

Introduction to Sales

All credit union employees “sell” in one way or another—whether they’re directly helping a member, or working with coworkers to improve the credit union’s customer service to its members.

This course provides a set of effective strategies to help you maximize sales and service success. By learning, practicing, and reviewing the skills and strategies presented in this module, you will develop a strong core of interpersonal skills that will increase your understanding of the sales process, and your confidence in providing appropriate services and products to credit union members.

What Is Effective Selling All About?

As shown in figure 1.1, competition in the financial services industry has increased over the past decade, but market share for credit unions has not

Objectives

Upon completion of this chapter, you will be able to:

1. Define *selling* from a credit union perspective;
2. Explain the difference between “external” and “internal” customers;
3. Answer the question, “What do members want?”;
4. Identify reasons members might stop doing business with the credit union;
5. List common reactions to poor customer service;
6. Apply the PRIDE selling skills model to everyday interactions with members.

shown significant matching growth.

To thrive in today’s competitive financial services marketplace, it’s increasingly important for all credit union employees to be effective in their sales and service efforts.

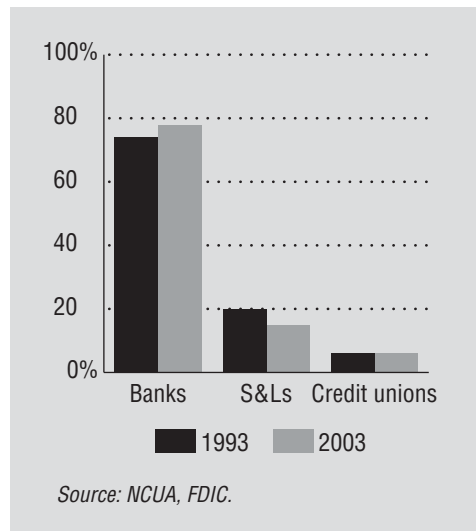
At a credit union, selling can best be defined as “helping members achieve their financial goals, and solve their potential financial problems by providing the appropriate credit union product or service.”

To facilitate effective selling, it is essential that all members of the credit union staff:

- understand their roles in the sales process;
- be equipped with appropriate selling skills and strategies;

Figure 1.1

U.S. Depository Market Shares



- Be able to answer the question, “Who is the customer?”

Who Is the “Customer”?

Credit union customers can be categorized into two groups:

- 1. External customers**—members of the credit union who use its products and services;
- 2. Internal customers**—credit union staff members for whom you provide service, information, and support.

The way you treat internal customers has a direct impact on the service you provide to members. Even when you’re not interacting directly



with members, you are interacting with customers—your “internal customers.” Those customers, in turn, interact with other customers (either their internal customers, external customers, or both). It is unavoidable that at some point, one of your internal customers interacts, through one level or many, with an external customer. In this way,

how you interact with your internal customers has a significant impact on what type of service the credit union can ultimately provide its members.

First, there’s you. You interact with coworkers (internal customers). These coworkers, in turn, interact with other coworkers (their internal customers). At some point, one of those coworkers (internal customers) interacts with a member (external customer).

To review: External customers are members who purchase the credit union’s products and services. Internal customers are employees within the credit union whom you work with and provide service, information, or support for. How you and your coworkers interact with each other (as each others’ internal customers) has a direct impact on how all of you (and how the credit union itself, by extension) interact with its external customers, our credit union members.

What Do Members Want?

Every day, and in endless situations, customers constantly evaluate how effectively their needs are being met. As customers, we evaluate how effectively our needs are being met at restaurants, dry cleaners, retail stores, and other places we take our business.

To illustrate the importance of effective customer service, think for a moment about your own positive and negative experiences as a customer.

Consider a business (a store, a restaurant, or a shop) that you frequently patronize. What makes that business a place where you enjoy being a customer? What are some of the ways that business satisfactorily meets your needs as a customer?

Now consider a business where your needs were not met to your satisfaction at some point in the past. How did you feel about your experience? And how do you feel about visiting them again?

Effective selling requires both a clear understanding of a customer’s needs and desires, and a sincere effort to meet and satisfy those needs and desires.

