



Relationship Sales



Mr. Jon Keagle
Mr. Patrick Rutledge
Federal Home Loan Bank of Atlanta



Relationship Management

Maryland Bankers Association
2023 Maryland Banking School

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Introductions



Patrick Rutledge
Public Finance
Relationship Manager
FHLBank Atlanta

Jon Keagle
Manager, Community
Financial Institutions
FHLBank Atlanta

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2

What is FHLBank Atlanta?

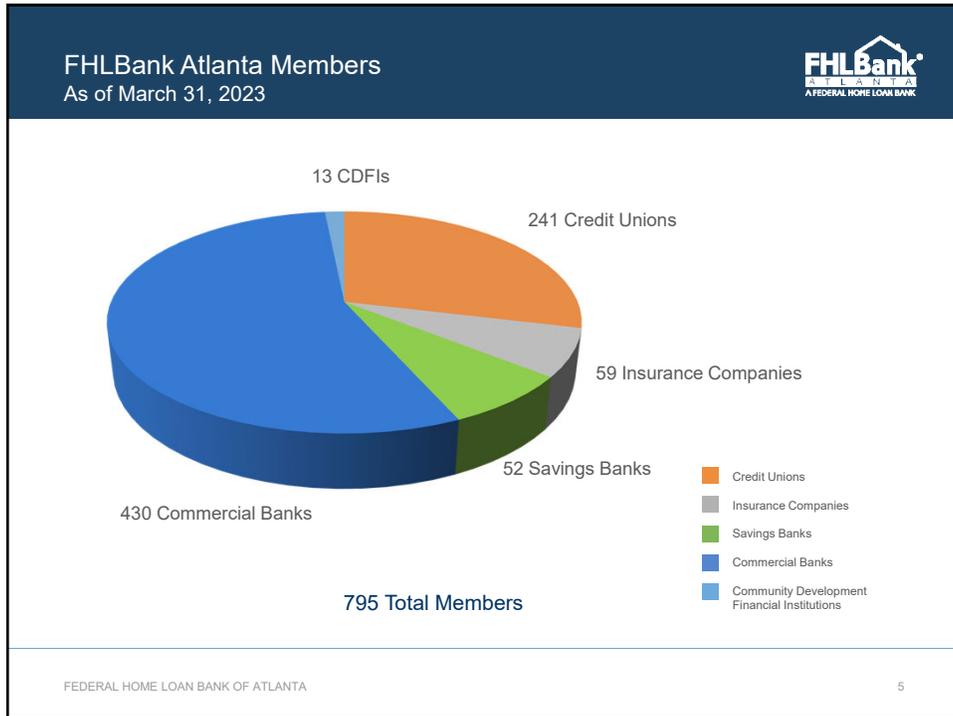


FHLBank Atlanta is a cooperative bank that offers competitively priced financing, community development grants, and other banking services to help member financial institutions make affordable home mortgages and provide economic development credit to neighborhoods and communities.

FHLBank Atlanta – Financial Highlights March 31, 2023



- Total Assets: **\$223.9 billion**
- Total Advances (loans): **\$164.7 billion**
- First Quarter Net Income: **\$123 million**
- Retained Earnings: **\$2.3 billion**
- First Quarter 2023 Dividend: **6.50%**
- Total Membership: **795 institutions**



- ### FHLBank Atlanta Core Products and Services
- Advances
 - Letters of Credit
 - Cash management services
 - Affordable Housing Program (AHP) and Community Investment Program (CIP)
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- 6

Course Objectives



Provide attendees with a deeper understanding of and hands-on practice in the basics of relationship management and Sales Team Management including:

- Relationship Management
- Customer Service
- Sales Cycle
- Prospecting
- Planning the Call
- Negotiation
- After the Call
- CRM
- Exercise: Making the Call



PART I – DEFINE

Relationship Management

Sales vs. Relationship Management



Sales VS **Relationship Management**

- Price-Based
- Transactional
- Low share of wallet
- No loyalty

- Value-Based
- Relational
- High share of wallet
- High loyalty

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The Intersection of Sales and Relationship Management



- Sales is a byproduct of good relationship management
- Sales happen when you develop a long-term relationship with a client
- Sales without a long-term relationship tend to be price-based and transactional – not the best recipe for repeat business
- What good relationship management looks like:
 - Clients bring you their needs and concerns
 - Clients look to you for your expertise
 - Clients treat you as a Trusted Advisor
 - Clients use your products/services to meet needs and address concerns
- When all of these things happen, you've got a 'Sale' without having to 'Sell'!

