



THE FIRST RULE OF CRM FOR FINANCIAL SERVICES

The Consumer's Perspective

Let's take a look from the consumer's perspective. Financial illiteracy is alive and well, especially with baby boomers. Next, throw in brand confusion—the convergence in financial services has produced new players, company names, and products. Everybody is now playing in everybody else's backyard. Insert the media's frequent coverage on retirement planning and increased advertising dollars being spent targeting "the confused generation." Now, throw in the fact that there is widespread incoherence around what the term "financial planner" even means. At its best, this situation is overwhelming to prospects, current clients, and maybe even your employees. At its worst, people are sticking their heads in the sand and saying, "leave me alone!"

Marketing financial products and services has always been an information and relationship sale. You are in the personal finance education business, whether you like it or not. And it's not nearly as sexy as the ad agencies make it seem. No matter how many sailboats, moonlight beaches, or mansions your advertising agency plasters in print and on the airways, selling financial services and products makes prospects and clients deal with issues with which many are uncomfortable. It is no wonder that selling financial services demands a set of tools that moves far beyond the info dump and plethora of brochures that dominate the industry.

The Financial Firm's Perspective

Let's now take a look from the financial firms' perspective. Mergers and acquisitions have been in full throttle. Corporate identities are still being created. Not only is there more competition, but it's possible that the more serious competitors are residing within your own company. CRM is slowly permeating the lexicon of the financial world. Yet, with a few notable exceptions, financial firms lag far behind industries like retailing and airlines in data mining, making it almost impossible today to build a single integrated view of their customers.

On either side of the spectrum, change is the dominant theme. So given the current state of affairs, how do you execute a CRM strategy that promotes cross selling and up selling? How can you increase the chances that your CRM strategy will stick? Here are some of the best conditions for selling: When the sales force has complete access to a particular customer's need or near-term future needs.

When the sales force knows and understands what cross selling and up selling mean in your firm.

When staff, partners, and suppliers work together to deliver what is promised.

When leadership teams agree on how to lead the transformation necessary to change culture, structures, systems, metrics, and behaviors to promote cross selling.

The Softer Side of CRM

All of the above conditions require more than technology solutions and product knowledge to execute. They require the softer side of the CRM equation: relationship building with customers, prospects, your boss, your peers, other departments, partners, and suppliers. If you want to solve the business challenge of cross selling and up selling, you'll need to: Build trust. For financial planners, brokers or agents, that might require working with prospects in new ways. For corporate or home office staff, that might include building bridges with other departments or field staff. Develop a network of helpful relationships that will act as "oil" for the CRM machine. Research shows that the more helpful relationships there are, the more information is willingly shared. For financial planners, brokers or agents, that might mean prospecting in new ways. For corporate or home office staff, it might mean articulating and agreeing on a practical policy of real-time knowledge and information sharing. Build crucial social currency both with customers and with people inside the organization. The core of any social or economic relationship is trust. It's all about influencing others to take action in the direction we want them to go.

It's a Process

Relationship building is a process of trust building. It is also an iterative process. It is a process of layering...the relationship starts at arm's length, then grows more intimate as the trust builds, passing little tests along the way. This applies to all relationships—with customers, employees, peers, partners, and even competitors. Your internal experts in technology, marketing, corporate identity, operations, and sales must grow to learn how to be content experts in the business of relationship building. In today's environment, CRM is screaming for experts on relationship building. Managing customer relationships can only happen after they've been properly built.

One word of caution for financial services firms as they march forward to the CRM tune: don't worry so much about selling the features and benefits of your products. You're already really good at that. Start worrying about how you can build relationships with your customers and prospects in new and different ways that will allow for cross selling and up selling. Remember the aphorism: A sure sign of insanity is doing the same old thing while expecting new and different results.

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