A Customer Service Case Study

Identify the positive and negative aspects of customer service in the following scenario:

Tammy wants to buy her mother a piece of dinnerware as a holiday gift. She locates a serving platter in her mother's pattern, but she notices that the display piece is the only one available, and it's chipped. Tammy approaches the salesperson, Gertrude, who is bent over a document behind the checkout counter. Tammy waits a few seconds and then clears her throat. Gertrude looks up from her document and smiles.

Gertrude: Hello.

Tammy: Hi. I'm interested in buying a serving platter in the Mandara pattern. Do you have any in stock? The display piece has a chip.

Gertrude: (frowning) Did you look under the table?

Tammy: No, I guess I didn't realize there were others under the table.

Gertrude: (sarcastically) Well, where did you think we would keep them?

Gertrude walks in the direction of the display. Tammy follows. Gertrude reaches under the table display and finds a boxed serving platter. She hands it to Tammy and grins sarcastically.

Gertrude: I can check you out over here.

Tammy: Thanks.

Gertrude rings up the order.

Gertrude: That'll be \$31.43, please.

Tammy hands over her credit card, and Gertrude completes the transaction. As Gertrude hands her the receipt, Tammy realizes that she will need a gift receipt for her mother, in case she wants to return the platter.

Tammy: Oops! I'll need a gift receipt for that. This is a gift for someone else. I'm sorry.

Gertrude: (sighing and looking directly in Tammy's eyes) That would be a major hassle.

Tammy: So . . . You can't do it for me?

Gertrude: It would take me a long time. And I'd have to redo the order.

Tammy: (sarcastically, and making sure to note Gertrude's name) Okay, thank you.

This is a fictionalized account of an actual customer service situation. The customer, Tammy, immediately reported the salesperson (Gertrude) to the department store's customer service department, and received a gift receipt and an apology for the poor customer service.

In your opinion, which aspects of this transaction were positive? Which were negative?

Perhaps you identified the following:

Positive:

Gertrude saying "hello" and "please."

The store's apology and gift certificate.

Negative:

Gertrude not saying, "How can I help you?" at the beginning.

Gertrude's negative expressions, tone of voice, failure to acknowledge the problem, and unwillingness to help the customer.

Gertrude's rude attitude and behavior.

Gertrude did not thank Tammy for her purchase.

Why Do Members Stop Doing Business with Us?

Credit unions can't exist without members. Keeping our members satisfied and loyal to the credit union is the most important part of our business. Therefore, it is important for you to understand the power that you have to influence members' satisfaction.

Why do you think customers stop doing business with certain companies? Complete the table in activity 1.1.

There's a misperception that members stop doing business with a credit union because of its prices or products. In reality, products and pricing are important, but the customer service that credit union staff provides is the single most important factor in maintaining member satisfaction.

This means every staff person has a great opportunity with every member contact to create a positive impression in the minds of our members that will increase the likelihood of their bringing their business back to the credit union repeatedly, and over a long period of time.

How Do Members React to Poor Service?

Now that it's clear how our interactions with credit union members affect their decisions as customers, let's take a look at how members react to poor service. Understanding how our members react to poor service can help us provide the best possible customer service to them at every opportunity.

Try your hand at identifying how customers react to poor service. Look at activity 1.2, and fill in your best guess as to how customers generally react to poor service.

Members don't always tell the credit union about the problems they experience, but they do tell other people! The service you provide to a single member can have a much larger positive or negative impact beyond just that member.

It's never a bad idea to observe and ask members how they feel about the service they receive from your credit union. Why? Because your credit union may think it's doing fine if it doesn't hear any complaints from its members. But unfortunately, you may not actually hear about the problems that members are experiencing until unhappy members have become former members and have taken their business elsewhere.

Activity 1.1

Reasons Customers Leave



Reason	Estimate
Dies	____%
Develop other business	____%
Begins to do business with	____%
Is dissatisfied with	____%
Is upset with the	____%

Answers appear in appendix A

Activity 1.2**Customer Reactions to Poor Service**

_____ % never complain to the business but they tell up to 10 people about it!
 _____ % continue to do business with the company if the problem is resolved.
 _____ % patronize the business again if the problem is resolved quickly.

