



---

# 5 Essential Trust-Based Strategies for Business Banking Success Today



# TABLE OF CONTENTS

*Click to go directly to each section.*

- 3 Executive Summary
  - 5 Introduction
  - 6 Trends Impacting Business Today
  - 9 The Knowledge Gap and the Trust Deficit
  - 11 The Power of Doing More
  - 12 The 5 Essential Trust-Based Strategies for Business Banking Success
  - 14 Case Study: Banner Bank
  - 17 Conclusions
  - 18 About Vertical IQ
  - 19 Notes
- 

In today's dynamic, commoditized, and fiercely complex marketplace, bankers have to work harder than ever to differentiate themselves. Bankers used to be able to rely on their long-term personal connections and unique product or geography knowledge as their leverage for building relationships and closing sales. But not anymore. The disruption of the information age has altered the landscape drastically, creating a need for bankers to adapt their approach to building relationships and earning business.

**There are two key trends impacting banking that it's crucial for bankers to understand.**

First, today's buyers of business banking products and services are savvier than ever and difficult to impress. Because prospects and clients alike have a wealth of information and resources at their fingertips through Google, innovations in FinTech, and other digital channels, they can discover in mere moments information that would have taken them hours or days to find ten years ago. The speed and ease of accessing relevant information empowers and motivates today's customers to do their own research about financial products and the answers to perplexing business conundrums they face. They're more educated than ever. And bankers are struggling to keep up.

Second, access to decision makers is more limited than ever before. In a world that expects instant access to information, and on-demand responsiveness from leaders, often the time of decision makers is at a premium. They're mired in their own day-to-day challenges, beset with the expectations of their own overwhelming jobs, price sensitive, and often juggling competing priorities that allow for little flexibility in their hectic schedules. Increasingly, unless you stand out extraordinarily from the pack, your prospects simply don't have time for you.

One reason bankers are struggling to adapt to these trends is they are still operating in an old sales paradigm. They focus on small talk; they're transactional, overtly sales-focused, and product oriented. And, they're not engaging in the same level of curiosity, research, or preparation as their prospects. But clients expect and deserve better. They want their business banker to be at least as prepared and knowledgeable, if not more so, as they are about the issues, challenges, and needs of their industry. 79% percent of business buyers of banking products say it's critical that a salesperson understand their specific business needs.<sup>1</sup> But 9 out of 10 companies report that their bank provides them with no industry-specific information that can add value to their business.<sup>2</sup> **If bankers aren't adding value to the business relationship, why even have bank calling officers?**

Not only are bankers not making the effort to gain the deeper understanding of industries that could give them a competitive advantage – most bankers aren't even aware the landscape has shifted so dramatically. **This knowledge gap has created a trust deficit between buyer and banker.** In an age where earning trust is foundational to sales and business banking success, how can bankers adapt their strategies to better differentiate themselves and meet their buyers' evolving needs?

The answer lies in using knowledge tools to pursue proven strategies for earning, growing, improving, and extending relationships. Because the bar has been set so low by your competitors, all that is needed is an earnest desire to learn how to better meet the changing demands of the marketplace. If you are curious, consistent, and persistent in your quest for relevant business knowledge, you can become a trusted adviser to your customers. And you can achieve measurably better business and sales success. What's the secret? **The bankers who are achieving business banking success today are leveraging industry-specific content to employ these five essential trust-based strategies:**

**1**

**Specialize with Precision.** Based on the depth of their market, the best bankers smartly identify and pursue specific industries to specialize their financial knowledge in to increase sales success. The best way to specialize with precision is by seeking out industry research tools and using industry-specific content to add value to prospects and clients.

**2**

**Proact, Don't React.** Today, time is at a premium. Clients are accustomed to seeking out and getting answers, even to complex problems, at the click of a button. They're looking externally for guidance less and less, and searching internally more and more. If you wait for customers and clients to reach out to you to ask for your opinion, you could be waiting indefinitely. To continually demonstrate value, the best bankers proact to customer needs.

**3**

**Give More Than You Take.** Why aren't bankers succeeding in their attempts to earn new business and forge meaningful relationships? Because they are focused on closing deals, not demonstrably adding value. Bankers who are experiencing success today are disciplined about pursuing relevant expertise and sharing it generously. While many of today's bankers are skating by with a bare minimum of knowledge, the best bankers always leave clients with more than is expected.

**4**

**Problem-Solve, Don't Product-Push.** A typical banker is looking to push product. But the most successful bankers operating today are looking to solve problems. By simply approaching sales interactions through a problem-solving lens, and doing the necessary industry-specific research beforehand to identify creative solutions to those problems, bankers can earn infinitely more trust, make innovative suggestions, close more deals, and retain more business.

**5**

**Cultivate a Curious Culture.** Industry knowledge tools themselves are powerless if they are not used. If there is no incentive to engage in these trust-based strategies, and no positive consequences for seeking and sharing industry content, the opportunity is lost. The most successful banks and bankers cultivate a culture that celebrates the pursuit of learning and growth. When this pervades throughout, and is championed by the sales leadership, the results are measurably better for buyer and banker alike.

**The surest path to business banking success in today's marketplace is through the effective implementation of these five essential trust-based strategies.** This white paper explores the advantages of pursuing and leveraging industry content to build trust, offers expert opinions and insight from banking industry veterans, showcases a case study of a bank that is achieving success with these strategies, and introduces an array of available industry research tools, including a highly sophisticated industry research platform that can deliver relevant industry financial content to all business bankers: Vertical IQ.

