

Selling Financial Services in a Broker-Centric Environment

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How many times have you heard this: “we’re only as good as our brokers”, or “the broker is presenting our proposal tomorrow, without us”. Sales professionals grow weary of trying to drive higher sales production in a broker sales environment. After all, many producers and wholesalers are quickly frustrated with:

- ◆ Identifying and courting “A” brokers
- ◆ Getting more “face time” with top producing brokers
- ◆ Understanding how to position value to the brokers and helping them position value to their customers (e.g., the plan sponsor)
- ◆ Being credible and trusted enough by the broker to be invited to participate in the finalist presentation

Given these challenges those managing these producers and wholesalers are seeing:

- ◆ A few top producers generating a significant amount of the production
- ◆ Producers generating a lot of proposals with very low close ratios
- ◆ A general sentiment that they are administrators versus taking an active roll in the selling process

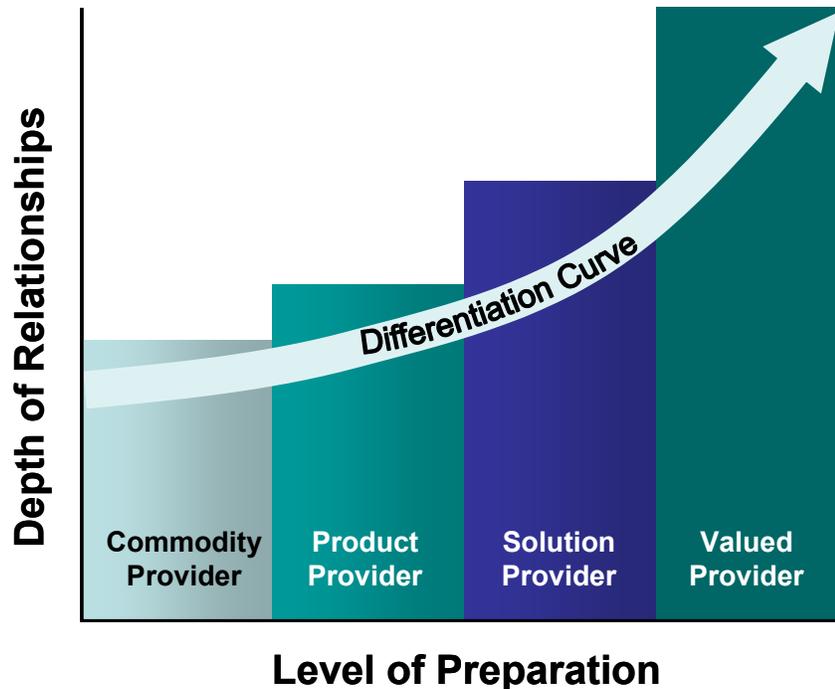
Driving sales effectiveness in a broker-centric environment, while more challenging, is not impossible. Diamond Performance Group has helped Financial Service companies address these issues by deploying leading edge strategies designed to drive up the talent level of those managing the relationships with these brokers.

The result of their work with clients focuses on increasing today’s Financial Services Professionals ability to:

- ◆ Internalize a qualification process that helps identify “A” brokers quickly
- ◆ Understand how to build relationships with brokers by demonstrating an interest in them and their business
- ◆ Create a process for reviewing opportunities with brokers—that the broker sees value in
- ◆ Demonstrate your value to the broker when it counts the most- in the finalist meeting!

On the following pages is a brief explanation of how Diamond Performance Group accomplishes this.

How Are You Perceived By Your Broker?



As you review the graph above, consider how your brokers perceive *you*. Are you a “Commodity Provider,” a “Solution Provider,” or have you reached the status of “Valued Provider?” Chances are you have experienced all of these perceptions over time. The next question might be, “Have we given our salespeople a roadmap to help them understand how to focus on those activities that will truly effect broker perception?”

Two of these activities are described on the x and y axis of the graph. The first, “Level of Preparation” gets to the essence of how well prepared you are when you show up. And, not just how prepared you are to talk about your services, but more importantly, how well do you understand the broker’s business and the business issue that may be at the heart of why they are selling financial services in the first place. The second activity, “Depth of Relationships,” is all about selling effectively at all levels of the organization. It asks the questions: Have we developed coaches who want us to win? Do we have a plan for dealing with those who want to derail our selling efforts? And, do we have access to the owner of the brokerage/agency?

Vendor Comparison Matrix

| VENDOR NAME | PLAN SPONSOR | | | | |
|---------------|--------------|--------------------------------------|------------|------------------------------------|--------------------|
| | Price | Participant Awareness/ Communication | Technology | Operational Effectiveness/ Service | Investment Options |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTALS | | | | | |

| VENDOR NAME | ADVISOR/BROKERS | | | |
|---------------|-----------------|--------------|-----------------------------|---|
| | Professionalism | Who Can Win? | Who Will Make Me Look Good? | Level of Service/Are They Making My Job Easier? |
| | | | | |
| | | | | |
| | | | | |
| TOTALS | | | | |

In today’s competitive landscape, most buying entities (brokers and customers alike) are trying to make the best possible decision on who to partner with. In doing so, they are implementing formal or informal vendor comparison matrix’s (above) to help them sort out the best fit for their organization.

