

Building BRIDGES - Newsletter

Cross-Selling Tips from the Cross-Selling Experts

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The Hard Facts About Cross Selling in the Financial Services Industry

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Paradox - noun 1. A statement or proposition that seems self-contradictory or absurd but in reality expresses a possible truth. (Definition from www.dictionary.com)

It seems self-evident to most sales and IT professionals that when a company collects legitimate data about their customers, it should lead to a stronger customer relationship and future sales. But for many companies and sales professionals, that simply isn't happening. This appears to be a paradox – but unfortunately it may “express a possible truth”. Consider:

- Statistics tell us that we are 3 times more likely to sell a product to an existing client than a new prospect, yet the average customer owns 9 products but only 2.5 products per company.
- Recently there has been a huge amount of hype about Big Data and how it will change the way we sell. But in spite of billions of dollars spent on IT, the vast majority of companies still don't effectively leverage the data that they already have to sell more products.
- Financial service companies have invested heavily in CRM and data warehousing but the data contained in these systems isn't being utilized by the sales force to increase cross selling.

Recently there has been a huge amount of hype about Big Data and how it will change the way we sell. But in spite of billions of dollars spent on IT, the vast majority of companies still don't effectively leverage the data that they already have to sell more products.

So what are the difficulties with cross-selling?

The difficulties encountered by financial professionals might be described in the following ways:

1. **One Trick Ponies:** Financial professionals get comfortable and may even see success with one mode of business. Once they've sold a client a product, their habits propel them to move on to another stranger with whom to start a brief relationship.
2. **Tuned Out (Information Overload):** The financial professional simply has too many lists containing too much non-specific information, that has no bearing on the current state of their client's interests or concerns.
3. **Technologically Challenged:** The complexity required to make a CRM system powerful is overwhelming to the casual user, so he or she simply avoids it.
4. **Myopic:** The financial professional only focuses on a portion of their book of business because there are just too many clients to do proper analysis of each client.
5. **Snake Bite:** On those occasions where a financial professionals gets a recommendation from a propensity based algorithm or home office marketing program, they don't want to be embarrassed if a customer challenges those suggestions and the financial professional doesn't have adequate support to explain the recommendation.
6. **Old Dogs:** Being in the industry a long time doing the same thing and having limited product knowledge regarding many needs and new products.

The list undoubtedly can be expanded, but this gives a flavor. The sad fact is that few financial professionals use their CRM or data warehouse to maximum advantage.

So, should financial services firms just give up? ABSOLUTELY NOT! It can be demonstrated that there are a handful of firms that are successfully using the knowledge they have of clients to better serve their needs, and to make current sales that increase customer and producer loyalty. A study by Financial Publishing Services indicates that "Organizations have a 60% to 70% chance of increasing sales to a current customer, versus a mere 20% to 40% likelihood of winning back a former customer or closing a sale to a prospect" (The Cost of Customer Churn, www.fpssc.com). The odds are in your favor if you have a comprehensive strategy to effectively cross-sell.

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Based on 25 years of designing, building, and helping firms implement the use of financial planning, wealth management, compliance, and cross selling software systems let me give you my straightforward analysis of what it takes to move the needle when it comes to cross-selling. This analysis comes out of the real world and recognizes the human weaknesses that come between your software systems and your producers. You have to:

1. Make it so easy that anyone can do it.
2. Do it where they live. Regardless of their preferred way of interacting with clients, the system has to give it to them the way they want it – not the way the system prefers to deliver it.
3. Adjust your system to the reality that timing is everything.
4. Give your producers a reason to use it.
5. Implement a system that makes suggestions, not through query and search, but by pushing the suggestions right onto the desktop of your producer.
6. Make the recommendations real world, needs-based, so the customer quickly recognizes that the suggestion directly applies to them.

We have hard data on how RightBRIDGE finally puts the data where it's needed, when it's needed, to the people who need it most.

So after all our experience in building financial planning systems, wealth management systems and compliance systems, the well traveled team at CapitalROCK has finally cracked the code on effectively cross selling with a system called RightBRIDGE. Now utilized on a daily basis by some of the largest firms in insurance and financial services, we have hard data on how RightBRIDGE finally puts the data where it's needed, when it's needed, to the people who need it most.

Before I get into how we do it let me give you a few statistics to back up that claim.

Although CapitalROCK cannot release any company specific RightBRIDGE results we can provide some aggregated statistics about RightBRIDGE use and increased production:

- The average RightBRIDGE user acts on **37** RightBRIDGE suggestions per month.
- **32%** percent of RightBRIDGE suggestions result in a positive action (product sold, sale pending, recommendation accepted, follow-up).
- Users of RightBRIDGE average **1-2** more product sales a month compared to their historical sales volume.
- Users of RightBRIDGE have an average revenue increase of **13.3%**.

What is RightBRIDGE? RightBRIDGE is a needs-based suggestion engine that identifies all relevant opportunities for clients in a financial professional's book of business. RightBRIDGE sifts through the entire prospect and client base and then identifies the most compelling opportunities. More importantly RightBRIDGE presents them with detailed Reason Text™ that explains why each suggestion is relevant.

Now let me address the key criteria of developing a successful cross selling solution as outlined in the points above.

1. You have to make it so easy that anyone can do it.

For each client RightBRIDGE identifies the top three suggestions or opportunities with a score and reasons as to why the suggestion is made.

2. Do it where they live.

The RightBRIDGE Widget presents suggestions in a simple and straightforward way, right at the point of client contact which is the key to cross selling success. The RightBRIDGE Widget can be embedded in a portal, CRM or workstation. The widget gives financial professionals easy access to their best sales opportunities.

3. Timing is everything.

Whenever an advisor accesses a client the top suggestions are generated. If the client has any type of life or trigger event the system records that information and updates the suggestions instantaneously.

4. Give them a reason.

The whole key to cross selling is giving an advisor the confidence to make a suggestion and the ability to answer questions or overcome objections. RightBRIDGE uses a unique Reason Text™ to explain why a suggestion is made including data, calculations and factors used in making the suggestion all in plain English.

5. Has to be needs-based.

Advisors are skeptical of marketing lists and rarely use them to do cross-selling. RightBRIDGE identifies opportunities based on relevance to a particular client needs based on all currently known data about the client.

In my travels I've encountered companies that are exhausted or exasperated by the failure of their financial professionals to make good use of the data that is available to them. RightBRIDGE solved that problem. Why don't you make a real effort to make cross-selling happen at your company by seeing how RightBRIDGE can change the way you go about cross-selling.