## THE CHANGING FACE OF BANKING

In today's dynamic and fiercely complex marketplace, bankers have to work harder than ever to differentiate themselves. Bankers used to be able to rely on their long-term personal connections and unique product or geography knowledge as their leverage for building relationships and closing sales. Or they could work to compete on price and earn new business merely by offering the best deal or most attractive terms. But things are not so simple anymore. The financial industry is experiencing monumental changes that are important for bankers to understand if they hope to experience sales success in this changing landscape.

Jack Hubbard, a preeminent banking authority and CEO of St. Meyer & Hubbard, a boutique training and coaching firm serving the banking industry notes, "The sales model has changed significantly. The buyer has moved quickly to a new phase where they're more in control and they have more data at their fingertips."<sup>3</sup> Ray Adler, a seasoned banking sales expert and CEO of BTI Growth Advisors, a consulting and coaching firm that works with banks around the country, agrees. Adler warns that the methods bankers have used in the past, "are becoming less and less effective" adding that, "what made us successful in the past isn't necessarily going to sustain our success in the future."<sup>4</sup> Because there is unprecedented complexity impacting the outcomes of banking sales processes, and customers' needs and behavior are changing in powerful ways that reflect this new paradigm -- to increase your chances for future success, it's essential to understand the key ways that banking has changed. And, it's crucial to understand how the inability of business bankers to address these trends has created a trust deficit between bankers and prospects.



Today, too many bankers remain stuck in an old sales model that doesn't recognize the pivotal ways business banking has changed in the 21<sup>st</sup> century. Fortunately, this means there is ample opportunity to differentiate yourself simply by becoming even a little bit more informed than your competitors about these evolving dynamics. What will become clear as you explore this paper in greater depth is that today, more than ever, value-added knowledge is power.

There are two noteworthy trends in today's business banking landscape that specifically impact the need for more successful trust-based strategies. These trends are important to understand for bankers seeking to thrive in this new era and solidify their competitive advantage. Once you understand these trends, we will show you how you can adapt your behavior to get measurably improved results using five trust-based strategies for banking sales success.

## TREND 1: SAVVIER CUSTOMERS

In the information age, buyers of business banking products and services are savvier than ever and difficult to impress. Nick Miller, a respected small business banking expert and President of Clarity Advantage, a company that helps banks accelerate sales to small and medium sized business, notes, "the very significant shift over the last few years has been the shift from looking outside to looking inside" to solve problems.<sup>5</sup> Whereas a customer might have sought out their banker to answer pressing business questions in the past, now they are more likely to take the reins and try to get to the bottom of it on their own. And why not? The tools at their disposal are highly accessible and inexpensive. All they need is a wi-fi connection and they can embark on a wholly independent journey of discovery without needing to contact their banker, or any third party, at all.

Because prospects and clients alike have a wealth of information at their fingertips through Google, innovations in FinTech, and other digital channels, they can discover in mere moments information that would have taken them hours or days to find a decade or two ago.<sup>6</sup> Miller summarizes how this creates a new problem for any salesforce, "the challenge for sales people in all industries is, among many – tell me something I don't know. Tell me something that I couldn't find myself in 30 seconds on Google." He adds, "**If you want to stand out from the crowd, you've got to know stuff that your clients don't know that goes beyond your product set.**"<sup>7</sup> Clearly, to impress today's buyers, a higher class of knowledge is needed to achieve breakthrough.

The fact of the newly educated customer has implications for sales conversations in particular because it renders bankers' special knowledge of their own product less valuable. The truth is, it's very likely your prospects and customers already researched your product before you've even spoken to them.<sup>8</sup> The speed and ease of accessing relevant information empowers and motivates today's customers to do their own research about financial products and the answers to perplexing business conundrums they face.

Jack Hubbard has observed this phenomenon across the industry, "Many buyers of anything are somewhere through their buying process before a salesperson gets to them." As a result, says Hubbard, "the buying process has extended because the buyer has a lot more options." "Buyers are more in control than ever" says Hubbard, and bankers, "unfortunately haven't changed the way they prepare" to mirror this newly empowered customer.<sup>9</sup> Ray Adler has observed this same sluggishness in the banking industry's ability to evolve, remarking that, "today, most bank sales cultures are really locked in the 20<sup>th</sup> century" to their detriment.<sup>10</sup> So, while prospects and clients alike are more educated than ever, bankers continually struggle to adapt to this shift, if they are aware the shift has taken

## SALES SUCCESS WITH INDUSTRY SPECIALIZATION

Today's business bankers have an opportunity to meaningfully increase their sales success -- and to enhance their ongoing effectiveness once they've closed the deal -- by addressing the growing customer need for a more specialized approach. The best way to take advantage of this growing opportunity for an improved sales model is by taking steps to gain industry-specific knowledge or aptitude through Industry Specialization.

### 7 Ways Industry Specialization Increases Your Sales Success:

**1. Better Customer Acquisition.** By meeting the customer's need for a business banker who understands their industry at the outset of the relationship, you can prove your value sooner and close deals faster.

**2. Increased Referrals.** The more you establish a profile as a specialist in a certain vertical, the more you become the "go-to" banker and/or bank that professionals in that industry recommend to their colleagues, vendors, consumers, clients, and friends. One main advantage to getting referrals is faster sales cycles for your bank - ultimately increasing the rate of revenue growth and profits.

**3. Enhanced Customer Retention.** Industry specific knowledge allows you to add value throughout the duration of the relationship, not just in the initial sales conversations. By staying abreast of the trends and challenges facing your customers, you cement your position as a partner in their success earning not just their trust, but their loyalty.

**4. Faster Turnaround.** Specialization allows you to reply to client questions, comments, and requests faster because you're not starting from scratch in your search for the best, customized response to their industry specific needs. Industry specialization gives you a head start on the financial analysis that matters most to your customer's business.

