

BUILDING A SALES & SERVICE CULTURE



ORGANIZATION DEVELOPMENT

Some companies say they focus on service. Others appear to be driven by sales. But more and more, business coaches say sales and service must work together. Industry veteran Barbara Sanfilippo, Executive Vice President of Romano & Sanfilippo, a consulting and training firm that assists companies in enhancing their sales and service performance, says the two must go hand in hand and be strategically planned. "Creating a sales and service culture isn't just a series of events, such as doing some training," she said. "That's a band-aid approach and completely unacceptable. Unless you address sales and service as an integrated approach, you won't get sustainable results."

Sanfilippo says there are three key elements to creating – and sustaining – a solid sales and service culture: infrastructure, which includes accountability, specific measurable

goals, service standards and measures, and incorporates them into performance evaluations; skills training, which incorporates product and service knowledge; and organization development, which includes buy-in by employees and commitment by management at all levels, internal communication, employee surveys, cross-function teams, and rewards and recognition. "If these things are being done well, chances are high that the credit union is doing well," Sanfilippo said.

Innovations Federal Credit Union in Panama City, Fla., has been transitioning to a sales and service culture over the past several years, with the board, management and staff members all committed to its success.

When David Southall returned to Innovations FCU as its new president/CEO in 2004, he had a clear vision of what should be the credit union's future direction: Go from a lackluster, order-taker organization to one that is focused on creating a positive, rewarding experience for members and employees. Southall had been Account Relationship Manager in the Southeast Marketing Division for CUNA Mutual Group (CMG) for the previous four years, but he had served earlier as the credit union's Vice President of Lending.

"I learned a lot from CUNA Mutual's sales and service culture," Southall said. "The company takes seriously its charge to anticipate customers' needs and provide quality service." Southall said the combination of his CMG experience, his own work ethic and philosophy, and visits to more than 50 credit unions while with CMG broadened his view of the possibilities for making constructive change at Innovations FCU. "Working with a lot of credit unions, you quickly learn which ones 'get it' and which don't, and frankly

ours didn't," he said. "It showed in employees' attitudes and in the atmosphere of the branches. Our credit union didn't have a good feel to it, so we were getting exactly what we delivered: a whole lot of nothing. Our board chairman referred to the credit union as 'Sleepy Hollow.'"

Trish Waters, Vice President of Marketing for Innovations FCU, says having Southall at the helm is like "being a kid in a candy store" for marketing professionals. "David immediately saw that we needed to have an affirming sales and service environment, one where members could sense the difference in how they were treated, and where using more of our products and services would be a natural," she said. "Blending high-quality service with responsive, member-focused sales just makes sense. If members are happy with our service, they're more likely to use our products. And through relationship selling, we have a good grasp on what members are looking for – we don't sell them something they don't need."

Southall says Innovations FCU has spent the past three years strategizing and working to foster a culture in which employees are alert to members' needs. "Our program is still in the making; I'd say it takes a minimum of 18-24 months with outside expertise to put a solid program in place, and that's just the beginning," he said.

Senior Vice President of Administration Karen Hurst agrees. "This is an ongoing process," she said. "Creating a sales and service culture is not just a single event, it is a continual process in motion. I don't think you can ever say you are finished. You just keep trying to improve."

Southall also believes a big part of continuous improvement means focusing on creating a successful brand, which goes hand in hand with having a successful

sales and service culture. "Your brand supports the culture," he said. "It's an integral piece that many times gets left out. But you must have a successful brand to complement and complete the overall culture within."

Encouraging a sales and service culture requires total management buy-in, according to Waters. "Our executive team understands the vision and supports it in every way," she said. "And we know the importance of accountability. You can't just set up a program and expect it to go on its own. We've all heard of companies that have great ideas and bring in 'feel-good' organizational development programs, but they don't work if management isn't committed. After the first 'rah, rah' days, nothing really changes; there's no accountability so the effort can't sustain itself."