Answers appear in appendix A.

The PRIDE Model

The **Pride Model**, shown in figure 1.2, provides a framework for sales and service excellence. It outlines an essential sequence of business skills that makes it easier for members to purchase the products and services that the credit union has to offer and to have a more positive experience with the credit union overall.

Plan

“Planning for sales” involves organizing your work area, managing your time, making to-do lists, setting goals, and using planning tools.

1. Organize your work area.
2. Manage time.
3. Make a to-do list.
4. Set goals.
5. Use planning tools.

Recognize

“Recognizing member needs” involves attending to members, being courteous, and observing and responding to members’ communication styles.

1. Attend to the member.
2. Be courteous.
3. Observe and respond to the member’s communication style.

Inquire and Listen

“Inquiring and listening” is the key

to finding out what members want, and what kind of assistance they’re seeking from you.

1. Ask open-ended and closed-ended questions.
2. Pause after questions.
3. Press for specifics.
4. Listen.
5. Test for understanding.
6. Summarize.

Describe Benefits

“Describing benefits” involves linking needs to services, describing features, outlining benefits, testing for acceptance, and handling objections.

1. Link needs to services.
2. Describe features.
3. Outline benefits.
4. Test for acceptance.
5. Handle objections.

Expedite

Expediting the sale is the final step in the PRIDE Model. This involves obtaining commitment, summarizing next steps, following through, conveying urgency, cross-selling, and expressing your appreciation.

1. Obtain commitment.
2. Summarize next steps.
3. Follow through.
4. Convey urgency.
5. Cross-sell.
6. Express appreciation.

The PRIDE Model is a framework for sales and service excellence.

Shown in figure 1.2 are all the stages of the PRIDE Model. Following these steps can help you provide excellent service and increase your sales success. For that reason, the subsequent chapters of this course go into more detail about each step in the PRIDE Model.

Take a close look at figure 1.2. To become effective at credit union sales, you will want to practice the skills that comprise the PRIDE Model until they become second nature.

The following scenario illustrates the PRIDE model in action.

It's Tuesday, and Judy has just arrived for work at the credit union. Before she does anything else, she accomplishes two essential tasks: first, she takes a quick look at her desk and straightens up any stray items lying around (notes, paper clips, etc.). Then, taking the notepad she always keeps in the same spot, she lists of all her "must do" items for the day. Once Judy has gotten her work space organized, her first customer arrives. She greets him formally, yet courteously.

Judy: (smiling) Good morning, sir. My name is Judy. How can I help you today?

Sal: (hesitating) Hey there, Judy. My name's Sal Johnson. I need some help

setting up a retirement package, but I really don't know how to go about it.

Judy: Well, Mr. Johnson . . .

Sal: You can call me 'Sal.'

Judy notices that Sal's attitude is pretty informal, so she makes sure to match her tone to his.

Judy: Okay, Sal. We can definitely help you with that. Is there any type of package in particular that you're looking for?

Sal: Well, people say I should look at opening an IRA.

Since it's clear that Sal isn't quite sure where to start, she takes it on herself to learn a little bit about him and his needs.

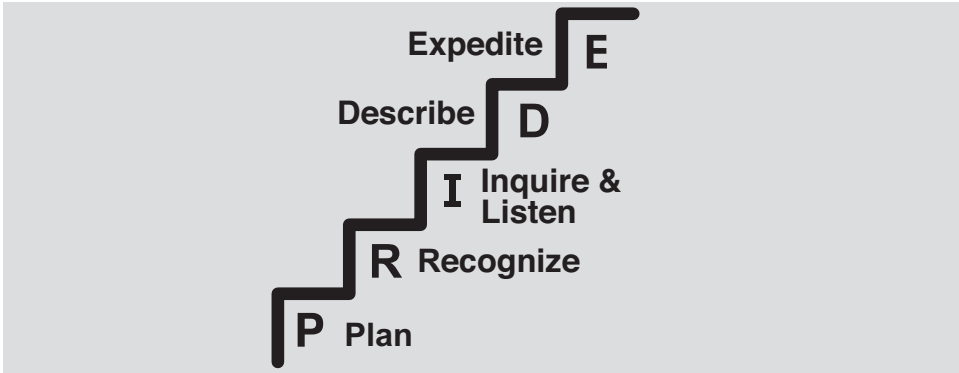
Judy: Okay. Well, I can definitely get you started with that. Do you have any sort of retirement account fund in place? And are there any other factors I should be aware of?