**5. Reduced Risk of Error.** The more you know about an industry or industries, the more precisely and accurately you can deliver banking and financial services and advice to the people operating within that space -- and the less chance there is for errors based on ignorance or insufficient knowledge.

place at all. But recognizing this, and learning how you can enhance your approach in response, is the first step to positioning yourself as miles ahead of the competition.

## How FinTech Heightens This Trend

A noteworthy boon to this growing customer savvy -- and a further threat to the perceived value of a business banker's expertise (or indeed the value of "human" knowledge and interaction overall) -- is the powerful disruption the financial services industry is experiencing at the hands of FinTech. FinTech, the burgeoning industry built around financial technical services, is a significant new player that is enhancing customer ease and access to offerings in spaces like financial planning, wealth management, money transfers and payments, borrowing, insurance, and even healthcare;<sup>11</sup> this is democratizing entry into services that were previously elusive, and difficult to understand, without the help of expert gatekeepers like bankers and brokers. Now, with a click on the laptop or a tap on their mobile phone, buyers have instant entrée into a glut of firms that offer, according to Ernst & Young (EY), "a laser-like focus on the customer proposition and a willingness to apply technology in novel ways"<sup>12</sup> without ever having to speak to an actual person.

Perhaps not surprisingly, the appeal of FinTech is growing.<sup>13</sup> The EY FinTech Adoption Index for 2017 finds that, while only one in seven digitally aware consumers used FinTech in 2015, "adoption has risen dramatically to one in three" consumers in 2017.<sup>14</sup> And the implications for business bankers should not be understated. While FinTech firms are gaining popularity across the industry, EY finds they are gaining the most traction in banking in particular, representing "a threat to incumbent firms' market shares, revenues and strategic models."<sup>15</sup> Investopedia's research reveals the same, showing that, "financial products and services that were once the realm of branches, salesmen and desktops now move toward mobile devices"<sup>16</sup> or simply away from the large institutions of yesteryear.

Because FinTech bestows information, services, and resources to smart consumers almost effortlessly, there is less of a need for bankers to meet with business owners. Why have a conversation when there's, quite literally, an app for that? To differentiate in the face of these behemoth digital competitive pressures, bankers must learn to adjust their approach -- to go above and beyond to prove their worth and add value to business relationships. Otherwise, they run the risk of becoming obsolete altogether.

**6. Competitive Advantage.** In an overly saturated banking market, the most compelling way to offer a standout value proposition amidst thousands of competitors is to dazzle prospects with in-depth knowledge of their industry's pain points, trends, challenges, and opportunities.

**7. Superior Customer Service.** When you have the capacity to leverage specialized knowledge of a borrower's vertical to assist them with business conundrums thoughtfully, you can personally provide peace-of-mind to deliver step-above customer care.

## TREND 2: LESS ACCESS TO DECISION MAKERS.

In the previous trend, we looked at how sales conversations are being impacted by buyers' newfound ability to discover information on their own, or leverage FinTech resources to meet their goals, before they ever speak with a prospective bank. But what about when there is zero or limited opportunity to even have the conversation with a prospect in the first place?

In the current space, access to decision makers is more limited than ever before. Ray Adler has seen how pervasive this constrained access has become, observing, "it's getting harder to schedule face-to-face appointments with owners of companies or the decision makers because of the complexity of business, technology, all the demands on the time of business owners."<sup>17</sup> In a world that expects instant access to information, and on-demand responsiveness from leaders, often the time of decision makers is at a premium. They're mired in their own day-to-day challenges, beset with the expectations of their own overwhelming jobs, and often juggling competing priorities that allow for little flexibility in their hectic schedules. So, they have less interest in lengthy small talk and don't want their time wasted by

hearing long-winded explanations about information they already know or can instantly learn on their own.<sup>18</sup>

Research from McKinsey supports this observation in leaders at the executive, or decision-making level, across industries, "The impact of always-on communications, the growing complexity of global organizations, and the pressures imposed by profound economic uncertainty have all added to a feeling among executives that there are simply not enough hours in the day to get things done."<sup>19</sup> **Increasingly, unless you stand out extraordinarily from the pack, your prospects simply don't have time for you.**

Jack Hubbard's research adds even more texture to this trend. He explains, "It takes about 7 face-to-face calls to make a sale, or to earn a new relationship", but last year bankers only got in the door, "between 17 and 20 percent of the time with a prospect."<sup>20</sup> When they do get through, the results are similarly discouraging. Ned Miller, Senior VP of MZ Bierly Consulting, a company that helps banks build better relationships with customers, says, "a poll revealed that over 50% of the decision-makers in small and medium-sized businesses had not been on the receiving end of an effective sales call in the previous 12 months."<sup>21</sup> Why are these bankers getting sub-optimal results? Hubbard says it's, "because of what they did, what they said, and what they left."<sup>22</sup> They simply didn't do the right things to stand out.

So, in the face of these trends, how can you do the right things, in the best way, to achieve optimal sales results? **The best way to start is to begin pursuing industry-specific expertise to close the growing knowledge gap that is creating a trust deficit between banker and buyer.**



# THE KNOWLEDGE GAP AND THE TRUST DEFICIT



Bankers are lagging behind buyers in their thirst for knowledge. We now understand that today's clients are savvier and more empowered than ever before. And decision-makers are more elusive and difficult to reach. The key to understanding how to effectively reach prospects and build relationships in the face of these new trends can be found by examining what buyers want from their business bankers.

