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A quest for sales

Daniel Lynn Goehring

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A QUEST FOR SALES

A Project
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Business Administration

by
Daniel Lynn Goehring
December 2001
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ABSTRACT

In January 2001 Arrowhead Credit Union began the process of becoming more sales focused. The Banking Industry had been shifting to sales organizations for the past decade, however Arrowhead Credit Union has been slow to embrace this strategy. We questioned whether the strategy adopted by the banks, is right for the Credit Union, as we have been the benefactors of bank customer fall out from the larger financial institutions due to mergers, acquisitions, pressure for sales, and poor service. We believe there was, (and still is) a competitive advantage of not following the same path as our counterparts, and we should focus on service to our members with a more personal approach to doing business. While we have not abandoned this strategy, we are convinced selling more products to each member, when accomplished intelligently, will improve our overall profitability. Adopting a sales culture is the means to transform our branches from transaction sites to revenue enriching sales centers.

The challenge facing all Arrowhead Credit Union Branch Managers is to convert service focused employees, to sales focused, where the staff is motivated to cross-sell financial products to the members. The purpose
of this paper is to evaluate the sales program at Arrowhead Credit Union, and make recommendations for enhancing and improving it. Secondarily, the paper intends to provide guidance and direction to the seventeen branch managers to assist in the transition to a sales focused organization. In this study, there are several key areas addressed.

The first area addressed concerns employees. Arrowhead Credit Union employees are the starting point in building and executing a sales strategy. A major challenge encountered by Arrowhead Credit Union Managers is making sure that our existing employees are sales focused and have the skills necessary to sustain a sales effort.

Second, sales processes emerged as critical in installing and sustaining the change to sales. Ideally, sales practices will be consistent throughout the seventeen branches and embedded within Arrowhead Credit Union at all organizational levels. Sales practices must also drive the daily activities of the branch manager, and branch employees.

Third, coaching and motivating employees are critical elements in establishing a sales culture. Branch Managers have identified coaching and motivating employees as areas they believe additional training is required.
Finally, technology issues relating to the sales culture also surfaced as a critical element in the management discussions. Specifically, managers would like help in identifying more information about members, which in turn, helps them better identify and sell to member needs. We have a lot of information about our members, but we have not yet begun to use this information to meet our member needs.

A fear the management staff has, in converting to a sales focused institution, is the risk of losing the outstanding service levels we provide to our members. The presumption is creating a sales environment will be at the sacrifice of service. The ultimate goal is to create a sales environment that will reinforce and reward both sales and service.
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CHAPTER ONE

INTRODUCTION

Some people view Financial Institution’s Branch Offices as relics of the past, destined to go the way of Buggy whips, Beta VCR’S and record albums. It is easy to see why twenty five percent of all Arrowhead Credit Unions transactions are over the phone. Our Automated Teller Machines processed over 6,000,000 transactions last year. In August of 2001, Arrowhead Credit Union offered new home banking software with bill paying capabilities, enticing our members to do more business at home via personal computers. Based on these facts, it might seem like Arrowhead Credit Union is abandoning its branching strategy in favor of alternative delivery systems.

This assumption is false; Arrowhead Credit Union is committed to its branching strategy for providing member services. We believe that at certain crucial junctures throughout the course of financial service relationships, members want to walk into a Branch and conduct business face-to-face with a real person. By enticing our members to use other service delivery outlets, we will risk destroying valuable relationships. The challenge facing Arrowhead Credit Union, is integrating our brick and
mortar facilities within the larger context of all delivery channels, and making the most of face-to-face interactions with members. In this endeavor, early this year we began transitioning to a sales focused strategy in the seventeen branch offices of Arrowhead Credit Union.

Credit Union Branch Offices no longer enjoy being the unique delivery system they once were (Biller, 1996). In the future, electronic retail delivery channels such as ATMs, phone banking and PC online banking will grow at a faster rate than branches, and branch outlets will contribute a smaller piece of the revenue pie (Biller, 1996). At Arrowhead Credit Union, we do not believe we are heading for a branch-less industry, and the branch will still play a fundamental role in establishing and building member relationships.

When members are opening accounts and making important borrowing and investment decisions, they simply do not want to entrust their finances to an electronic device (Monahan, 2000). We believe they want to walk into a branch office and talk to a real person. The member wants to be treated with respect, in a setting suggesting safety, strength and soundness. We also believe our members prefer interacting with knowledgeable sales people, as opposed to the passive order-takers that in
previous years staffed some of Arrowhead’s branch offices. We believe that members appreciate it when our employees take the time to sit down and listen to them, ask questions, and take an interest in their financial matters.

Understanding and realizing this fundamental concept is easy, however it will not materialize without a process and commitment to the sales culture. For most Financial Institutions, which includes Arrowhead Credit Union, the investment in the brick and mortar is the most costly type of delivery channel we have (Biller, 1996). We must make the most of the opportunity when members do come in.

Implications of a Sales Culture

Creating a sales culture, or a sales environment is desirable for any organization, however a conceptual definition is in order, before managers can implement this process. Transitioning to a sales culture means cultural change and all of the organizational implications of a major change initiative. The term culture implies shared values, language, and behaviors, and all three are showing signs of change as we begin our journey to a sales organization (Gibson, Ivancevich, & Donnelly, 2000). A sales culture starts with a state of mind, along with an
attitude and thought process, which must permeate throughout the organization. The employees must view themselves and their behavior as sales professionals, not as order takers. Order-takers neither advise nor make suggestions, and they have not learned to think creatively about how to satisfy member’s needs (Banchero, 1997).

The sales culture itself is modeled after several basic management principles. Driving decision-making downward boosts the ability of the employee to get things done on the spot. Recognizing top performers reinforces winning behavior and sets up role models. Training and professional development helps employees develop the skills needed to get the job done. A well-defined and implemented incentive program also is necessary for the sales culture to be successful (Bank Administration Institute, 2000). By themselves, however, professional support and financial incentives will not guarantee success for Arrowhead’s Managers. It also requires an energized employee team and leadership at the branch level.

A significant implication when converting to a sales organization, concern the employees of the Credit Union. We look for skilled and enthusiastic people, who will push themselves, thrive on recognition, and have a sincere
willingness to help other employees and members. When recruiting employees we now focus on individuals who have experience in sales, not necessarily experience in the financial services industry. We spend a lot of time and effort in the hiring process, as we have learned that hiring the right people is a critical component of a successful sales strategy, because they create the customer experience.

Sales Culture: A Historical Perspective

In 1949, Arrowhead Credit Union was established. There was no commitment to sales. When a new employee was hired, selling was not part of the job description. The Industry was highly regulated, rates for both loans and shares were set, and an individual Credit Union could not deviate from the pricing standards, which had been set.

