car.	All employees All employees Managers	All Month 19th All Month
#6 Develop and implement ideas for cross training so that all employees are able to take lunch	Create training program and job aids as needed. Each employee will submit one type of cross training they need at each sales meeting. Try best ideas for one week and implement or adjust as necessary.	Managers/CSR All Managers	19th 1st two weeks of month 24th

Monthly Sales Log

Month: ______________

Employee											TOTAL	TOTAL
Deposit	**Goal**	**Actual**	**Goal**	**Actual**	**Goal**	**Actual**	**Goal**	**Actual**	**Goal**	**Actual**	**Goal**	**Actual**
TOTAL												
Loans	**Goal**	**Actual**	**Goal**	**Actual**	**Goal**	**Actual**	**Goal**	**Actual**	**Goal**	**Actual**	**Goal**	**Actual**
TOTAL												

(Blank Page)

Monthly Sales Log (Completed)

Month: July - 2012

Employee	Sue - CSR		Bill - CSR		Mary - Mgr.		Carla - PT		John - PT		TOTAL	TOTAL
Deposit	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Free Checking	10	9	10	10	8	10	6	7	6	5	40	41
Regular Checking	8	8	8	8	6	4	4	5	4	5	30	30
Interest Checking	5	6	5	7	3	4	1	2	1	1	15	20
Regular Savings	6	6	6	6	4	5	2	3	2	2	20	22
High-Yield Savings	3	4	3	2	1	1	1	2	1	1	9	10
CD	1	2	1	0	1	1	1	0	1	0	5	3
TOTAL	33	35	33	33	23	25	15	19	15	14	119	126
Loans	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Overdraft Protection	4	6	4	6	1	2	1	1	1	2	11	17
Equity Loans	1	1	1	0	1	1	1	0	1	0	2	2
Installment Loans	1	2	1	1	1	0	1	1	1	0	3	4
Credit Cards	1	1	1	2	1	0	1	0	1	0	5	3
TOTAL	7	10	7	9	4	3	4	2	4	2	21	26

(Blank Page)

Sales Management Case Study

You have been the manager of Baywood Heights, a $15 million branch of Winstar Bank for three years. Several months ago the bank decided to close another branch that is within two miles of your facility and combine operations. Because of this, you are beginning to experience customer service problems within your branch that are affecting sales. You have four tellers and four customer service representatives that work at your branch.

Two of the Customer Service Representatives from the closed branch were moved to your facility. They were unhappy about the move and have been somewhat hostile toward the customers and coworkers of your branch. The other two CSR's have excellent service skills, but they have been with the bank less than three months and are still learning operations and frequently make mistakes. Three of the tellers are new and have been with the bank less than six months. Your head teller is the only person in the branch who has been there since the branch opened five years ago, and she is very talented and provides stability.

Since the consolidation, teller transactions have increased from 9,456 transactions per month to 35,124 transactions per month, and the three new tellers are experiencing balancing problems. Many of the customers from the old branch complain frequently about having to drive farther now, and both sets of customers are unhappy about the longer lines. Your tellers have all been very successful in selling direct deposit and debit cards to customers who are complaining.

Branch loan sales are 50% ahead of budget, but you need to get the service and balancing problems under control. In fact, Audit called yesterday and you were informed that three of your tellers need to be placed on marginal status immediately due to their records.

Analyze the Problem

1. Describe the problem: What is occurring now? Who is involved?

2. What are the possible causes? What are the most probable causes? How can the problems be corrected?

3. Develop an action plan that will address these issues and correct the situation that includes all of the elements studied in this module.

(Blank Page)

Glossary of Terms

ACTIVITY. Actions the employee takes to develop qualified prospects, follow up with prospects, or close sales. Effective activities are proactively identified in a sales plan and tracked so they can be coached and included in performance appraisals on a regular basis.

BRANCH GOALS. Specific sales and activity objectives that management establishes for each branch or division to meet as a team during a specified time frame.

CLOSING. Putting business on the books; such as opening a new account.

COACHING. One-on-one feedback, either positive or negative, provided in a timely manner, and on a regular basis in order to enhance an employee's sales performance.

CRITERIA BASED INTERVIEW. Determining what knowledge, skills and abilities are needed to be effective in a job, and conducting an interview in such a way to make sure they are present.

CROSS-SELL RATIO. Average number of sales per total sales completed.

GOAL. Specific and measurable outcome or objective to meet during a determined time frame as a result of focused effort.