As we've revealed, many bankers are still operating in an old sales paradigm. They're transactional, overtly sales-focused, and primarily product oriented. If your approach to attracting new business is like the overwhelming majority of banks today, it is likely largely dependent on professionals who are generalists operating in a specific geography. In this horizontal model, the path to new clients is too often confined to the narrow boundaries of a banker's knowledge of a region or territory, rather than their understanding of an industry or sector. The focus is on place, not particulars. Relationships are assumed, not earned. **And today, the sales conversations center around product-pushing and superficial knowledge of customers' lives and businesses, not their specific, real-world enterprise problems.** If this is the way your sales process currently functions, you're certainly not alone. After all, it's the industry standard in business banking.<sup>23</sup>

While this traditional generalist approach might still deliver some modest success with the 50% of buyers who persist as purely price shoppers.<sup>24</sup> What about the other 50%? They want more. And ignoring their needs means leaving lots of money, business, and relationships on the table.

As buyers become more curious about their own business and industry trends, and increasingly seek out industry-specific information that can improve their business, bankers cannot continue to rest on their laurels. Most business bankers are not engaging in the same level of inquiry, research, or preparation as their prospects.<sup>25</sup> Jack Hubbard has seen this firsthand, "I'm on a lot of joint calls with bankers -- and what I see is that many times the buyer is much more prepared for the banker than the banker is for the buyer."<sup>26</sup> But it doesn't require much to position yourself above the competition. Says Nick Miller, "in small business and business banking, for the most part, the bar isn't that high."<sup>27</sup> If you even researched the relevant industry for five minutes before your next sales call, you would be miles ahead of the majority of business bankers.

And clients expect more knowledge and better ideas. They want their business banker to be at least as prepared and knowledgeable, if not more so, as they are about the issues, challenges, and specific financial needs of their business. Research from [McKinsey](#) finds,

## Types of Industry Research Tools

*Incorporate the use of these tools into your sales process to find new ways to add value and execute our five trust-based strategies for business banking success.*

### Basic Internet Search Tools

*Search Engines, News Alerts, and Social Media Networks*

Use your favorite internet search engine to gather industry insights in preparation for sales and business conversations. Although bankers who are committed to pursuing a deeper understanding of an industry will likely need to look beyond this tool, a simple internet search can add significant value. Using internet search tools, or setting news alerts for a specific industry, can yield timely information and industry-focused news items that you can use to jumpstart more informed dialogues with prospects.

You can also explore business-focused social media networks like LinkedIn to follow experts in your industry, gather insights, and curate industry-focused content to share with clients and prospects.

### Industry Newsletters and Briefings

*Specialized Snapshots Delivered to Your Inbox or Purchased Online*

A common solution that can deliver more highly curated information and goes a step above a basic internet search are industry-focused newsletters and briefings like SmartBrief. Newsletter industry briefings are usually free or low-cost, and provide regular, news-focused snapshots of a specific sector directly to your inbox.

For-purchase briefings are updated quarterly or yearly with relevant metrics and generalized knowledge of a particular vertical; these are often delivered in a digital or PDF format and can provide valuable big-picture, high-level understanding of an industry.

Both of these briefing-format research tools offer deeper analysis and reporting than a standard internet search, and they can contribute to your acumen in a variety of industries.

“there is no longer such a thing as a simple cold call: customers expect a sales rep to be extremely knowledgeable about their business and perhaps even their own individual profile.”<sup>28</sup> Ray Adler has seen this too, “today’s decision makers are looking for more value, more insight, more coaching, more feedback, more interaction from their service providers and vendors.”<sup>29</sup> Indeed, 79% percent of business buyers of banking products say it’s critical that a salesperson understand their specific business needs.<sup>30</sup> **But 9 out of 10 companies report that their bank provides them with no industry-specific information that can add value to their business.**<sup>31</sup>

So, not only are bankers not making the effort to gain the deeper understanding of industries that could give them a competitive advantage – most bankers aren’t even aware the landscape has shifted so dramatically. Buyers are taking the initiative to become more informed. But bankers aren’t doing the same. There is a knowledge gap that has created a trust deficit between buyer and banker. This deficit is exacerbated by bankers’ already tenuous grasp on public trust and goodwill; EY observes, “many consumers in western markets experienced a loss of trust in existing financial services following the most recent financial crisis, which encouraged greater interest in alternative providers.”<sup>32</sup> Without trust, business relationships are hard to earn and keep. In an age where earning trust and demonstrating value is foundational to sales success, how can bankers adapt their strategies to better meet their buyers’ evolving needs?

**The answer lies in differentiation – by sharing relevant industry and financial content, to pursue proven strategies for earning, growing, improving, and extending relationships.**

### Online Industry Research Platforms Subscription and/or Membership-Based Dashboards

The most comprehensive category of industry research tool available to business bankers are online industry research platforms like Vertical IQ. These solutions are subscription services that offer users a thorough suite of resources that are organized by industry and updated often. While these are generally not free and may not be as low-cost as the other two types of industry research tools, these platforms often boast an impressive array of strategic insights and products to the serious and ambitious business banker. They are much more trustworthy than an internet search or newsletter. And they can yield high-value ROI for users.

Resources featured on these platforms are often exhaustive and include, but are not limited to, reports on industry trends, metrics and industry benchmarks, sales kits and tools, statistics and forecasts, market analysis, sales-call prep sheets, white papers, and more.