Even small details like hours of operations, workdays, and product offerings were controlled, and regulated (History of Credit Unions and NCUA, n.d.). We had no competition, and were required to strictly adhere to our field of membership, which were the employees of San Bernardino County.

Regulations were similar at other Financial Institutions. An individual would select a financial
Institution based on convenience of location, consequently there were financial institutions on every block.

Deregulation in the early 1980's, beginning with the Depository Institutions Deregulation and Monetary Control Act of 1980 phased out interest rate ceilings on deposits, and raised the Federal Insurance on deposits from $40,000 to $100,000. Deregulation increased flexibility in merger and field of membership criteria, and expanded member services throughout the 80's and 90's for Arrowhead Credit Union.

In 1981 high interest rates and unemployment created a crisis for all financial institutions, Arrowhead Credit Union included. Arrowhead Credit Union, with a net worth below regulatory levels, faced the possibility of insolvency.

In 1981, Larry Sharp came to the credit union, as Chief Executive Officer, and given only a short window of opportunity to turn the Credit Union around. During the past twenty years, under Mr. Sharp's direction Arrowhead Credit Union has experienced more than just a turn around, but a huge and tremendous growth. Contributing to the turn around was Mr. Sharp's vision in moving Arrowhead from largely operations focused organization to a sales and service organization.
Creating a Cultural Shift

Arrowhead has spent a good portion of those twenty years developing a cultural shift from strictly a credit union to a financial institution. Competition is not from other credit unions, but banks, thrifts, and non-bank financial institutions such as insurance companies and brokerage houses. This intense competition blurs the difference between financial services and reinforces the need for strengthening the sales culture. For Arrowhead to be successful, we need to serve members in a more meaningful way by leveraging technology and member data. Our employees will need to use technology to recognize members' evolving needs and readily respond with appropriate products or services.

During the past twenty years, we have tried a few sales programs, contests, and incentive plans all of which had problems associated with developing clear results. Most of these programs revolved around the lack of systematic thinking in the credit union. Regardless of the results, the incentive programs focused on trying to justify their incentive investment. As Anne Benjamin, Senior Vice President of Corporate Sales at Arrowhead Credit Union said, "it was never anyone's sole responsibility to develop and implement the appropriate
sales program." "We have had many hits and misses in the past, the timing wasn't right with the culture, we had a lot of work to do first before we would be ready for a true sales environment."

Arrowhead Credit Union has made progress, we have moved from no selling in the branches, strictly order taking, to the early stages of a sales program based on incentives, awards and response to contests. These financial incentives do not often work. Oftentimes employees cast selling as an "extra" responsibility, not a task originally responsible for. Arrowhead Credit Union employees, in effect, are given the opportunity to decide whether extra money is worth the effort to overcome their aversion to selling-and many employees decide to opt out. For example, every year we have a sales contest based on opening new IRA Accounts, timed around tax season, when members have their income tax on their minds. Some employees do well with the program, and appear motivated by the incentives; many do not, and elect not to participate.

This fear of selling, in fact, is a substantial obstacle. The employees fear alienating members, and believe selling is not their responsibility. They are a little resentful that the rules of banking have changed to
the present focus on sales (Monahan, 2000). They secretly harbor in their minds the traditional stereotype of sales people as manipulative, fast-talking individuals with white belts and shoes.

Recently Arrowhead Credit Union introduced a new sales program, with financial incentives in the form of prizes earned by accumulating points. The program is well designed and thought out, but still employees resist selling. What we have not done effectively is show how sales actually help the members. We need to show the employees that sales is actually solving member's problems, and to uncover these problems, they need to ask questions. Employees focusing on solving problems for members will help Arrowhead shift from our old contest, and specific product marketing campaigns to needs-based selling. Our employees will do better, when they sell a vision of what financial services can deliver, not product focused. The more we can design our sales program around member needs, the more effective we will be.

Whether the incentive or reward for selling a product is money, travel, or merchandise these items are seldom enough to ensure that a sales team will be motivated toward optimal performance. Managers also have to build in personal recognition the intangible "high" that must
accompany the reward. In doing this, you give the high
achiever recognition and the motivation to attain results
(White).

Arrowhead Credit Union has been working on
implementing our sales culture, in its present form, only
since the first of the year. However, the effort takes on
new urgency, as we have almost reached our limits by
reducing expenses. The key to strong performance in the
future will be core revenue growth, which will require a
successful sales effort. This is not easy to accomplish,
and it requires persistent management attention. Branch
Managers must be ready for a prolonged and consistent
effort, if they are to be successful. Rex Coble, director
of market builder services at RAM McGladrey Inc. in Des
Moines, Iowa says this about sales of financial services,
"it's not just a matter of bringing in a high-priced
consultant for training, rather, and it is a process you
have to work on everyday" (Monahan, 2000).
CHAPTER TWO
REVIEW OF THE LITERATURE

Market Segmentation at Arrowhead Credit Union

Servicing member needs requires supplying the sales force with the best available information on member's financial relationships, product needs, and delivery preferences. Quality matters more than quantity. The value of information is unlocked when it is organized and presented in a way that Arrowhead Credit Union employees can act on it at the point of customer contact. This includes segmenting our members by their needs and profitability (Sheshunoff, 2001).

After ranking members by profitability, we put each household into one of six market segments based on financial behavior. This helps us identify the best opportunities for multiple product sales for each member. Employees will have the benefit of computer-delivered knowledge about each member's profitability to the Organization and software-driven sales prompts individualized for each member, based on their propensity to buy certain products.
Customer Relationship Management

Arrowhead Credit Union has made huge investments in information and technology recently. We have made this investment to help with our transition in the sales environment. We must know information about our members and use this information for sales and marketing. Marketing Customer Information Files (MCIFs) is the aggregation of all our separate members data into households, used for marketing purposes (Sheshunoff, 2001). It also includes the analysis of the household's current relationship with the credit Union in order to identify additional product opportunities. Related to this is decision support. Decision support includes developing member profitability models, data base marketing, product pricing, and profitability. We also leverage the information to learn about buying behaviors of members and to formulate segmented marketing strategies. In the Financial Services Industry, using the above concepts is a marketing strategy called Customer Relationship management [CRM] (Giltner, & Ciolli, 1999).

CRM simply implies that we have organized our Credit Union around the needs of our most profitable members. This is a very straightforward concept, and is a sound
business strategy to follow. CRM is a marketing strategy that provides our individual sales channels with the relationship management information each requires, and the flexibility to offer packages of products and services at competitive prices in order to grow our member relationship with the Credit Union (Giltner & Ciolli, 1999). Each of the individual sales channels is an integral part of the CRM solution, and each of those channels needs organized in a manner that allows it to share information with the other channels. Internet banking, call centers, branches, calling officers, direct mail, and ATM’s. They are all essential parts of making CRM strategy work.