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Moving from Sales to a Relationship Management Mindset



- Control what you can control
 - Knowledge level
 - Professionalism
- Find a niche and become an expert
- Be your clients' connection to the financial markets and the banking industry
- Learn as much as you can about your competition, and differentiate yourself
 - Most try to differentiate themselves based on excellent customer service
 - But excellent customer service is every customer's expectation
 - Find an aspect of your job that interests you and become an expert in it

The Bottom Line



You need to be a
SUBJECT MATTER EXPERT
on what you do every day.

"You're not closing
A SALE, you're opening
A RELATIONSHIP." – Patricia Fripp

Basics of Customer Service



What is Good Customer Service?

Who Ranks in Customer Service?

Can Customer Service Be Measured?

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13

One Approach to Measuring Customer Satisfaction:



The American Customer Satisfaction Index (ACSI)

- Considered by experts to be authoritative measure of customer satisfaction
- Only national cross-industry measure of customer satisfaction in the U.S
- Ranks companies within their industry based on customer evaluations of the quality of goods and services purchased in America and produced by domestic and foreign firms with substantial U.S. market shares
- ACSI compiles and reports lists of companies with best and worst customer service in the U.S.

Any guesses as to who's on the list? Let's listen for common themes and key points of differentiation

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14

Customer Service – The Good



#1: Apple

Fun Fact: You can view & receive support for every Apple product you've ever purchased.

Takeaway: Empathize with customers, give every customer issue same level of attention.

#2: Publix

Fun Fact: Takes input from customers, will stock requested items if at all possible.

Takeaway: Others tout unbeatable prices; Publix stands first on service.

#4: Ritz-Carlton

Fun Fact: Says "Fully committed" vs. "fully booked", "my pleasure" vs. "no problem", etc.

Takeaway: Focus on what you say and how you say it... and listen to your customers.

#5: Lexus

Fun Fact: "Lexus will do it right from the start... Lexus will treat each customer as we would a guest in our home... We can, we will." – excerpt from Lexus Covenant

Takeaway: Know how you compare to competitors, ensure physical spaces are pleasant.

Source: happyfoxblog.com "10 Best Companies in Customer Service & What You Can Learn From Them", March 2022

A Different Look at Customer Service



- In March 2023, Money Inc. published an online article entitled *20 Large Companies Known for Having the Worst Customer Service* using the most current ASCI scores.
- If any of these hit a little close to home... remember that this is their list!
- Let's look for common themes... also how these companies seem to make things worse for themselves.

Without further delay...

Customer Service – The Bad



#20: Bank of America

Complaints around fraudulent activities and general lack of concern for customer issues

- 2023: Fined \$250 million for opening accounts without consent, double-charging fees
- 2022: Fined \$225 million for incorrect state unemployment benefit disbursements

#17: Wells Fargo

Complaints around poor communication and fraudulent account activity

- 2002-2016: Admitted to falsifying records, harming customer credit ratings, unlawfully misusing personal information, and wrongfully collecting millions in fees and interest.

#7: Facebook

Complaints around lack of assistance if accounts are hacked, inability to communicate with humans vs. dealing with chatbots and referrals to FAQs.