If you're like many business bankers and banks today, you are aware of the need for differentiation in a tough and crowded marketplace. You may even suspect that the answer lies in finding ways to build better trust-based relationships. But perhaps you're not exactly sure how to execute on that goal in a way that sets you apart – or how to effectively communicate what makes you different. Ray Adler notes, “3 out of 4 bankers today tell the marketplace that they're a relationship bank and that they have excellent customer service.”<sup>33</sup> But there's a problem, “If 3 out of 4 bankers are saying the same thing, there's no differentiation.”<sup>34</sup> How do you set yourself apart? The truth, while simple, is easier said than done. Says Adler, differentiation occurs “by doing and saying things differently.”<sup>35</sup>

**You can do things differently by offering more than what is expected.** Part of the solution lies in transcending old vernacular and expanding your idea of what business banking can be. For example, while many banks have Relationship Managers, Jack Hubbard advocates advancing the scope of this position to “Resource Manager.” What's the difference? “The typical Relationship Manager in banking is looking for more product sales.” Whereas, “a Resource Manager is looking to help the client go to the next level.”<sup>36</sup> Relationship Managers are sales-focused first, customer-focused second. But a Resource Manager is passionately customer-focused above all; true to their name, they are determined to use every resource at their disposal to solve problems and demonstrably leverage their expertise to add value to the client.<sup>37</sup> “What we're really talking about” says Ray Adler, “is how relationship managers and commercial lenders can position themselves as advisors.”<sup>38</sup>

Fortunately, because the bar has been set so low by your competitors, all that is needed is an earnest desire to learn how to better meet the changing demands of the marketplace. It starts with using industry research tools to seek out highly relevant knowledge that you can share with your prospects and clients - which will lead to advanced conversations about their financial challenges and how to solve them. **If you are curious, consistent, and persistent in your quest for relevant industry-specific financial and operational knowledge, you can become a trusted adviser to your customers.**

Yes, by becoming at least as savvy as buyers, and developing an arsenal of knowledge, advice, and relevant content, you can creatively find ways to reach evasive decision makers and excite even the most sophisticated of prospects. What's more, you can transform customers' perceptions of the role a banker can play in their business. And you can surpass expectations all while enriching the depth of your knowledge.

How do you do it? **The pursuit and deployment of differentiated expertise is the top way to achieve measurably better business and sales success.** Bankers who are profitable today are leveraging industry-specific content and knowledge to employ five essential trust-based strategies. **Using these five strategies is the path to building more prosperous and mutually beneficial relationships.**

# THE 5 ESSENTIAL TRUST-BASED STRATEGIES FOR BUSINESS BANKING SUCCESS



1

**Specialize with Precision.** Based on the depth of their market, the top bankers smartly identify and pursue specific industries to specialize in. Benefits of pursuing specialization include better customer acquisition, increased referrals, enhanced customer retention, faster turnaround on business analysis, and markedly improved sales success -- but 94% of bankers are ignoring it<sup>39</sup> -- which means it bestows a big competitive advantage. Ray Adler's experience supports this. He has witnessed that, "if you're able to bring a broader breadth and depth of knowledge to the customer then that's going to help you win business."<sup>40</sup>

While specializing alone can reap considerable rewards, to optimize your success with industry specialization, Nick Miller forewarns that to truly, "stand out" it is ideal to be "really precise."<sup>41</sup> Choose your approach to specialization carefully and with discipline. If you're in a smaller market, start small. You can choose one or two industries to learn more about. If you're in a larger market, possibilities may be limitless, so hone in on the ones that make smart sense and align most with your interests and banking abilities.<sup>42</sup> Make sure to clarify which industries your bank has a credit appetite for, and research the market potential in those industries. Then, use a variety of research tools to gain industry knowledge and leverage industry-specific content to impress prospects.

To further specialize with precision, make sure the information you're providing prospects is meaningful and customized to the specific customer. Be careful to avoid sharing overly general content just for the sake of sharing something. Nick Miller advises, "the challenge is not just to have information but to know specifically for each client what is a challenge that they're facing and then to send them relevant information."<sup>43</sup> He adds that to really do this effectively, you should aim to thoroughly, "have your pulse on that client or something that's new in the industry."<sup>44</sup>

Jack Hubbard has seen that the bankers doing this in the most effective way, "take a case study approach to call preparation" consistently using, "resources like Vertical IQ to almost get around to the other side of the desk" to view the business through the perspective of the customer rather than the banker.<sup>45</sup>

2

**Proact, Don't React.** As highlighted earlier, time is at a premium today. Clients are accustomed to getting answers, even to complex problems, at the click of a button. They're looking externally for guidance less and less, and searching internally more and more. If you wait for clients to reach out to you to ask for your opinion, you could be waiting indefinitely.

To continually demonstrate value, the best bankers proact to customer needs. Using vertically focused research tools to bring this strategy to life, they continually monitor industry trends, learn about their customers' businesses, anticipate questions, and share relevant content with their prospects and clients.

Revisiting Jack Hubbard's concept of a Resource versus a Relationship Manager, he argues a vital difference between the two is, "the level of proactivity." A Relationship Manager is, "much more reactive" and focused on selling products. But a Resource Manager is singularly focused on eagerly anticipating the client's financial needs, which is, "something much deeper. They're looking for something around value and trust."<sup>46</sup>

A powerful way to add depth and trustworthiness to your proactive approach is by putting yourself in the shoes of your prospect or client. Seek to reliably provide step-above value in the form of answers to their most pressing business questions, and content that addresses their specific goals and needs. Says Ned Miller of MZ Bierly Consulting, "The most valuable information for a banker is focused on

trends that are impacting the industry."<sup>47</sup> For example, if you're calling on a dentist, your surest bet is to specifically prepare by learning, "how demographics, the state of the local economy, disposable income, dental health insurance, etc. are affecting dentists."<sup>48</sup> When executed effectively, you can almost present as clairvoyant, miraculously answering questions before they're even asked.

Nick Miller urges bankers to take this a step further. To really get ahead of the game, start by asking yourself, "what is it that your clients don't know?"<sup>49</sup> If you can answer that question with distinction, and get ahead of it in your sales and client conversations, you have a substantial opportunity to offer a best-in-class banking experience for clients. According to Miller, this is partially because, "service levels and capabilities of most business bankers and small business bankers is not very high."<sup>50</sup> Largely, they don't have the ability to engage intelligently on matters like, "succession or personal financial strategies."<sup>51</sup> If you can identify exclusive areas where you can anticipate buyer needs, and provide resources that meet those needs, you're already winning.