Customer Relationship management (CRM) at Arrowhead Credit Union is only about six months old, and implemented from research questions asked of our members. In their responses, they indicated they wanted choices, and alternative ways of doing business with us. Our members wanted more choices than the traditional way of doing business in a Branch Office. Recently we have expanded our call center, added online banking, and purchased additional ATM’s, with new locations. What we have found after adding these services is it is not enough simply to provide members with alternative delivery channels. Some
members seek out these options and embrace them with open arms; others need to be educated about the benefits before they will use them. Some of the older members need a live human being to teach them how to use online banking for the first time.

Our goal at Arrowhead Credit Union in implementing CRM strategy is not to move members to self service, or less costly channels of delivery, but to educate them on each channel, and let them make their decision on which channel to use.

CRM marketing strategy at Arrowhead Credit Union is a very recent addition, and we have several issues we need to master before we can utilize CRM to improve our marketing efforts, and bottom line. The most critical, is the investment in information technology. A CRM strategy requires us to build member databases on a software package that can leverage information at the point of sale (Sheshunoff, 2001). We are not there yet, presently only the marketing department has this information, and they supply it to the various sales channels in the form of marketing lists, and other internal generated leads. Secondly, Arrowhead Credit Union applies pricing decisions equally. What this produces is degradation in profits for a certain segment of our members, particularly our
one-product members. For CRM to work efficiently, we need to re-price our less profitable accounts. Third, using the present system, we measure member profitability, prioritize our members by levels of profitability, but the information stops there. Customer contact employees do not have access to this information. Consequently, we run the risk of not handling a particular member with the appropriate level of care, or making the wrong pricing decision for the member. Finally, for CRM to be effective, we need to employ customer loyalty programs. Our best members are recognized and rewarded commensurate with their status. Loyalty programs should become a cornerstone of our strategy that rewards the profitable members (Sheshunoff, 2001). At Arrowhead Credit Union, the traditional strategy has been to attract large numbers of members, one product at a time. We use the branch system and mass marketing techniques to attract deposit accounts and sell loans, and we treat everyone more or less equally, regardless of balances and numbers of accounts. Presently, the front line service and sales people are not empowered to make discretionary pricing decisions. CRM would enable them to immediately make an informed decision based on the relationship the member has with the Credit Union. Ironically, CRM evokes memories of an earlier time
when managers knew all their members and their families and negotiated loans and interest rates based on how valuable the member was to the financial institution. With CRM, such personalized business dealings are again possible.

Changing the Business Strategy at Arrowhead Credit Union

The volume based business strategy which so many years had made Arrowhead Credit Union successful is becoming outdated. Three significant changes in the way we approach marketing, sales, and service demonstrate the need for expanding our CRM strategy.

First, competing financial service providers are arriving on the scene. They bring with them sophisticated marketing applications that focused on attracting some of our best members. Secondly, new technologies are making the playing field level. The very largest financial institutions with their sophisticated software and large computers, which can manipulate their customer information in many ways, had superior marketing capabilities. Today even small financial institutions, (such as Arrowhead Credit Union) can cost effectively leverage computer technology to gather, analyze, and use member information. Computers have put the power of information at the
disposal of all financial institution managers, and size is no longer a limiting factor. Finally, our member base is changing. Our members are becoming more affluent, increasingly comfortable with technology, demanding of new financial services, and are willing to go anywhere they must to get the products and services they demand (Giltner & Ciolli, 1999). The financial institution of the future may have to become the equivalent of a financial supermarket, and escort its members through the isles towards a full range of products and services.

Is there a downside to implementing a CRM strategy? The biggest concern is the cost. A CRM solution is very expensive to implement, and the required level of support adds monthly expenses to the bottom line. Arrowhead Credit Union and other small financial institutions cannot afford this investment. We are able to compete as equals with the large institutions when it comes to cost and required expertise because of the growing number of service bureau solutions that are available. However, the investment in a CRM solution is still sizable. Secondly, our mainframe system imposes a limitation on the availability of required information. We have overcome this objection, with the purchase of the MCIF solution, updated monthly through a service bureau. Last, there is some resistance
to the concept of CRM within the credit union. Opponents suggest we already have a strong relationship with the communities we serve, and first hand knowledge of our members, which make the investment in CRM unnecessary.

The bottom line is that we are still experimenting with finding out which members are most profitable, and what products and services they demand. We are at risk of losing a significant number of these members to competitors, who are effectively using CRM, unless we are willing to make changes in our marketing strategies. Essentially this involves refocusing our business to put profitable members at the center of our business activities (Sheshunoff, 2001). All service and delivery channels need to be integrated, sales goals for individual member relationship need formalized and employees should be empowered to make pricing and member service decisions.
CHAPTER THREE

METHODOLOGY

Motivating Branch Employees toward Sales Success

For years Arrowhead Credit Union has focused on sales, however we have never revamped our performance management systems to hold people accountable for new behaviors until recently. It was not until changes made to the performance management systems, including consequences for non-performance with regard to sales, that managers took the changes seriously. All of Arrowheads seventeen managers are under scrutiny to implement the Organizations sales culture, and are accountable for the results. Understanding what motivates our employees' is the key to implementing and sustaining the sales culture.

A sales culture is more than providing staff with sales training, giving them a product manual, and adding tracking and incentives. A key responsibility of a branch manager is to provide the motivation to the staff so they will be successful in accomplishing their goals. Motivation has been defined in the textbook; Organizations, by James Gibson, John M. Ivancevich, and James H. Donnelly, Jr. as the forces acting on or within an individual to initiate and direct behavior. Motivation
describes the differences in the level of the intensity of behavior. Managers regard more intense behaviors with higher levels of motivation, and high level of motivation are contributors to exceptional performance. Managers prefer highly motivated employees because they strive to find the best way to perform their jobs. Motivated employees are interested in providing high quality member service, they are more likely to be productive than are non-motivated employees. They want to come to work and be part of a team; they are interested in helping, supporting, and encouraging other employees. Motivated employees display these and other desirable actions. However knowing a universal set of rules to motivate employees is not likely to occur, as there is no one approach that works best.

