

THE SCHNEIDER REPORT

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Community Banks and Credit Unions today have their greatest opportunity to take market share from large banks, but only if they are prepared to act.

Are you prepared to take customers from the large banks?

As much as you may be opposed to the increased impact of regulation of the financial services industry, take advantage of the one good thing that will come from this – the number of new customers that will be **knocking on your door**.

Restrictions on overdraft fees chipped away at checking account profitability. Now we have the Durbin Amendment of the Dodd- Frank Act chopping off \$5 billion in interchange fee revenue for large banks. The large banks have responded by charging additional fees. Bank of America has led the way with their \$5 per month charge to use their debit card. Other large banks are testing different fee structures. Large bank customers will either have to have good-sized account balances or an outstanding loan to keep the free checking accounts they now have. The backlash has been major, and not just from customers. Columnists, pundits, late-night talk show hosts and of all people, President Obama, have put bank fees in the national headlines. This is not just a short-term storm that will pass, but something that will have significant ramifications for a while.

We understand the economic impact of these regulations and defend any institution's right to charge whatever they see fit for their products and services. But when organizations overreach in pricing, display a disregard for customers and a tone-deafness to the world around them, that creates opportunity for competitors. You, dear readers of this, executives of community banks and credit unions, are their competitors and are beautifully positioned to take advantage of this.

Think of the free advertising and marketing that is now coming your way through today's headlines. Let's not waste this golden opportunity.

But are you prepared to take advantage? You may have the best marketing message about who you are (and who you are not) that creates interest in your community, but does your staff have the right skills to turn this additional interest and traffic into new business? Now is the time to determine this and get a game plan in place to deal with it. Ask your executive team and yourself whether your staff can skillfully:

- Engage with these new prospects who come to you looking for help and refuge from an unhappy and expensive large bank experience
- Make these new prospects feel important and “at home” immediately
- Establish trust and credibility from the opening conversation
- Ask open ended questions to find out what is truly important to these new prospects

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- Proactively listen to determine the right product or solution
- Position your products in the most advantageous way
- Differentiate your organization from not only the large banks, but from other local competitors
- Sell the advantages and value of having their primary banking relationship with you
- Make the case with a quantifiable, hard dollar, financial impact
- Recommend and sell additional products that fit each prospect's needs and that deepen your overall relationship

If your staff is not proficient at these skills and behaviors, you will fail to take full advantage of this wonderful opportunity to take market share from the mega-banks and you'll simply end up with a longer list of single-service, low balance households.

We believe that those institutions that have a sustainable sales process, with a strong commitment of support by management, will be the winners in this important competition. Sales process includes a highly structured new customer on-boarding program that keeps your employees engaged with customers during the first 90 to 120 days of the relationship. Research suggests that approximately 75% of all cross-sales and 50% of customer defections happen in this 90 to 120 period.

Let us know if we can help you build sales skills and sales process in your organization. Having a sales plan can make all of the difference.

Thank you for your time. We always enjoy your feedback about this edition of the Schneider Report or about other topics you would like us to address in future volumes. As always, please feel free to call or e-mail us for a no obligation discussion on ways to improve sales and service in your organization, or find out more about us at www.schneidersales.com

Warm Regards,

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