**3 Give More Than You Take.** Remember, it takes five to seven face-to-face interactions to earn a trust relationship with a prospect -- but last year bankers only got in the door for a face-to-face call 17% percent of the time<sup>52</sup>, leaving millions on the table. Why aren't bankers succeeding in their attempts to earn new business and forge meaningful relationships?

A big reason is because they are focused on closing deals, not materially proving their worth. Bankers who are victorious today are disciplined about pursuing valuable expertise and sharing it generously. While many of today's bankers are skating by with a bare minimum of knowledge, the best bankers always leave clients with more than is expected, whether it's a financial idea, a white paper or article that's relevant to their interests, a deep conversation about how an industry trend will affect their business in the future, a lead, or a referral to a person in their network who can help them reach their business goals.<sup>53</sup>

It is through this strategy that bankers can really begin to fulfill their dreams of occupying a trusted advisor role. Says Ray Adler, when a banker, "develops deeper industry knowledge and expertise, he or she is able to understand the trends that are occurring in the industry. "Only then are they able to "provide more of an advisory role."<sup>54</sup> To do this correctly he continues, "it's really a mind shift. It's thinking differently. It's thinking primarily about being an advisor, and then secondarily about being a banker."<sup>55</sup> The most tangible way to manifest this shift is through consistently providing value without expecting anything in return. If you are generous with your expertise without ulterior motive, your trustworthiness becomes palpable to prospects.

**4 Problem-Solve, Don't Product-Push.** A typical banker is looking to push product and cross-sell. But the most successful bankers operating today are looking to solve problems and, according to Jack Hubbard, "cross-solve."<sup>56</sup> Over 50% of business decision-makers have not been on the receiving end of an effective sales call in the past twelve months.<sup>57</sup> Why? Bankers haven't prepared properly for those calls. They haven't done sufficient research to determine what problems their prospects may be facing. But doing so is a potent and persuasive strategy.

By simply approaching sales interactions through a problem-solving lens, and doing the necessary industry-specific and company-focused research beforehand to identify creative solutions to those problems, bankers can earn infinitely more trust, make innovative suggestions, close more deals, and retain more business. Hubbard has witnessed that bankers who, "adopt this methodology" experience retention rates that are, "much higher than the typical banker."<sup>58</sup>

This strategy extends beyond the world of your banking relationship. The best bankers work tirelessly to demonstrate value, even when it has nothing to do with the banking realm. This can include connecting customers with people who can help them solve personal problems, referring them to someone in your network, or finding innovative ways to resolve any manner of unforeseen obsta-

# CASE STUDY: BANNER BANK

## A COMMUNITY BANK USING INDUSTRY RESEARCH TOOLS TO STAND OUT FROM THE PACK

### OVERVIEW – A CLIENT FOCUS THAT KEEPS THEM COMPETITIVE

Banner Bank is a mission-driven community bank with approximately 10 billion in assets and locations in Idaho, California, Oregon, and Washington state. Tammy Wheeler is a Boise, Idaho based Retail Sales Manager for Banner Bank for Region 1 with a track record of sales leadership success. It's no accident. Wheeler and her team expertly retain their competitive edge, even in a market that experiences stiff competition from large regional banks, by subscribing to a sales philosophy that is laser-focused on the client. Says Wheeler, "our whole focus is if you do a proper discovery and prospecting call, it is all about the client."<sup>1</sup>

Most banks today claim to embrace a similarly client-centric approach that shirks product-pushing in favor of building relationships.<sup>2</sup> But unlike many of their competitors, Banner Bank succeeds in walking the talk; their step-above devotion to executing on this more evolved, buyer-focused sales strategy is delivering irrefutable results. **And it's making them stand out.**<sup>3</sup> Wheeler explains, "I think that that's what's changed a lot within the whole banking revolution is you can be unique in a market." As a smaller community bank, she adds, "for us to compete against the regional and national banks, we have to have that extra step, that extra ability to understand and listen to our clients."<sup>4</sup>

### BETTER CALL PREPARATION

In order to win business in the highly competitive banking market, Wheeler encourages her sales-force to be curious and learn about the unique industry issues facing their prospects. One platform that reliably empowers her and her team to be prepared for sales conversations in a differentiated way is Vertical IQ, an industry research tool designed specially for bankers which offers robust reports on over 300 industry segments. She's seen the powerful difference tools like these can have, remarking that "this is how we have to do business if we want to become a player in this market. We can't compete in the marketing, the advertising, the television, we can't set ourselves apart with any of that."<sup>5</sup> But the one thing Wheeler's team can always be mindful of is the extraordinary level of thought and care they bring to "outbound development and calling."<sup>6</sup>

Wheeler has found that learning about the unique challenges facing their customers delivers greater sales results, but it also adds value to the lives of inquisitive prospects, "business owners are very curious about their business. They want to know. They want to learn. They are continually trying to look at ways to get better." When a Banner Bank banker anticipates a prospect's desire to discover more about their own business, that is meaningfully differentiating. She's heard testimony about how persuasive sharing relevant financial resources like white papers or industry profiles can be, noting, "a lot of these bankers tell me that when they go out on the sales call the owner will have the white paper in their hand because they read it and they really found value in that white paper."