Needs Influence Motivation

Today, managers need to understand the different types and degrees of motivation in their employees and try to enhance the extent of motivation demonstrated in a diverse and unpredictable group of people (Hollingsworth, Hoyer, 1988). This diversity results in different behavioral patterns, related to the needs and goals of the workforce.
Managers must understand the concept of needs, before they can try to influence behavior in the workplace. A need is a deficiency or lack of something of value that an individual experiences at a particular point in time (Gibson, Ivancevich, & Donnelly, 2000). Deficiencies may be physiological, (food), psychological (praise), or sociological (social). Needs are energizers or triggers of behavioral responses. The conclusion regarding motivation, is that when needs (deficiencies) are present, the individual will seek to fulfill those needs and may be more susceptible to managers' motivational efforts. Influencing behaviors occurs when needs are fulfilled by the accomplishment of goals, thus reducing the need (deficiencies), which results in a change of behavior. This circular concept starts when people have need deficiencies, which trigger a search process for ways to reduce the tension they cause. After selecting a course of action, goal-directed behavior occurs. After, managers assess that behavior. Performance evaluation will result in rewards or punishments. The person evaluates such outcomes, and reassesses need deficiencies. This in turn triggers the process, and the circular pattern begins again (Gibson, Ivancevich, & Donnelly, 2000).
It is important for Branch Managers to understand the motivation process, and relate the process to employees. If managers want to influence behavior, they must be aware of what set of goals employees are attracted. To predict behavior with any accuracy, a manager must know something about an employee's goals and about the actions that the employee has to take to achieve them.

Two Theories on Motivation

While there are numerous motivation theories and research findings, two are particularly helpful for Arrowhead Credit Union Managers who are attempting to influence behaviors: Mallow's need hierarchy model, and Frederick Herzberg two-factor content theory of motivation. Both theories offer Branch Managers insights on individual needs, in explaining job satisfaction.

Maslow's theory assumes that a person attempts to satisfy the more basic needs (physiological) before directing behavior toward satisfying upper level needs (self-actualization). Lower order needs must be satisfied before a higher order need such as self-actualization begins to control a person's behavior. According to Maslow, a satisfied need ceases to motivate (Gibson, Ivancevich, & Donnelly, 2000). For example, when an
employee decides they are earning enough pay for their efforts, money loses its power to motivate.

Maslow's theory is important to branch managers, as it suggests strategies that they can implement to correct need deficiencies. These deficiencies can occur at all levels but are likely to be largest in the areas of Maslow's self-actualization and esteem needs, which are often overlooked in incentive plans. Attempts to address these deficiencies may actually have a greater impact in initiating and directing behavior than focusing on lower level needs that may be closer to fulfillment.

Frederick Herzberg developed the two-factor content theory of motivation. Unlike Maslow's five hierarchy of needs, Herzberg's theory describes two factors, dissatisfies, and satisfiers which motivate employees, and contribute to job satisfaction. In his studies, He concluded there is a set of extrinsic conditions pertaining to the job context, conditions such as pay, status, and working conditions. The presence of these conditions do not add to the satisfaction or necessarily motivate employees, but the absence of these conditions results in dissatisfaction to the employee. Second, a set of intrinsic conditions pertaining to the job content is also present. These conditions include feelings of
achievement, increased responsibility, and recognition. The absence of these conditions does not prove highly dissatisfying, but when present, they build strong levels of motivation that result in good job performance. Herzberg called these the satisfiers, or motivators (Gibson, Ivancevich, & Donnelly, 2000). Herzberg’s theory can be useful to Arrowhead Credit Union Managers, because it dispels the popular idea that job satisfaction is at one end of a continuum, and job dissatisfaction at the other end. Understanding this concept is important because Branch Managers will introduce a job condition, which causes job satisfaction, than are reluctant to removing it for fear of causing dissatisfaction. Herzberg’s model questions this assumption, that job satisfaction is a one-dimensional concept.

While understanding motivation theories assists managers in understanding employee needs, motives, and values, they do not explain to managers what to do to motivate. If motivation is to be, sustained, and directed Branch Managers should understand employees needs, and goals and respond appropriately. Without this understanding, a Branch Manager will miss many opportunities to motivate employees in a positive manner.
Managing Verses Coaching

Branch managers at Arrowhead Credit Union are facing change. The changes involve technology, organizational strategy, and product development. The changes are about one thing: finding new ways to serve members and making, those ways work. Because of this development, branch managers for the first time see their roles changing from branch manager to sales manager.

There are two kinds of leadership: old leadership and new leadership, old leadership was based on controlling people, new leadership is based on empowering people so they can be as good as they can be (Richardson, 1996). In the new leadership, the idea is to manage without micromanaging. To do this requires coaching, the most critical competitive skill any organization can have. All the managers at Arrowhead Credit have not yet mastered this skill.

Leadership today is about vision. It is about understanding the past to make the future better. There are two ways to get better, work harder or change. Coaching is about how to change by doing things differently. Every branch manager has blind spots. The power of coaching lies in turning those blind spots into perspective. Arrowhead employees are one of our most
important assets. If our people are not improving every
day as a way to reach their potential, the credit union
cannot fully benefit from their talents.

The sales management philosophy at Arrowhead Credit
Union believes we leave money on the table when there is
no coaching among managers and peers. This "money" comes
in the form of energy, creativity, ideas, skill, and
talent, as well as lost sales (Bank Administration
Institute, 2000). The managers at Arrowhead know hiring
and firing are expensive and that developing people is a
much more effective way to realize more potential from our
people. Drawing an analogy between coaching in sports and
corporate coaching, players have to compete to get on a
team in sports; a salesperson has to compete to get his or
her job (Ginovsky, 2001). This is where the comparison
ends. Sales management without coaching is like owning a
sports team without trying to make it better. Coaching by
the manager can help the team play better, and when the
players begin coaching themselves the team will reach its
full potential.

Most managers at Arrowhead Credit Union believe
coaching is a process of telling and evaluating people.
The consensus of the managers is they want to help, and
have a desire to coach but have doubts about their skills
to coach. One manager expressed what many of us feel, when
She said, "I'm wondering if what I do when I 'coach' is
really coaching. The branch managers at Arrowhead Credit
Union recognize the bottom-line impact coaching can have.
We are aware that in today's business environment
differentiating the quality of service is easier than
differentiating our products. Managers are in a great spot
to initiate the shift to true coaching by changing the
dynamics of how we work with our individual staffs. The
big hurdle for us managers at Arrowhead is learning how to
coop. We should be changing our philosophy about coaching
from telling and evaluating people, to questioning and
developing our employees (Richardson, 1996).

The goal of Stacie Leake, Arrowhead's Sales Manager,
as well as the branch manager's goal, is to develop a
proactive sales force. We recognize to achieve this goal;
we must be coaching our staff. Yet creating a coaching
culture remains more elusive than the formidable task of
creating a sales culture.

Clearly, sales coaching is a big task. Not only are
there very few role models, but also many organizations
lack the environment needed for coaching to take place,
let alone thrive. In some companies, there is a natural
bias against real coaching. Branch managers at Arrowhead
Credit Union recognize the difficulty of coaching employees. They are striving to become more effective at the coaching process.

In order to become more effective at coaching, Organizations should be concentrating on developmental coaching, according to Linda Richardson, in her Book Sales Coaching. Developmental coaching is the incremental processes of helping people get to their next level of growth. She implies that the better the coaching, and the more coaching the branch manager does, the less the employee becomes dependent on the coach. As the employees grow, and the more effective the coaching is, the less the coach becomes necessary. Ultimately, this process leads to self, and peer coaching with almost no reliance on the manager.

