

More than a financial expert

Knowledge is no longer enough - intermediaries need to embrace "selling" to successfully differentiate themselves in today's competitive market

Time was when technical excellence was all you needed as a financial services professional. Customers beating a path to your door would always leave happy and the result was a client for life.

A gross exaggeration? Perhaps, but there is without doubt a need for providers fundamentally to reassess their approach to business development, if they are to survive and thrive in a tougher world. It is no longer enough to provide a technically sound, reactive service. Rather, for both commercial lenders and commercial finance intermediaries alike, it is essential to be recognised as adding something of tangible and unique value to a client's business.

Selling — a dirty word?

Many commercial finance intermediaries do not recognise selling as being part of their role — and indeed may shudder at the thought of being described as a "seller". Yet the fact is that they regularly meet clients with the express or implicit purpose of acquiring more business — directly for themselves or, as an intermediary, for a third party — and on the best possible terms.

At each point of contact, they will be responsible for impacting positively on the client relationship and building something of value, however small or indirect, for the service provider. That is selling.

And here we are not talking about the pushy, "foot-in-the-door" sales approach. By contrast, the highly professional, diagnostic and problem-solving skills of today's top sellers of financial services are more akin to those of a barrister or management consultant than the barrow boy.

In short, like it or not, we're all sellers now. Selling can no longer be dismissed as "not for us". Instead, it must be embraced by commercial finance intermediaries as a vital, legitimate and proactive business development tool — and something which everyone can be trained to do, and do better.

This, however, only takes us part of the way. Many commercial lenders do recognise themselves as sellers, but continue to rely on their technical expertise and an essentially product-led sales technique.

This too betrays a lack of understanding as to how the world has moved on. In a business money market where many products are similar and supply outstrips demand, differentiation depends increasingly on other aspects of service and support and how the tailored solution proposed can best meet the specific requirements of each individual customer. A "one size fits all" response will no longer do.

Segmentation

So how do you start to move away from a product-oriented transactional sale and towards a more consultative, solutions-based approach?

Firstly, you cannot hope to be an effective solutions provider to the (typically) many hundreds of existing or potential clients in your portfolio. If you are to create tangible value therefore, you need to understand each client better, which takes time. You cannot do this for everyone — nor will everyone want this closer relationship. It is thus essential to ruthlessly segment your client/prospect database, based on two key criteria:

The client's attractiveness to you — it is all too easy to focus on the client's current spend or the overall size of their business. This ignores the fact that the opportunity for growth may well be significantly restricted by the fact that they have the requisite financial expertise in-house and so will only ever want to deal with you on a transactional basis. It is essential therefore to distinguish those targets where there is the potential to differentiate your offering by adding distinctive and discernable value.

Your attractiveness to the client — you need to make a hard-nosed assessment of the potential value of what you have to offer each client, in terms of their existing supplier relationships, the relative strength of your offering and how critical or peripheral it is to the broader success of their business.

The result is that some clients — which may even account for the majority of your turnover — will continue to be marketed to and serviced on an overtly transactional basis. At the same time, many prospects will almost certainly be downgraded in the database, leaving a much smaller number of clients and prospects on which to tailor your offering.

To avoid being perceived as a product seller, it's not sufficient to rely on historical information about the chosen client, you need to attain a deeper awareness of the client's market and the challenges they face. Only by doing this can you develop your value proposition and present them with a creatively packaged solution which demonstrably meets their exact needs.

Secondly, product sellers typically have a narrow range of relationships within the client organisation, often having only one financial contact. In order to better understand the business and play a more important role in its strategic development therefore, it is similarly important to make contact, develop relationships and build value with a broader range of decision-makers, as the basis for successfully differentiating your solution.

Supporting skills

There are three primary sets of selling skills needed to get the best from any client relationship in the area of financial services:

- negotiating skills — as product sellers, the need for improved negotiating skills in order to deal more profitably with clients in a transactional relationship;
- consultative skills — to determine how to build value — by shaping different needs and meeting these persuasively with a value proposition designed for each specific client; and
- account planning skills — to work out whom you need to influence across a potentially broad range of key decision-makers (with the goal of seeing the right people at the right time about the right issues). In planning to navigate the client organisation, start with the people you know and determine how to gain access to, and build relationships with, C-level and other key elements in the chain of decision-making.

Everyone involved is going through a greater or lesser degree of change. A whole range of new commercial and regulatory pressures means that, however successful you may have been in the past in your dealings with clients, the old rules no longer hold good.

In one sense, successful transition means you will travel almost full circle. If you can work out on whom you need to focus your efforts, and provided you have the skills and the ability to establish strongly embedded business relationships with a smaller number of client organisations, once again you will be seen as a technical expert, by clients who will remain loyal.

Yet, crucially, this relationship will be on a much higher plane — and at a more strategic business level — as you demonstrably and proactively add real value to their business.

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