For Wheeler, the results speak for themselves. She's witnessed that sharing relevant content is "what's getting us an invitation to talk to people. They feel valued." **"Vertical IQ has been the extra step" she says, adding that the people on her team who are the highest users of the tool, "are the more successful sales people in the bank, by far."**

## **SALES LEADERSHIP THAT GOES THE EXTRA MILE**

Wheeler builds on the success of using these tools by working hard to cultivate a curious culture in her sales team. To champion the practice of using industry resources, and sharing industry content, to achieve better sales results, she leads from in front. Every month, Wheeler requests success stories from her team members about how they have leveraged Vertical IQ to get a positive result and then circulates those testimonials with regional and division managers. She shares, "my trick is if you aren't constantly in front of your people with this, it will die." Not surprisingly, she has seen that the more she celebrates the benefits of using these tools, the more popular they become, and their use spreads exponentially throughout the bank. The reason for the steady increase in usage across her team is clear to Wheeler, "everybody is always struggling to get a deal. That's our job: we have to grow our bank. And if this is an avenue that is working for people" other bankers conclude that it will probably work for them too.

Wheeler has collected countless stories that highlight the compelling case for leveraging industry expertise to strengthen relationships. But one recent account really stuck with her. Distilling the strength of this approach into a single anecdote, one of Wheeler's highest users of Vertical IQ on her team shared this:

*"I heard the following from one of my business clients who often receives cold calls and inquiries from competing banks:*

***'I always tell other bankers who call on me, my banker knows too much about me and my business for me to ever leave.'***

*Vertical IQ has made me the guy who knows too much."*

cles or issues.<sup>59</sup> Ray Adler adds that the bankers who deploy this strategy with the most aplomb are, “able to leverage their network of contacts to create additional value and warm introductions to solve non-banking needs for their customers.” He adds, “that’s taking banking to a whole new level.” Once you can exhibit an elite level of industry expertise wherein you can solve customer problems with agility and finesse, you’ve, “positioned yourself as being head and shoulders above the competition.”<sup>60</sup>

It takes commitment to attain the level of expertise necessary to execute on this strategy and become a proven problem-solver. But it’s worth it. Nick Miller can attest to the rare and magnificent power of taking the initiative to grow your knowledge set. He says, “any professional I’ve talked to who has reached the top of their field has” done this. “They’ve spent the nights writing articles, they’ve spent the time going to conferences . . . they’ve developed a body of knowledge that’s theirs, it’s uniquely theirs. I think that’s the future.” Miller testifies, “the people I’ve known who were really successful in banking were students of the game.”<sup>61</sup>

5

**Cultivate a Curious Culture.** Many savvy bankers and sales-training consultants extol the virtue of industry research tools. This is not surprising since these tools, when used wisely, can be leveraged to implement a suite of effective sales and business strategies, including the previous four included in this white paper.

But the tools themselves are powerless if they are not used. If there is no incentive to engage in these trust-based strategies, and no positive consequences for seeking and sharing industry content, the opportunity is lost.<sup>62</sup> **The most successful banks and bankers cultivate a culture that celebrates the pursuit of learning and growth.** When this pervades throughout, and is championed by the sales leadership, the results are measurably better for buyer and banker alike as you can see in our Banner Bank case study included in this white paper.

How do you create the conditions for a culture that places a premium on learning and growth? It starts with the bank’s leadership. As Nick Miller observes, “if you want people to have the knowledge you have to require them to get it.”<sup>63</sup> Jack Hubbard agrees, “the bank’s responsibility, the culture’s responsibility, is to provide resources to the banker.” Resources can include platforms like Vertical IQ, call-prep tools, articles, training, and more. Hubbard adds that, “the Sales Managers responsibility is to make sure that the banker uses the tools.”<sup>64</sup> When both exist in tandem – quality resources and sales leaders who are vocal proponents of their use – that’s when the culture is positioned for maximum success.

However, if you find yourself operating in a sales culture that does not value an inquisitive tack, that shouldn’t stop you. You can become a culture of one. Model the behavior with your own actions. Use free or low-cost industry research tools like trade association website content, industry periodicals, internet search engines, LinkedIn, or SmartBrief’s vertically-focused newsletters to sharpen your skills and acquire industry knowledge. You may find that as you begin to achieve differentiating results, your colleagues and leaders just might take notice and begin to flex their approach to become more aligned with yours. They might even see the value in investing in more sophisticated industry research tools. After all, there’s nothing more persuasive than success.



**This white paper has addressed a problem facing business bankers today:** In today's dynamic and fiercely complex marketplace, bankers have to work harder than ever to differentiate themselves. Bankers used to be able to rely on their unique product or geography knowledge as their leverage for building relationships and closing sales. But not anymore.

**To begin to understand how to stand out from the pack, bankers must gain an understanding of two pervasive trends impacting banking today.** The first trend is that buyers of business banking products are savvier than ever and difficult to impress. The second trend is a wide-spread inaccessibility to decision-makers.

**The best way to adapt to the changing demands revealed by these two trends is to pursue industry-specific expertise to close the growing knowledge gap that is creating a trust deficit between banker and buyer.** Clients expect more from bankers. They want their business banker to be at least as prepared and knowledgeable, if not more so, as they are about the issues, challenges, and needs of their industry.

**What can bankers do to differentiate themselves in the face of this knowledge gap and related trust deficit?** Fortunately, because the bar has been set so low by your competitors, all that is needed is an earnest desire to learn how to better meet the changing demands of the marketplace. If you are curious, consistent, and persistent in your quest for relevant industry knowledge, you can become a trusted adviser to your customers.

**How do you do it? Bankers who are profitable today are leveraging industry-specific content and knowledge to employ five essential trust-based strategies.** The pursuit and deployment of differentiated expertise is the top way to execute on these strategies to achieve measurably better business and sales success.

**Refer to the "Types of Industry Research Tools" sidebar on page 9 to ensure you are properly positioned to find the necessary resources to set you up for business banking success.** Otherwise, your competitors could beat you to the punch.