GOAL SETTING GUIDELINES (SMART). All goals should meet the following criteria:

Specific –	Broken down into clearly defined objectives, which are easily communicated and understood. They should not be vague in any way that could allow misunderstanding or ambiguity.
Measurable –	Written with a measurable outcome, such as quantity or quality, so progress or shortfalls in results or activities can be tracked, measured and reported on a regular basis. A desired outcome that is not measurable may result in not meeting a sales goal.
Attainable –	Able to be accomplished through activities under the control of the individuals or the group of individuals responsible for reaching the goal and that the salespeople are able to achieve through their own effort.
Realistic –	Able for employees to accomplish during the specified timeframe as long as the correct activities are identified and carried out as planned through hard work and conscious effort. The goals should not be too easy or too difficult to accomplish.
Timely –	Assigned a specific deadline to accomplish the goal.

INCENTIVE. Award motivating an employee to accomplish a sales or activity goal. Incentives can take the form of money, prizes, trips, time off, plaques, awards, recognition, or anything that motivates a particular individual or group of individuals to succeed.

INCENTIVE PLAN. A planned program of payment or reward for achieving desired sales and/or activity results, which is communicated clearly and easily understood by all participants. Sales/activities are monitored and reported, and incentives are paid on a timely basis for achieving goals as determined in the plan.

INDIVIDUAL GOALS. Specific sales and activity objectives established for an individual to meet during a specified time frame.

MODELING. A desired behavior done correctly so that other employees can observe it and pattern their behavior after it.

NET GROWTH REPORT. A report showing the actual increase or decrease of key measures, such as loan or deposit growth over a determined period of time. If using growth goals, produce this report at least as often as the goals are measured or incentives are paid. With more frequent growth reporting, employees or branches may evaluate and adjust their activities to meet or exceed expectations. Yeiser recommends at least monthly reporting of any net growth results-to-goal.

PERFORMANCE APPRAISALS. Regularly scheduled meetings with employees to provide specific, detailed feedback on their performance and identify strengths and areas for improvement. In a true sales culture, sales skills, sales and prospecting activities and sales results-to-goal are standard areas to review and rate as job performance requirements.

PROACTIVE. Creative problem solving, where an employee ascertains a customer's problem and offers a solution without procrastinating. Also an employee's ability to anticipate customers' needs and offer appropriate solutions without being asked (the opposite of order taking).

PRODUCTION REPORT. A report showing actual numbers of products sold or activities accomplished compared to goal over a determined period of time. If using production goals, produce this report at least as often as the goals are measured or incentives are paid. With more frequent production reporting, employees or branches may evaluate and adjust their activities to meet or exceed expectations. Yeiser recommends at least weekly reporting of any production results-to-goal. Employees should have the capability – either manually or systematically – to track production daily.

PRODUCT PROFITABILITY. The actual profit or loss of an individual product type, considering all possible income sources, and all fixed, variable and overhead costs attributed to selling and managing that product. Profitability is often figured on a one, two and three-year basis. Use this information to determine marketing budgets and the per product incentive to pay to motivate employees to sell that product. More profitable products support more marketing efforts and higher per product incentives. Evaluate non-profitable products for customer need, competitive advantage, and ways to improve profitability (or to discontinue offering).

REACTIVE. A lack of creative problem solving ability. Also order-taking, or using minimal skill to handle customer requests as they are presented without anticipating other needs or trying to offer creative solutions

SALES CULTURE. A work environment that identifies, trains, motivates, tracks, coaches and rewards desired sales skills and activity among all employees in order to reach well-communicated production, growth and profitability goals. In a true sales culture, sales skills, sales and prospecting activities and sales results-to-goal are reviewed and rated as job performance requirements for all front line personnel.

SALES GOAL. Any specific sales objective that an individual or group determines they will accomplish during a defined time frame through proactive, productive and planned sales activities

SALES MANAGEMENT. The systems and processes required to: establish and communicate effective goals for all sales personnel; create sales plans to identify desired sales activities; motivate employees to accomplish goals; track and report performance-to-goal; support coaching to enhance employee performance; require a minimum standard of sales skills and results to review as required job performance; and reward desired performance.

SALES PLAN. A written description of goals and the blueprint of activities required to meet those goals during a determined time frame

STRETCH GOAL. A goal determined by reviewing past performance, establishing a reasonable performance expectation for a determined time frame going forward and increasing that expectation to create a goal requiring concentrated effort to achieve. Yeiser recommends that a stretch goal not exceed 110 – 115% of reasonable performance expectations (a 10 – 15% improvement over past performance).

TRACKING. The ability, through manual or automated systems, to measure actual progress or shortfalls in production or performance, compared to sales and activity goals. Any objective used as a goal or performance requirement should be measured, or tracked, in relation to expectations. These measurements are reported to all individuals who are held accountable for goals, or are responsible for the sales management process, to use for goal setting, monitoring production- or activities-to-goal, coaching, performance reviews and incentives.

(Blank Page)