At Innovations FCU, accountability means frequent training and reinforcement of new habits, as well as realistic, measurable service standards. "Staff at all levels are rated on several criteria, including service standards, in the 'expectations' section of their performance reviews," Hurst said. "We also have ongoing external member

surveys that are sent to members at random each month. We look at the results and gauge how we're doing. This is used as a coaching tool that lets us know where we need to improve." Waters says accountability also means putting measures in place to ensure program sustainability. "It requires continual assessment, staff encouragement, constant measuring to see where we are against goals and a lot of flexibility."

Another part of creating a sales and service culture is to make sure op-

erational practices and technology are in line with the credit union's vision and strategic plans. "We brought in our core-processing service provider to look at processes, such as for new accounts, lending and online services," Waters said. "Our operations staff wanted to ensure that we were using our back-office systems efficiently and that our procedures were effective."

But affecting change isn't always easy, and management must be prepared for some employees who can't accept it. Southall said the credit union saw a 50 percent turnover rate in three years. "It's admittedly high, but it's a direct result of the change in our culture," he said.

"Some long-term employees self-selected out because they didn't want to adapt to new ways; they wanted to keep an 'old school' environment."

A lot of employees were unconvinced at first, challenging management's sincerity and whether it was serious about improving the credit union's approach. "Being skeptical is fair," he said. "It takes time to get buy-in from staff – especially if they've been disappointed before. But everyone has an equal opportunity to work in the sales and service culture we are creating. And although it's easier for newer staff to adapt, we have a fair number of people who are 20-to-25-year veterans still with us."

Hurst says bringing in the right people is key. "You have to have the people in place so you can build a team that isn't intimidated by a focus on sales as well as service," she said. "But the onus of responsibility is on management. You have to adapt to an ongoing environment where you're reinforcing what you expect of employees. It's important to coach supervisors to be coaches themselves, so they don't micro-manage but are available to provide help if needed."



David Southall, CEO Innovations FCU

To Hurst, consciously working to improve relationships with internal as well as external members is paramount for developing a sales and service culture. "Whether you're in member service, accounting or on the front line, internal service counts, too," she said. "We will soon implement an internal service survey program to better learn how well departments are being served by each other, and we have

measurable standards here, as well. You can't expect staff to provide great member service if they're not receiving it from each other."

To support the culture, Innovations FCU has made many intentional decisions, such as empowering staff to use their judgment in meeting members' needs. "We haven't always been a flexible credit union,

but now we're determined to view each member's concerns as unique," Waters said. Southall says the hard work of building a sales and service culture is paying off. "Our ROA is higher than ever, our membership growth is up, loans are up 20 percent, and delinquency is low," he said. "We have a ways to go, but I know we're on the right path."

According to expert Barbara Sanfilippo, a major pitfall of many credit unions is that they focus too much on the transaction. "They need to get out of the box and encourage members to do the same," she said. They need to dream about where their credit union can be in a few years, and they need to help members dream about their own future possibilities."

Doris Brown, Marketing and Business Development Coordinator for Alcoa Tenn

INFRASTRUCTURE

SKILLS/
TRAINING

Federal Credit Union, says that's exactly what her credit union is doing as it shapes the credit union's future by creating and living by its promise to members. "I have always loved working at the credit union because it's such a friendly environment, very different from the last few years in banking," Brown said. "And now that we've started to create a service-oriented culture – and a promise to be an organization that treats members like family – it's been even more rewarding."

"Alcoa Tenn had been centered on members, but we wanted to go further and distinguish ourselves from the competition," Brown said. "In a service organization such as ours, the products and services are only as good as the people who take care of you. Members can go anywhere for a checking account or a loan, so whether they call us, walk in the door or go to our web site, we want them to feel like they belong here – instead of like just another customer."

After lengthy research, analysis and staff training at all levels, the credit union ultimately decided that treating members like family was their brand promise. Alcoa Tenn FCU created a tagline to reinforce that brand, both with members and among its own staff: "A Place Where You Belong." Like Innovations FCU, Alcoa Tenn FCU discovered that living a brand promise requires instilling a culture where members – internal and external – are treated with respect, responsiveness and personal attention.