Transition from Manager to Coach

Transitioning from manager to coach has been difficult for Arrowhead Branch Managers. Each manager needs to decide which operation, boss or coach, is right for him or her and which will lead to the best results. Managers need to understand when to manage and when to coach, and when coaching, when and how to evaluate and when and how to develop. Fortunately, at Arrowhead Credit
Union management values coaching, so it is easier for branch managers to make the transition from manager to coach. Arrowhead managers who want to change from manager to coach must initiate the change themselves. They must initiate the change by changing the dynamics of how they work with their own staff. The manager must change the reporting structure from manager/subordinate, to a relationship that is peer/team, only than can the transformation from manager to coach be successful. The branch manager is in a unique position to become a catalyst for change. The manager is in the right spot to see the adjustments that need made and to help people make these adjustments. Making the transition from manager to coach means placing the primary responsibility for learning in the hands of the coach and his or her staff. Training and learning becomes an everyday activity rather than an event. In a coaching culture, staff as well as branch manager should continuously assess their own progress, and be responsible for determining what training programs; they require for being successful. A manager has succeeded in establishing a true coaching culture, when the culture of the organization actually is the everyday practices of the management. Culture is what management does, not what it says. Training can support the culture;
it usually cannot change it. Culture is stronger than skills. This is why the role of the coach is so vital in establishing a sales environment.

The key to making the change from manager to coach is feedback, the process of giving data to someone about the impact the person makes through attitudes, actions, and words. When there is lots of honest, open feedback going on in an organization it is a clear signal that people are learning and changing. Unfortunately, most people dread feedback. They often react negatively when a manager gives them feedback. They anticipate criticism, and they feel they will be under attack. This is because people look at feedback as evaluative, not developmental (Richardson, 1996). People are not accustomed to feedback as a form of ongoing development. For developmental feedback to be given, the manager must be operating from a position of trust with staff or good feedback probably will not be given, or well received. When staff members receive developmental feedback, that is, feedback aimed at helping the employee attain the next level, they want more.

Coaching is the single most important sales practice a branch manager can do to increase the productivity of their sales staff, and to meet or exceed the goals set in the business plan. Managers must realize coaching is a
mindset and a process. It is a philosophy of developing people based on a commitment to their development.

Requirements of a Successful Coach

Coaching at Arrowhead Credit Union is still in the infancy stages. We need to give our staff feedback, for the coaching process to work. Employees cannot fix deficiencies, if they are not aware of what to fix. Coaching requires the courage to say the hard things on subjects the employee can correct. The big payoff for coaches is their people will continue to improve. The process of coaching creates buy-in and commitment. Moreover, when one realizes that most people will do what they want to do, buy-in and commitment is even more precious. Effective coaching, positions the manager not as an expert, but as a partner with the employee in their development. A good coach can create dynamic and supportive environment where people are open to feedback. When a coach is truly committed to helping everybody get better, trust and commitment follow.
CHAPTER FOUR
RESULTS AND DISCUSSION

Creating the Right
Culture for Sales

The decision to pursue a sales strategy is essentially a decision to change our culture at the Credit Union. For this reason, having full support and leadership from top management is essential in the implementation process. While leadership is important to organizations of all sizes, for Arrowhead Credit Union, large compared to other Credit Unions, we are small when compared to other financial institutions. Our CEO, Larry Sharp has a tremendous amount of influence and because we are smaller, enjoys more personal interaction with employees throughout the credit union. Consequently, Mr. Sharp has a significant impact on the culture of the Credit Union and without his support and leadership the cultural change necessary to implement a sales environment is impossible.

The Culture change begins with the CEO’s vision. In our case, this vision was communicated throughout the Credit Union at officer meetings, and through written memo’s to managers and staff. Senior Management below the CEO offered strong testimonials in support of sales. The communication was a united effort, and the commitment was
sincere. The importance of sales cannot be viewed as a passing fad, and must be repeated and reinforced whenever possible. The vision of Mr. Sharp must be embraced as the Credit Union's new approach to doing business. A critical element in this process is senior management's consistency of the message; they must be constantly alert for opportunities to reinforce the corporate vision.

Financial Institutions have taken different approaches to implementing a sales culture, but a common theme among most of the institutions is that hiring the right people is a critical component of a successful sales culture. People, especially the front-line staff and sales managers, are critical to the successful execution of a sales strategy because they create the customer experience (Bank Administration Institute, 2000). According to Eric Rosenberg, partners of PGR Performance Group Inc., Chicago, writing in the August issue of American Bankers, hiring the right people begin with five basic questions:

1. Are the characteristics, skills and experience an employee needs to function productively in a sales culture identified, and are employees hired accordingly?

2. Do job descriptions for front-line staff members outline specific sales-related activities?
3. Is the staff rewarded and recognized for outstanding sales performance?

4. Are staff members managed and measured according to specific sales-related standards?

5. Do employees have the training and other tools they need to be successful sales-people?

Modifying Job Descriptions

As Arrowhead Credit Union makes the transition to sales, we continually redefine the employment contracts replacing an "order taker" mentality and passive behaviors with a more responsive workforce. Instead of simply reacting to members in front of them, employees should spot customer needs and opportunities, as well as make proactive customer contact. For much of Arrowhead's employees this is not only very different from what they were originally hired to do, but may also be something they do not know how to do or may feel uncomfortable in doing. As a result, we must address their feelings of fear of change and uncertainty. Some will not make the transition and either transfer to back office positions, or will leave the Credit Union altogether.

The role of the branch manager has also changed. Instead of managing service or operational issues,
managers oversee sales activities, therefore taking on the role of sales managers and coaches. Branch managers are required to be actively engaged in the coaching process with employees at all times. This emphasis on sales is redirecting our roles. The expectation is that time formerly spent on administrative duties and community involvement be spent coaching. These new job duties continue up the organizational hierarchy, were regional and executive managers jobs change to take on a sales focus.

The redefining of roles and job responsibility forces the branch manager to question who does what, and impacts branch operations and processes. Asking the front line to focus on sales implies rethinking the delivery system in terms of sales and service. It also affects how work is processed from the moment a product is sold through service after the sale is made. At Arrowhead Credit Union, this balancing between sales and service is where we are struggling with how best to allocate these responsibilities within a sales-focused branch.

Recently job descriptions at Arrowhead Credit Union were redefined to reflect the emphasis on sales. This change drives a series of changes that take place in
domino like fashion with one change touching another within our human resource department.

In the past potential employees were recruited and hired differently. We have begun recruiting employees with sales experience, but not necessarily with financial backgrounds. New employees have sold everything from fast food to brokerage accounts. Training and development needs change with the new workforce. Performance management and incentive compensation systems also differ. We continue to make changes and refinements to the human resources practices as we learn from experience what works and does not. What we have learned is communication and people skills surpasses technical skills as the most critical skill needed in a sales culture environment.