Sal: I've got a 401(k) plan through work, but I really don't know too much about it. And I should let you know, I don't really enjoy talking to sales people—I just want somebody to give it to me straight.

Judy: (sympathetically) I understand. I'll just lay it out some options for you, and then you can pick and choose what sounds best to you.

Figure 1.2

**PRIDE Model:
A Framework
for Sales and
Service
Excellence**



Through a series of questions, Judy and Sal determine that the best option for Sal is actually not only an IRA for himself, but savings accounts for both of his two children and an IRA for his wife, as well.

By asking both closed-ended questions (questions with yes or no answers) and more open-ended ones, and by letting Sal lead the conversation whenever possible, Judy reinforces Sal's initial impression—that Judy really cares about his situation and wants to help him as best she can without a high-pressure sales pitch.

Judy: Well, Sal, given everything you've told me, I think you should probably speak with Robert Thompson, our family finances specialist. He's helped a lot of people sort out their financial plans from the ground up, and he can clue you in on the full range of services the credit union offers, and let you know what he thinks would work best. He's got an opening in half an hour if you've got the time to stick around.

Sal: *(clearly relieved)* That sounds perfect, Judy. Thanks a lot. I don't know what I'd do without you.

Judy: *(happily)* No problem. You'll be in good hands with Robert. Have a great day.

The above scenario makes it clear that Judy has fully embraced the PRIDE Model—and that it gets results. By getting herself organized and planning her day, Judy was able to help Sal without any other concerns getting in the way. And by recognizing both Sal's uncertainty and his style of communi-

cation, Judy was able to connect with Sal not just as a salesperson, but as an individual looking to help.

In fully outlining what the credit union had to offer Sal, Judy helped Sal see his financial picture as something more than just a bunch of separate parts. While Sal had initially come in looking only to open an IRA, Judy was able to help him see the benefits, for himself and his family, of putting together a total financial package with the credit union.

And by truly listening to Sal's answers and linking his family's needs to the services the credit union had to offer, Judy was able to get a firm (and immediate!) time commitment from Sal to explore and purchase a full line of products and services.

Try activity 1.3 to help you remember what the letters in the acronym "PRIDE" stand for.

Next time you're talking to a member about his or her needs, be sure to apply the PRIDE Model to your conversation. It's a proven method of sales generation that covers everything from preparation to closing, and it automatically walks you through every step along the way.

Chapter Summary

All credit union employees engage in selling in some aspects of their work, whether they are directly helping a member or working with coworkers. This chapter has introduced you to the core approach practiced by credit union sales professionals: the PRIDE Model.

By studying this chapter, you should now be able to:



Activity 1.3**PRIDE Word Search**

Find the words represented by the acronym “PRIDE” in this word search puzzle to reinforce the framework for credit union sales and service excellence.

G L I D E S C R I B E F I
 R E N E W P L A N E T E D
 I L E N G T H S Q U I B E
 P I T Y T A T J U E V E N
 E S T O R Y E H I K O N T
 S T E S U M M A R I Z E I
 R E C O G N I Z E F O F F
 A N E I R A Z E T I L I Y
 P E T Z R E X P E D I T E
 E R T E T H A N K Y O S O

Answers appear in appendix A.

1. Define *selling*, from a credit union perspective;
2. Explain the difference between “external” and “internal” customers;
3. Answer the question, “What do members want?”;
4. Identify reasons members might stop doing business with the credit union;
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PLAY PAGE



Internal Contact Sheet

To explore this concept, click the activity icon to view an animated illustration about internal customers. Then, complete the Internal Contact Sheet by identifying your own personal internal customers.

Reminder:

To access the Play Page, go to <http://training.cuna.org/playpage/index.html> or go to www.cuna.org and type “Play Page” into the Search Box. Select the title of this module, and then the chapter you want to review.