"The most important thing is to have leadership from the top down," Brown said. "We have had an ongoing commitment by the board and management to nurture a culture that fully supports fulfilling our brand promise on a day-to-day basis." Alcoa Tenn FCU brought in an outside consulting expert to advise and facilitate the development process, which

included leadership foundation, member and competitive analysis, self-analysis and training.

Brown said the outside firm evaluated everything from the mission and vision statements to the strategic, marketing, operations and technology plans. Next the credit union analyzed member profiles, did a survey and held focus groups. Alcoa Tenn FCU also performed competitor analysis, which involved looking at other institutions' strengths and strategies, promise delivery and market opportunities. Finally, the credit union performed a self-analysis, which entailed reviewing its mission and vision, current brand image as compared with member feedback, readiness and assessment. Alcoa Tenn FCU also used outside consultants to "mystery shop" the credit union and competitors to get a feel for how well customers were being served by local banks, compared with the credit union's efforts.



Doris Brown, Marketing & Business Development Coordinator for Alcoa Tenn Federal Credit Union

"Through the analyses and intelligence gathering, we were able to reaffirm the strong foundation we had set for our

brand promise – a good starting point for reshaping the culture," Brown said. "However, we knew we still could do a lot to improve – both externally and among staff."

An important part of that improvement was looking at the results of the internal readiness survey. This assessment focused on capturing staff and management perceptions in three main areas: individual roles, member experience and overall culture. "While there were a lot of positive responses, we also found some that were neutral or reflected a gap between the perceptions of management and those of staff," Brown said. "That's where our staff training program kicked in."

Brown says fully developing the training plan is now underway at Alcoa Tenn FCU, with an annual all staff session, a fairly intense new employee orientation, and ongoing in-service and refresher classes for staff in every department. To launch the program, she said the credit union heavily promoted its "new" culture.

"We wanted to make it fun while also emphasizing our desired market position," Brown said. "We had a great kick-off week. Each employee received a tee-shirt with our tagline, which they can wear on Fridays. So far, the reaction – both with members and our staff – has been very favorable. But management knows there's more to do. This is going to be a continual process, with ongoing feedback from members and staff, and ongoing training and tracking tied to employees' annual reviews," she added.

According to Brown, everyone at Alcoa Tenn FCU – from the frontline, to the back office, to the Board of Directors – understands the importance of making members feel they belong at the credit union. "The better grasp we have on individual members' financial profiles, the better we can help them and the more comfortable they will feel," Brown said. "By anticipating members' service needs, we build stronger relationships, and that helps increase sales of our products and services."

Credit unions who are learning the secrets of shifting to a combined focus on both sales and service are positioning themselves well for the future. "There are enormous opportunities for serving members if credit unions focus on creating a culture in which sales and service come naturally to all employees," said Sanfilippo. "Best of all, they can have fun in the process."



ARE YOU DOING THE RIGHT THINGS TO BUILD SALES AND SERVICE CULTURE?

SKILLS/TRAINING

1. Sales, service and sales management training is conducted regularly.
2. Product knowledge education program is in place.

INFRASTRUCTURE

3. Software being used effectively to target marketing efforts and reward staff based on performance.
4. Verifiable written standards are in place to ensure service consistency.
5. Ongoing customer service measurement is being conducted.
6. Sales tracking and measurement system is in place that tracks team and individual results.
7. Sales and service goals assigned to individual managers and employees.
8. Performance evaluations for managers and staff include accountability for sales and service results.
9. Ongoing recognition and reward programs are in place to recognize superior service and sales performance.
10. There is a process in place to coach low performance and reassign those who do not meet expectations over time.

ORGANIZATION DEVELOPMENT

11. Key strategic initiatives and mission statement are understood throughout your organization.
12. Strong sales and service communications program is in place.
13. Senior management is actively involved and committed to sales and service.
 14. Sales and service meetings are regularly conducted for all staff.
 15. Sales and service results and success stories are published in staff news letter.
16. Internal service process encourages support between departments.

For more information and to tools to evaluate your sales and service culture, visit www.romanosanfilippo.com.