Installing Sales Activities

While having the right people in the right jobs is a critical component of the sales culture, defining the behaviors and activities necessary to keep the sales force motivated is a key step in the sales process. This is the area where branch managers need the most assistance, and is the most difficult change to implement. Installing sales activities is not easy (Bank Administration Institute, 2000). At Arrowhead Credit Union, this is one
of the most difficult, yet most important, aspects of building a sales culture. The routines and disciplines are the vehicle through which we accomplish the organizational change. These activities are critical as they provide the direction for employees to achieve Mr. Sharps' vision and the credit unions sales strategy. The activities are also critical in ensuring that the credit union maintains a sales focus over time.

About a year ago, Arrowhead Credit Union hired a Sales Manager, a new position with responsibilities dedicated to the issue of the sales culture and making it stronger. While the Sales Manager has numerous responsibilities, implementing sales routines for branch managers was a major objective. How to install and sustain internal processes around sales management is a challenge for the sales manager and branch managers. The problem is remaining disciplined and adhering to practices over time. At Arrowhead Credit Union, the approach to sales management has been structured and activity-based. What we have learned is that frequency is important, sales management practices and activities must be frequent enough to be routine. If these behaviors are not routine, they are replaced with other activities and priorities (Monahan, 2000). Sales management processes such as; goal
setting, coaching, and sales meetings, give managers a structure and framework within which to manage.

A goal for writing this paper is to assist branch managers in establishing sales routines, and to give them a road map for changing behaviors within the branch office. A prerequisite to establishing sale management practices is to gain the commitment from the managers to follow the routines. This can be accomplished by frequently inspecting the processes, through observations, and formal reporting, or by demonstrating to branch managers how the practices can affect performance in a short time and help them reach their goals.

An important element when establishing sales routines is to manage sales activities over shorter time intervals, either daily or weekly (Bank Administration Institute, 2000). Examples of short interval sales routines would be daily target setting meetings, daily tracking, action plans and debriefs. These gatherings are less formal and the encounters are short in duration, and right to the point. The discussion centers on what the employee needs to focus on and do that day. These daily routines keep the employees focused on their goals one day at a time. Scheduling these activities on specific days works very well, as employees fall into a routine and knows what to
expect on a certain day of the week. In addition, by reviewing results frequently, accomplishments are recognized and obstacles to reaching the longer-term goals identified and dealt with early in the process.

Having daily and weekly action plans is a practice to keep the focus on sales activities and on priorities. By outlining exactly, which activities and tasks are required each day or each week, employees can stay focused and organized as well as taking ownership of the process. The branch manager also has a basis for tracking activities and results. Clearly, the most important aspect of establishing sales activities and routines is whether they are negotiable or not (Stoneman & Holiday, 2001). These routines and disciplines should be required and tied to performance goals.

At Arrowhead Credit Union, we do not have consistency and uniformity in the sales processes, however we are working hard at achieving this. Some managers are more disciplined and have established routines other managers are sporadic in their application of these processes. With uniformity, sales activities are likely adopted throughout the organization and therefore creating cultural change. Uniform processes and practices also are easier to manage and can contribute to a sense of belonging, or part of the
team. Having all of the branches doing the same routines creates cultural bonds among sales team members.

The place to start in changing behavior at the branch level is by focusing on activities of the sales staff, where sales results should occur. At Arrowhead we believe that activities lead to results, sales employees are accountable for specific activities. This starts with setting goals for those activities and then tracking and monitoring progress against the goals that were set. At Arrowhead Credit Union, adopting an activity focus is a critical success factor.

The Importance of Profiling

By far the most important activity we have adopted at Arrowhead Credit Union, and one, which holds the most promise for us, is profiling. This activity shifts the focus from being product driven, to members and member needs. The results from profiling are interactions that are customer driven. We obtain information from our members, which provides us future sales opportunities, as well as current needs. We believe that profiling is such a valuable tool, we require branch sales employees to profile most members. While profiling is relatively fast, it still takes up valuable time when opening a new
account. Choosing whom to profile is up to the employees' discretion. Arrowhead Credit Union requires a minimum of three profiles per week, per sales employee, however many of our employees profile more. We do not have specific guidelines on whom to profile. We explain to the employees, that we want members with the potential for future business profiled. However, this is still largely a discretionary decision by each sales employee.

Arrowhead Credit Union has only recently began profiling members, and what we have discovered is on the surface it appears to be a simple skill, in reality it is a very complex skill if done well. The increased use of profiling by Arrowhead Credit Union contributes to the strong preference in hiring employees with strong communication, and listening skills.

Managers at Arrowhead Credit Union have indicated some of their staff members are reluctant to profile. It seems some employees are more comfortable with one time product focused sales efforts or working easier leads such as maturing CD's than with initiating needs based conversations with members. The only way to diffuse this reluctance and make the employee comfortable is to require profiling on most members. Once they begin and employees can see this kind of selling is really a form of member
service, of which they can see their results, they become more comfortable with the process.

The next step once the employee is comfortable with profiling is for managers to analyze the effectiveness of their efforts and to provide guidance in becoming more efficient in the activity.

Profiling also helps people sell more effectively because it provides a framework for discussion. It can also make the staff feel more personally responsible for managing relationships. The biggest problem we are facing at Arrowhead Credit Union, is profiling is still a manual process. The information gathered ends up on employee’s desks or files. Follow up becomes a manual process, and opportunities can be easily lost, simply because an employee is sick or on vacation. At Arrowhead, we see the value in automating the process, but doing so will require expensive software, which may not integrate with our existing proprietary system we are using.

The information collected through profiling by the employees helps to build a “book of business”. It is up to the individual employee, who completed the profile, to discover other opportunities and follow up with these members. If they make additional sales, they become part of that employee personal portfolio. We also use the
profiles to train employees on how to spot opportunities. Branch Managers review completed profiles as a training exercise to be certain there are no missed opportunities. While this second pass can uncover additional opportunities, profiles are still filed and dependent on the employee for follow up. The "cost" in profiling is that the dollars and time invested in collecting the member information may not be activity managed. This information is not part of our data pool of member information. Therefore, it does not become part of the Credit Union's accessible files.

Management at Arrowhead Credit Union believe that profiling is a valuable front line practice because of the power to shift the focus of member interactions to member needs rather than pushing a particular product. Profiling is also critical at Arrowhead Credit Union in pursing a member relationship strategy.

