



Listen To The Business, To Get Their Business By Tony Streeter

Tony Streeter has worked with some of the largest financial institutions across the country as former Director of Marketing and new product development for both Deluxe and Harland-Clarke. In this Industry Insight, Tony discusses the possibility of mass exodus or mass affluent.

Do you want to know the easiest way to get a small business account?

Listen. Really, it's that simple.

Every small business has a story to tell. The question is, are you making time to listen? There are many small business strategies in the market. There are also many banks out there who know that they need a small business strategy, but don't know where to start. Before jumping in with a marketing firm, developing creative and content, figuring out your hook, coming up with some incentive or gift, take a step back. What does a small business need? In this economy, they want a banker who will listen to them, give them clear advice, and help structure their future.

In one of the companies I had worked for, I conducted a market test experiment on the small business market with two financial institutions. Instead of gimmicks and catchy taglines, we simply had the bank state that they were open to listening to small business stories.

We invited small businesses to make appointments with a small business banker either at the bank or at their business (we really pushed for the appointments to be at the businesses). Do you know what happened? We got a 9% response rate for setting meetings. I'm sure I don't have to tell you that was a phenomenal response rate.

So, let's get started.

The first question to ask is, "Do I have at least one person in each branch that is knowledgeable about the needs of small business that I can make my expert?"

Some banks will have two or three people in each branch that can do this and for others it will probably have to start out being the branch manager or the individual in charge of small business loans.

Next, have the selected individual develop a list of probing questions that will help them understand a business better.

Not a bunch of financial questions (this is not an inquisition), but questions focused around the type of business, why the individual got into this business, what are their short- and long-term goals, what excites them about the business and what they expect from their banking relationship.

Now, it's time to practice.

Have your small business expert start with some existing small business clients.

Meet each one of them at their business after hours, remember, these are incredibly busy people.

Have your expert fit the owner's schedule, not vice versa.

At the end of the discussion (not "interview") have the expert ask if they could spend a few hours at the business in the up coming week to work at the business for free.

"The best way to understand the business is to be a part of the business, even for a short period of time"

The business owner will be floored and complimented at the same time.

You might find that by going through this practice with existing customers you'll uncover so many business opportunities you won't have time to go after new acquisitions.

In one case, I heard that a bank actually reversed their ruling on a small business loan because they now really understood the business and what the owner was attempting to do.

If you're "in" the business, seeing the customers come in, hearing their comments, noticing the purchases, getting a vibe from the employees, watching the owner make decisions, these are all key contributors to your bank's decision on future loans, etc.

Spreadsheets, calculators and computers can help too, but you really have to have someone who is willing to leave their desk, get in their car and get face-to-face with business owners on their turf. That is how you will win.

To add to the research that was conducted, I actually experienced this myself. Although he wasn't coached on what to do, our local banker did all the right things.

My wife and I own two small businesses now. At the time, about six months ago, we owned one. We had a small inventory loan with our local bank, but our personal banking, savings and mortgage were at another bank across the river, in Ohio.

We were looking at getting into another business and knew that it would require a substantial loan. We met with three or four bankers and were greatly disappointed in their attitudes.

It was all numbers, numbers, numbers. I understand that, but none of them showed any interest whatsoever in what we were going to do with the money once we got it.

Then my wife said,

"You know, we've been talking to all of these big banks. Why don't we give John down the street a call?"

John took a sincere interest in our business. He came over and chatted with my wife and her sister over coffee at our shop.

He spoke with the customers, asked about our inventory and what was selling, and got a true feeling for the business. Even though our next store was going to be different, he took in how we managed the store we had. He became our key advocate when it came time to approach the board of the bank and he got us the loan we needed.

He believed in us and knew that one successful business would probably lead to a second. Since that time we have opened the second business, put on a huge addition and moved the first business up the street to consolidate the two in one location. Business is booming, which is great for us.

But for John, not only did he get our small business loans, but we closed our accounts with those other banks and moved everything, including our mortgage, over to his bank. That's the power of listening.

About the author

This Industry Insight was provided by Tony Streeter. Tony Streeter has worked with some of the largest (and the smallest) financial institutions across the country as former Director of Marketing and new product development for both Deluxe and Harland-Clarke. His transformational strategies help banks and credit unions attract, grow and retain customers.

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