

# Building the Bridge Between Service and Selling

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This should not come as a shock. *Markets are becoming more competitive and products are rapidly commoditizing.*

Against this backdrop many credit unions are trying to upgrade their sales capabilities as part of their commitment to a growth strategy. They have recognized that success (and perhaps survival) depends on retaining members and increasing revenues. Therein lies the dilemma: how to acquire new members and increase the number of products and services purchased per member while maintaining the high level of service members have come to expect.

For many years the majority of credit unions served a finite group of individuals belonging to a specific organization. As the industry continues to evolve to open enrollment, community credit unions have maintained their reputation of being member-focused. At a time when most consumers feel “like a number” when dealing with financial institutions, this has great appeal and can be a source of competitive advantage. This article focuses on how your credit union can increase its number of net promoters!—a key measure of member loyalty and a leading indicator of your organization’s ability to grow revenue. We will provide a blueprint for building a bridge between superior service and results-producing selling that can transform your credit union into a service-selling culture.

In a pure service culture, organizational and employee behavior is contingent on your teams’ skill at dealing with member inquiries. A service-selling culture proactively seeks to understand a member’s wants and needs and increase the value created in every member experience. Credit Unions who have not made this transition will find organic growth difficult—opting to merge or be acquired to achieve significant gains in market share and revenue. Of course, mergers and acquisitions have their



own set of problems resulting in culture clash and integration issues that can negatively impact service quality and member loyalty.

On the flip side of enjoying the positive reputation of being service oriented, credit unions have not typically been the first choice by consumers for many of their financial needs. While this perception is changing, it is still a challenge for credit unions to tap into the consumer base that has always relied on traditional banks for many of their financial services needs.

In order to achieve significant growth, credit unions must enhance their ability to skillfully identify the specific wants and needs of their members and demonstrate how their products and services can provide a solution. However, like all consumers, members want to buy but they don’t want to be sold. By helping your service team develop needs-

focused sales behaviors, rooted in principles of integrity and ethics, they will provide more value to members and build stronger bonds of loyalty.

The most progressive of credit unions have made significant investments to improve the proactive, needs-focused selling behaviors of their service team. Others have chosen to emphasize a more reactive cross-selling approach. Whatever their choice and despite their best efforts, these investments have netted very little in the way of bottom line results. So you may want to know ...

*Why are Credit Unions generally resistant to sales initiatives?*

*Does service have to suffer in order to develop a sales culture?*

*Why is it so difficult to build a bridge between service and selling?*

The successful transformation from a service culture to a service-selling culture is challenging. Many credit unions have shunned the notion that embracing a sales philosophy is in the best interest of members.

This resistance to change by credit union leadership and employees is somewhat understandable.

For decades consumers have been wary of salespeople trying to persuade them to buy their products since many salespeople are more concerned with making a sale than fulfilling a customer's needs. This is evident in consumer surveys conducted by the Harris and the Gallup organizations that routinely ask consumers to rank the most trusted professionals to give advice. Salespeople who sell financial and/or insurance products typically rank at or near the bottom of the list<sup>2</sup>.

This negative view of selling has created a cynical perspective on the part of many credit union leadership teams. Although these leaders may still be committed to growth, they appear to be resigned to the idea that executing a growth strategy will force superior service to take a back seat. Many have come to believe that building the bridge between a service and selling is too difficult, too expensive, and/or too traumatic to their cultures.

In some cases credit unions have chosen to invest in more controllable efficiency projects. They have focused on new CRM systems, marketing gimmicks, or telesales contractors. As a result, efficiency has actually replaced effectiveness as the key driver for their growth initiatives. Although these initiatives occasionally succeed, they are still dependent on new service behaviors to make them work.

In our experience, to successfully transform a credit union's culture, you must implement solutions that engage the hearts and minds of your employees. To accomplish this, they must learn to embrace the definition of selling and service as one and the same. When you define selling as identifying and fulfilling the needs of members, you can achieve consistent results and your service team will embrace selling as an ennobling act that creates value for members. You are now on the path to transformational change.

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John P. Kotter, the renowned change expert and author of the best-selling book, *The Heart of Change*, states that the key factor in a successful change initiative is the behavior of people. This is why credit union leaders must implement strategies that impact their people at the emotive level. As Kotter points out, without changing an employee's feelings, their behaviors will not be sufficiently altered to overcome the many barriers to large scale change.<sup>3</sup>

It is critical to engage employees and influence their feelings if you hope to achieve 'buy-in'. The notion that selling is about convincing someone to buy a product or service is a bias that most of us share. However, if selling is redefined as doing something for someone, your team may give themselves "permission" to create value by more effectively meeting their members' needs. Impacting people at the emotive level is essential to changing their attitudes and beliefs about selling because skill development alone will not produce sustainable behavior change.

As the competitive landscape becomes more difficult and products sound more and more alike, the effectiveness of your service-selling team is still the critical success factor for revenue growth and member loyalty. The member experience in credit unions has always set them apart from traditional banking. Those "moments of truth" with your members can be your competitive advantage, and leveraging them can become the foundation for your growth strategy. If you can build the bridge between service and selling, you will enable your team to find and close sales opportunities while they are delivering extraordinary service.

Once your team consistently approaches service and selling as two sides of the same coin, you will have solidified your commitment to maximizing the value you create for members. And the more value you create for members, the greater your competitive advantage. It's really that simple. Building the bridge between service and selling can be the most significant asset to your growth strategy.

Notes:

1. Frederick Reichheld, "Loyalty Rules!" Harvard Business School Press, 2001
2. Harris Interactive, Inc. 2006 Survey of 2302 Americans.
3. John Kotter, "The Heart of Change," Harvard Business School Press, 2002

For more detailed information on transforming your service culture to a service-selling culture, see our other whitepapers from our CU Advisor Series "Establishing Competitive Advantage".

They include:

- *Evolving from Member-Focused to Member-Centric*
- *Building the Bridge Between Service and Selling*
- *Creating the Performance that Drives Value and Growth*
- *Understanding Member Value and How to Enhance It*
- *You Can't Send Your Ducks to Eagle School*
- *Implementing a Service-Selling Process that Reinforces Your Values*
- *Developing Accountable Leaders for a Service-Selling Culture*
- *Engaging the Hearts and Minds of your Service-Selling Team*
- *Listening to the Voice of your Memebers*