Sales Accountability through Goal Setting

Holding branch managers accountable for sales management, takes more than rhetoric. At Arrowhead Credit Union, we have taken the important first step, changing job descriptions and redefining management expectations. Defined sales goals is linked to a performance management
system. The goals are then redistributed throughout the sales staff at the branch level. This goal setting process is largely a top-down activity, with little room for negotiation. After discussing the goal setting process with other branch managers, the consensus was to incorporate some level of negotiation. If the goal setting process at Arrowhead would be collaborative, the manager’s opinion of the fairness of the goals would be more positive. There are two consequences if managers believe goals are unfair: Workplace pressure and stress, and an unhappy workforce (Ginovsky, 2001). Collaboration around goal setting can help eliminate these consequences. Employee satisfaction goes hand in hand with member satisfaction, giving the member a pleasant experience.

At Arrowhead Credit Union, the sales goals are set annually, and then broken down into monthly, and weekly goals in order to get a handle on the sales management process. The branch managers should create short-term activity goals such as: the number of sales calls, weekly action plans, and the number of profiles to be completed. During this process, we have a mix of team or individual goals, supported by both team and individual incentive programs. The challenge is to balance team and individual goals so that collaboration is encouraged while rewarding
top performers. Arrowhead Credit Union's goals include, loan production, increase in account balances, new accounts, service quality, referrals, investment balances, and fee income.

Sales Practices That Support a Sales Culture

Sales meetings are also an important practice that is crucial to implementing a sales culture. These meetings serve as a forum for monitoring activities and progress towards goals and for reinforcing sales skills and product knowledge (Ginovsky, 2001). The sales meetings at Arrowhead Credit Union are both informal and formal. Formal meetings are regularly scheduled, and reoccurring. Informal meetings are less structured, and designed to provide updates to the goals, and recognize employee successes. Branch managers have a weekly conference call, and bi-monthly sales meetings, where we discuss profiling, company vision, and strategy.

Our sales tracking is semi-automated for tracking sales results. The information challenge is, not around measuring closed sales, but rather around tracking sales activities. While automated in tracking referrals, there is still a lack of automated support for tracking sales activities. Activity tracking remains largely a manual
process, and transitioning to a sales environment has meant a great deal more paperwork for our sales personnel.

The most difficult practice to implement is telemarketing calls. The staff does not like to make these calls, and it is a formidable challenge to get them to do them. One practice that works, is having the staff identify the factors they dislike about telemarketing calls, and than practice making their outbound calls different from these factors. This makes a difference in how the staff and members perceive the call. To ease into telemarketing, the staff starts with maturing CD calls, they gain confidence, and than are ready to make product specific calls to members. Another approach with telemarketing is to have staff create the script, and a follow up letter. Since they helped create the script, they feel comfortable in making the calls.

Sales practices should be teachable and repeatable (Ginovsky, 2001). At Arrowhead Credit Union, we share our sales practices in a round table discussion once a month. This is very beneficial, In my opinion branch managers would gain more from this experience if their was a formal documentation on what is successful, and distributing this information to managers after the meeting. This will in turn enable managers to build a sales practice file for
future reference. This forum is important, as it suggests a definite trend toward learning from the winners. It is also motivating for managers, as they want to share the practices, which were successful.

Barriers to Sales, an Internal Evaluation

A practice, which has been very helpful to Arrowhead Credit Union's sales efforts, is focus groups conducted by The Sales Manager, Stacie Leake, and all Branch Managers. Through this process, Branch Managers have defined several barriers to the sales process, identified, and prioritized them.

A large barrier to the sales process concerns the area of Technology. Arrowhead has adopted a strategy of building member relationships, but managers of the sales distribution channels are not able to view the member's entire relationship across all business lines. Our Customer Relationship Management program allows us to view profitability and member value information, but only through the Marketing Department's database. Managers must rely on the Marketing Department to create our marketing lists, and target our members.

Another issue concerning technology is the numerous profiling forms we complete on members for potential
future business. This data is non-automated and we lack the capability of sharing it with other divisions. While we have better member information, the sales staff to anticipate member needs is not necessarily leveraging this.

Finally, Arrowhead Credit Union has developed automated sales tracking, which focuses on sales volume of loans, shares, and fees, but does not track increases in member profitability.

Branch Managers have voiced concern that we are giving mixed signals to the employees. They are responsible for sales goals, based on volume, at the same time expected to build relationships with members. Another concern voiced by the managers is lack of training to improve coaching skills. Good coaching is a skill that requires training and role modeling. There needs to be explicit training on how to coach for performance rather than criticize faults.

A common element derived from the focus groups concern sales management, managers spend the bulk of their time coping with short-term problems affecting the branch immediately, rather than long-term challenges. The sales management process is often re-active process of dealing with employee, member, facility, and equipment problems as
they arise, not proactive sales management. The lack of
time to provide sales management to the employees not only
creates stress on the managers, but is a definite barrier
to the sales process as well.

In an effort to determine what concerns employees
have regarding the sales program, the employees working at
the Del Rosa Branch of Arrowhead Credit Union participated
in a focus group concerning sales. The employees expressed
several concerns they were experiencing in implementing
the sales culture at Arrowhead Credit Union. Foremost, was
the belief they are under pressure to sell products, and
if sales goals are not met, it will have a negative effect
on their job or affect their salary increase.

Happily, employees did not indicate they are under
pressure to sell beyond member needs. Requiring that all
sales staff must profile members to uncover unmet needs,
along with our strategy of emphasizing needs based selling
contributed to this positive response.

Employee concern centered on the increase of
paperwork required in their jobs. This is justified
criticism, as we have added profiles, performance, and
activity tracking to the already paper intensive process
of opening a new account. They also were very vocal in
complaining about the burden of administrative paperwork,
and account maintenance for members, because it takes time away from sales. The sales staff thought these functions should be handled BackOffice, and that we should shift some of the servicing function away from the sales desks entirely. Not having enough people was also an issue from the employees. At Arrowhead we have not redistributed any work performed by the sales staff, so member service and problem solving is viewed as taking time away from the sales process, and becoming a barrier to sales. The selling responsibilities are in addition to the service and problem solving requirements, which the employees believe justifies the need for additional service and support staff. The problem is we are also striving to cut expenses and improve efficiency. Implementing a sales culture is in conflict with this objective.

Employees expressed stress around communications regarding the sales process. The main issues concern having to do with employees wanting better communication regarding priorities and policies, and new marketing campaigns. They also indicated they wanted better communication between the sales staff, and back office operations. At Arrowhead Credit Union, what we continue to do is to refine and modify the components as we learn what works, and what does not work. Consequently, the sales
process is always evolving. Since the sales culture is in the early stages of implementation, goals and sales processes are being refined and priorities changed. In addition, sales incentives have changed with product defined sales tactics, such as the existing campaign to move share deposits into off balance sheet investment products offered by Arrowhead Financial Group. Since these changes are inevitable in a sales culture, a Branch Manager must focus on constructing a way of implementing changes in order to avoid negative effects on productivity. Improving communication about change at Arrowhead Credit Union is a necessity, not just for employee morale, but also for effective implementation of changes to improve our sales culture.