The brokers on one hand are looking at criteria such as the representative’s professionalism and asking questions like: can they help me win, will they make me look good and what do they bring to the party regarding making my job easier or making me more effective?

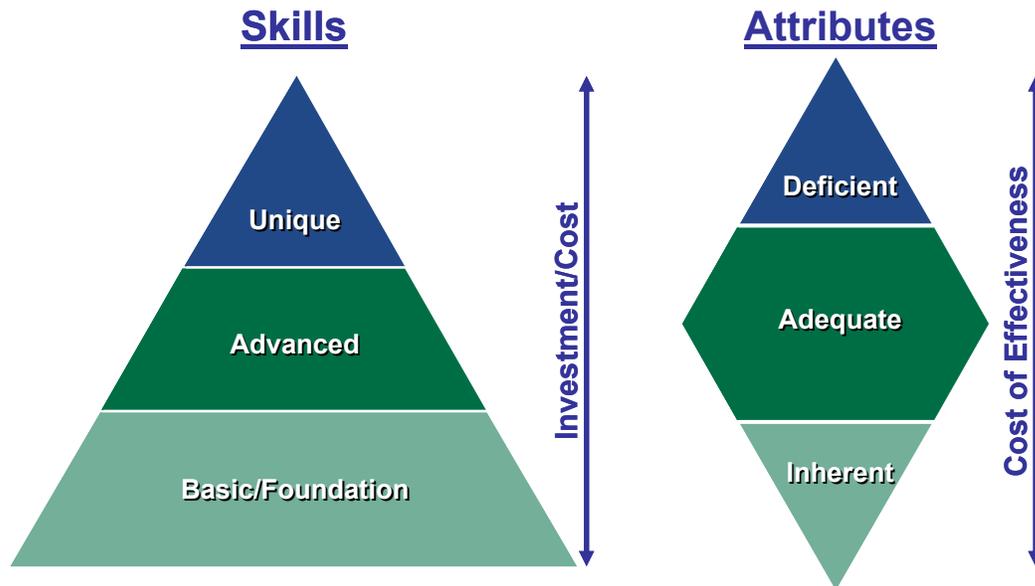
The customer (plan sponsor) is doing the same thing but is also asking the questions: how competitive is your pricing, how effective will you be at communicating the service and creating awareness internally and how well will you execute investment options for the participants? Not to mention, the question of how seamless the transition will be to the new service provider?

The goal of the matrix is to take the human element out of the decision criteria and ultimately make the best decision for their customers or employees. However, we know that it is virtually impossible to take the human element out of the decision criteria. People still buy from people. In fact, the sales representative is an extension of the product or service. If the customer (plan sponsor) wants to buy from the representative, they just weight other criteria higher even if that means a higher price. This is exactly why some representatives consistently achieve high results even during significant industry, company or product turmoil.

Diamond Performance Group has developed leading edge training that equips financial services professionals with the tools and tactics to be more effective. Emphasis is placed on breaking down comfort zones that may impede progress (e.g., territory planning, adding value to the broker selling process, being a more effective deal coach, etc.)

Most companies claim they can change behavior based on excellent selling or account management methodology. Our experience indicates that that is just not true for everyone. Let's look at what it takes to truly change behavior of the Financial Services Representative.

True Cost of Effectiveness



The visual above paints a picture of the true cost of developing an effective sales force. The pyramid on the left shows three skill levels: basic, advanced and unique. In today's Financial Services world, a sales professional must possess unique skills in order to differentiate their services from competition and gain mindshare with brokers. There are three ways companies can get to the skill level they need. First of all, do not train your team and hope the representatives learn through their mistakes (opportunity costs). However, this requires an individual who is introspective and wants to improve. Secondly, provide a success roadmap through an effective training methodology. And lastly, companies can buy (recruit) the talent on the open market.

Unfortunately, most companies don't consider the right side of this picture before they throw money at trying to develop these unique skills in their salespeople.

For example, if a representative has deficient attributes (i.e., not motivated, bad attitude, low levels of accountability) the cost of their effectiveness is extremely high. Why? Because their ability to internalize the skills-based training you are providing is weakened by their insufficient attributes. On the other hand, those individuals with high attributes tend to be top performers. They are more willing to try new skills if they feel it will give them an edge.

At Diamond Performance Group we take a three-dimensional approach to developing the Financial Services sales force by pinpointing key skills and behaviors that drive performance, and by assessing and developing the attributes that enable development to occur.

If you would like to learn more about Diamond Performance Group's experience helping Financial Service companies increase the effectiveness of the sales and account management teams, you can contact us at (952) 233-5200 or at www.diamonddpg.com.