Sales Force Management in the Financial Services

This is one of the most interesting and intelligent books that I have read on the subject of marketing/sales in quite some time. This small book with the clear practical focus is packed with surprisingly thoughtful and insightful text and action templates. It is especially welcomed in the subject area that can't boast that many texts raised above the peptalk of shallow motivational variety. Well-structured organization of sales is indeed critical for functioning of any modern enterprise, especially the ones that deals with the financial services.

Paul K. Bates is currently Dean and Industry Professor in Financial Management Services at the DeGroote School of Business at McMaster University in Hamilton, Ontario. An experienced entrepreneur and ex-President of Charles Schwab Canada, he was recognized by Investment Executive Magazine in 2000 as Canada's most influential broker of the year. Bates also hosted Canada's Money Show, a nationwide call-in radio program.

This book mainly focuses on the organization of consistent execution of financial services, as the author's research shows that many great companies failed mainly due to the inconsistency of execution rather than the lack of great strategic plans. As well, the concept of selling through building personal relationships is critical. Still, by far the most important book's statement is that for financial service companies to compete in the emerging re-regulated marketplace, the sales culture must be embraced.

A somewhat unexpected focus of this book is on treating a branch of the financial institution as a standalone business unit, indeed a franchise. In contrast, many marketing books are directed towards the change in the corporate headquarters, often implying that the branch's own sales potential is limited or even nonexistent. Bates confronts this challenge by showing how to assess the opportunities in the branch's trading area and than to focus the team's effort on the conversion of those opportunities into sales results, one practical step at the time. In the financial institutions, profitability can be increased by building the clients' base and than cross-selling it to get the maximum profits.

Bates does not have many illusions in regards to the proactive sales culture, which is somewhat foreign to the conventional financial institutions where cross-selling and relationship marketing have almost never been done in the past. His ideas on providing right level of service to the clients, focusing on strategic objectives, managing the assigned activities and monitoring accountabilities are perhaps not that new. However, the set of processes and simple but effective business tools described in this book might be of great help to all financial service and sales managers who aim to radically improve profitability and business survival of their business units or financial corporations.

My only disappointment with this book comes from the fact that the analysis and tools that it provides are mainly covering the end of the old "brick-and-mortar branch" banking paradigm. Important as it is, today's and tomorrow's financial institutions have to find equally effective sales methods in the brand new world of transactional global services where relationship-based communication is paradoxically far more challenging and where standalone
business units are no longer relevant.

The challenge of building the clients' base through relationship marketing and of cross-selling personal relationships has to be resolved anew in the Internet world. As well, we need novel and far more effective ways to support relationship sales culture using modern CRM tools. It's hardly a secret that up till now CRM has largely been unsuccessful in radically improving profitability of financial services. Hopefully future books on this subject will be able to address these issues based on the practical experience accumulated to date.