These employees also felt there was a failure of the Marketing Department to inform them in advance of changes, and marketing promotions, that impact members, and they indicated they are not always adequately prepared with brochures, scripts, and other information about the product or promotion.

Recommendations for Improving the Sales Program

When asked what changes they would make to the sales culture, the number one employee response was adequate
staff to support service, followed by enhancing the incentive program. The employees wanted a higher level of variable pay, either more incentive or higher commissions to reward the top performers. Several employees suggested changes related to the staffing and paperwork issues. Employees believe understaffing is a problem in the branches, and need additional staffing. While these issues mentioned were the top priorities, changes were also recommended in the areas of training, (more product training), Information Technology (easier to use platform systems), and marketing, (more advertising or product changes to enhance competitiveness).

Adopting a sales culture appears to create a number of internal stress points for Arrowhead employees. These stress points can affect worker effectiveness and productivity, as well as employee satisfaction. It is possible that we have underestimated the magnitude of change implementing a sales culture has on employees. Changing the expectations from the traditional order taking strategies to sales driven strategy takes time, patience, and perseverance. This change affects the entire organization, and needs implemented slowly. At Arrowhead Credit Union, concerns of the employees regarding sales are seriously considered in an effort to balance a sales
culture that consistently does the right thing for the members, while still providing the service Arrowhead’s members expect.
CHAPTER FIVE
SUMMARY AND CONCLUSIONS

Implementing a sales culture is an ongoing process that takes patience, and involves many complex human resource issues. What we continue to do is modify the components as we learn about our sales program. What we have learned is when we adjust one part the change puts other components out of alignment. This is an ongoing problem we are facing, how to modify the existing components, to reflect changes being continuously made to the sales program.

The sales culture begins and ends with the employee. All the job descriptions for branch employees have focused on sales and changed to reflect the sales element. This was a fundamental change for Arrowhead Credit Union, and our workforce is changing as a result. We are looking not only for potential employees with financial service product knowledge, but must also have good interpersonal and listening skills as well. We challenge our employees to meet new expectations, established around sales activities and results. They have minimum monthly sales goals evaluated on their performance in relation to these goals. Branch Managers must spend the majority of their
time coaching and developing people. Coaching is a simple concept to grasp but actual practice can be very difficult for managers. This is not a process, which can be micro-managed. They need to foster an environment where employees will share their experiences without fear of judgment.

Installing activities and routines around sales and sales management practices has proven successful, but it takes hard work. Arrowhead Credit Union Managers must stress consistency and discipline to be successful. Profiling is a critical element in defining and using sales practices, because it diverts member conversations away from being product pushes. This process about asking members about their needs and preferences is yielding some very powerful information. Our challenge at Arrowhead Credit Union is how to analyze and act on this information most effectively.

Technology is the component of the sales culture where the most progress is evident, and is still the area that needs the most improvement. One of the larger challenges Arrowhead Credit Union faces is it is still only possible to see a partial, not complete member relationship. Investment products and small business services are the biggest gaps. We have made considerable
progress on segmenting the accounts by profitability, but have seen limited success in anticipating member needs based on the profitability of a segment. A sub-component of measuring profitable segments is Arrowhead Credit Union's desire to assess relationship value, and member retention. We survey our members twice a year, with a new member survey, and a closed account survey in an attempt to determine if we are meeting this challenge. The information from these surveys help us monitor how well we are performing against our goal of moving away from volume based goals, and into building member relationships and improving member retention.

At Arrowhead Credit Union, we are very fortunate in two respects; first, we are a smaller organization, which does not have the layers of bureaucracy that the larger institutions have to contend. Second, our CEO, Mr. Sharp, has a large positive impact on our sales culture. His strategic vision is consistent and clearly communicated throughout the organization regarding Arrowheads sales philosophy. A sales culture is doomed to failure without committed leadership from the top. This leadership is a key factor that has enabled Arrowhead Credit Union to see the sustained and successful execution of its sales strategy.
While we have learned a lot from our limited exposure to the sales culture at Arrowhead Credit Union, we continue to learn and make changes to reflect this information frequently. We know we have made tremendous progress in getting the parts of the sales culture in place. What we need to continue to work on at Arrowhead Credit Union is how to execute the sales processes effectively, and how to address the problems outlined by the managers and employees. Some of these barriers are the result of growing pains brought on by major cultural changes within our Organization. Other barriers are the result of a variance between credit union strategy and actual execution.

Although Arrowhead Credit Union is still in the very early stages of implementing our sales culture, already differences from the pre-sales culture days are evident. The new sales environments require more learning and the ability to deal with continuing change. Regular feedback, and encouragement, as well as rewards and recognition other than money are distinguishing characteristics of our new sales culture. Training is more intense, and for the first time includes sales training for front line employees, and Branch Managers. Coaching, done frequently,
to address problems as well as to develop and enhance employee's skills, helps keep the focus on sales.

While stretch goals and competition can be positive, it is critical that Arrowhead Credit Union does not push too hard for sales. We must be careful not to push the imaginary balance between sales and service to far towards sales. Doing so would encourage employees to sell beyond member needs, putting member trust at risk. If we lose the integrity and trust as a competitive advantage because of overly aggressive sales culture, there would be not future for Arrowhead Credit Union. It is a fact that financial goals to sell and the goals for member satisfaction do not always align. Our challenge, is to find a balance, to align sales and service, making it possible for employees to understand that if you are meeting members needs, sales is service. Member profiling is the means to make certain Arrowhead Credit Union starts with and maintains focus on member needs. We have adopted minimum service standards, required for all members, which helps to insure that a service orientation is part of the culture at Arrowhead Credit Union.

Sales Cultures do drive results. Completing our cultural change at Arrowhead Credit Union will create a
win-win situation between our members, and the employees of the Credit Union.
Managing People, The Art and Science of Business Management, by A. Dale Timpe indicates there are nine rules a manager should know to help understand what motivates employees.

1. Managers can influence employee's motivation. If performance needs to be improved, then managers should intervene and help create an atmosphere that supports and sustains improvement. Motivation can be managed.

2. Managers must remember that ability, competence, and opportunity all play a role in motivation. A person with little ability or few skills will have a difficult time being productive.

3. Managers need to be sensitive to variations in employee's needs, abilities, and goals.

4. Continual monitoring of employees' needs, abilities, goals, and preferences is each manager's responsibility.

5. Managers must attempt to channel self-motivated behavior into productive results.

6. Managers as role models can be influential in motivating employees,
7. Managers need to provide incentives for their employees.

8. Establishing moderately difficult goals to direct behavior is an important part of any motivational program.

9. Managers should try to provide employees with jobs that offer equity, and be task challenging, in order to provide the highest degree of job satisfaction.
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