Vertical IQ is an online platform dedicated to helping bankers win new business and improve retention through a comprehensive suite of industry research tools. Our reports on over 300 industry segments are written by bankers for bankers to provide unlimited access to industry insights to differentiate you from your competition. Importantly, we offer a dashboard that is relevant, intuitive, comprehensive, sales-focused, well-rounded, comparative, and current.

We wrote this white paper as a call-to-action and a resource for business bankers. In our experience, too many bankers are unaware that they are operating with an outdated and ineffective sales model. They don't know how powerful it can be to optimize their sales success by pursuing and deploying industry knowledge to build trust. And they aren't quite sure how to seek out and leverage industry research tools to build differentiated expertise. We aim to provide actionable content in this white paper that can propel serious business bankers to competitively advantaged sales success and client retention.

A background image of a mountain landscape at sunset or sunrise, with a dark blue overlay on the left side containing the call-to-action text. A white geometric network of lines is overlaid on the entire image.

**To learn more about how Vertical IQ's unique online platform can enhance your relationship management success, visit [verticaliq.com](https://verticaliq.com) or contact us at (919) 787-4600.**

- 1 Jack Hubbard, "The Rise of Industry Specialization for Sales Success." Webinar. Vertical IQ. April, 2017.
- 2 Barlow Research Associates, Inc., "Small Business Flash Panel," February, 2017.
- 3 Jack Hubbard, personal interview, January 31, 2018. Hereafter abbreviated *Hubbard*.
- 4 Ray Adler, personal interview, January 30, 2018. Hereafter abbreviated *Adler*.
- 5 Nick Miller, personal interview, February 1, 2018. Hereafter abbreviated *Miller*.
- 6 *Miller*
- 7 *Miller*
- 8 *Hubbard*
- 9 *Hubbard*
- 10 *Adler*
- 11 "What is 'Fintech'", Investopedia, December, 2017, <https://www.investopedia.com/terms/f/fintech.asp>
- 12 Imran Gulamhuseinwala OBE, Matt Hatch, and James Lloyd, "EY FinTech Adoption Index 2017: The rapid emergence of FinTech", *Ernst & Young*, November, 2017, [http://www.ey.com/Publication/vwLUAssets/ey-fintech-adoption-index-2017/\\$FILE/ey-fintech-adoption-index-2017.pdf](http://www.ey.com/Publication/vwLUAssets/ey-fintech-adoption-index-2017/$FILE/ey-fintech-adoption-index-2017.pdf)
- 13 *Ibid.*
- 14 *Ibid.*
- 15 *Ibid.*
- 16 "What is 'Fintech'", *Investopedia*, December, 2017, <https://www.investopedia.com/terms/f/fintech.asp>
- 17 *Adler*
- 18 Bobby Martin, personal communication with author, April 2018.
- 19 Frankki Bevins and Aaron De Smet, "Making time management the organization's priority", *McKinsey*, January, 2013, <https://www.mckinsey.com/business-functions/organization/our-insights/making-time-management-the-organizations-priority>
- 20 *Hubbard*
- 21 Ned Miller, e-mail to author, February 12, 2018.
- 22 *Hubbard*
- 23 "The Rise of Industry Specialization for Sales Success." Webinar. Vertical IQ. April, 2017.
- 24 "Branch Manager's Letter No. 247", MZ Bierly Consulting, Inc., October, 2014, [https://mzbierlyconsulting.com/wp-content/uploads/2018/01/BRANCH\\_MANAGER\\_NEWSLETTER\\_NOVEMBER\\_2014.pdf](https://mzbierlyconsulting.com/wp-content/uploads/2018/01/BRANCH_MANAGER_NEWSLETTER_NOVEMBER_2014.pdf)
- 25 *Hubbard*
- 26 *Hubbard*
- 27 *Miller*
- 28 Oskar Lingqvist, Candace Lun Plotkin, and Jennifer Stanley, "Do you really understand how your business customers buy?", *McKinsey*, February, 2015, <https://www.mckinsey.com/business-functions/market-ing-and-sales/our-insights/do-you-really-understand-how-your-business-customers-buy>
- 29 *Adler*
- 30 Jack Hubbard, "The Rise of Industry Specialization for Sales Success." Webinar. Vertical IQ. April, 2017
- 31 Barlow Research Associates, Inc., "Small Business Flash Panel," February, 2017.
- 32 Imran Gulamhuseinwala OBE, Matt Hatch, and James Lloyd, "EY FinTech Adoption Index 2017: The rapid emergence of FinTech", *Ernst & Young*, November, 2017, [http://www.ey.com/Publication/vwLUAssets/ey-fintech-adoption-index-2017/\\$FILE/ey-fintech-adoption-index-2017.pdf](http://www.ey.com/Publication/vwLUAssets/ey-fintech-adoption-index-2017/$FILE/ey-fintech-adoption-index-2017.pdf)
- 33 *Adler*
- 34 *Adler*
- 35 *Adler*
- 36 *Hubbard*
- 37 *Hubbard*
- 38 *Adler*
- 39 Barlow Research Associates, Inc., "Small Business Flash Panel," February, 2017.
- 40 *Adler*
- 41 *Miller*
- 42 *Miller*
- 43 *Miller*
- 44 *Miller*
- 45 *Hubbard*
- 46 *Hubbard*
- 47 Ned Miller, e-mail to author, February 12, 2018.
- 48 *Ibid.*
- 49 *Miller*
- 50 *Miller*
- 51 *Miller*
- 52 *Hubbard*
- 53 *Adler*
- 54 *Adler*
- 55 *Adler*
- 56 *Hubbard*
- 57 Ned Miller, e-mail to author, February 12, 2018.
- 58 *Hubbard*
- 59 *Adler*
- 60 *Adler*
- 61 *Miller*
- 62 *Hubbard*
- 63 *Miller*
- 64 *Hubbard*