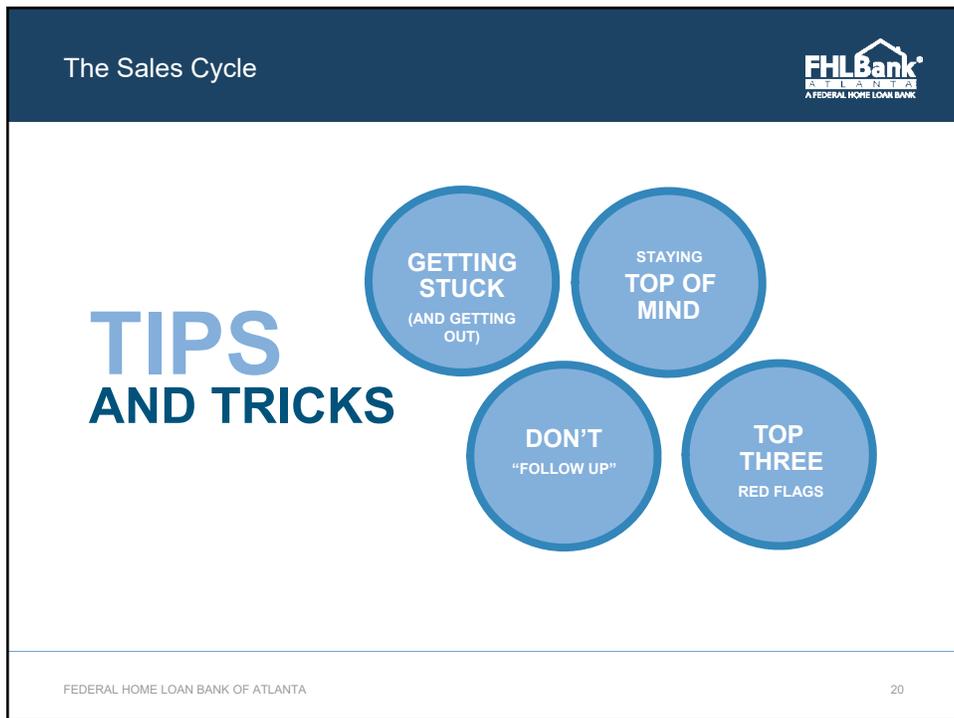
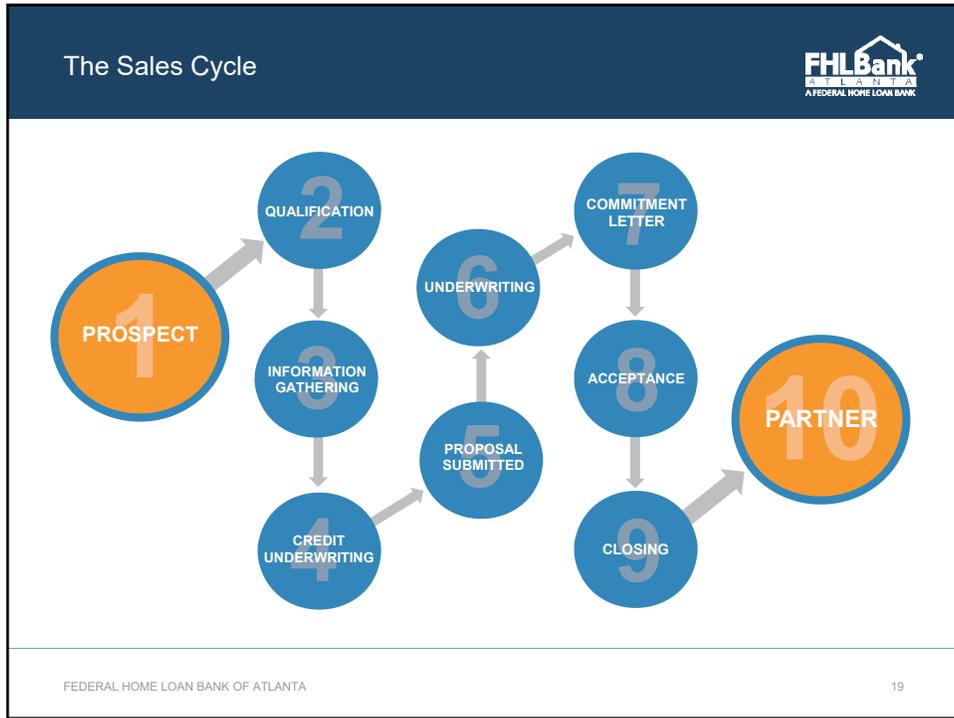
#1-4: Internet Service Providers (CenturyLink, Cox, Frontier, Mediacom)

Source: Moneyinc.com "20 Large Companies Known for Having the Worst Customer Service", March 2023

Best Practice Breakout Session



- Break into groups for a 10-minute discussion
- Share and discuss the best examples of good customer service that you've experienced, observed, or personally delivered – and why
- Share and discuss the best examples of bad customer service that you've experienced or observed – and why
- Select someone to report back to the class
 - What were the common threads in the examples of good customer service? Bad customer service?
 - Can we learn and apply any of these lessons in our work?



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PART II – TOOLS
Relationship Management

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21

Prospecting

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PROSPECTING



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22

Prospecting



Methods

- Existing Client Referrals
- Single-Product Households and Businesses
- Centers of Influence
- Associations and Trade Groups
- Community Service
- Dun and Bradstreet
- Cold Calling

Prospecting



**QUALIFYING
A PROSPECT**



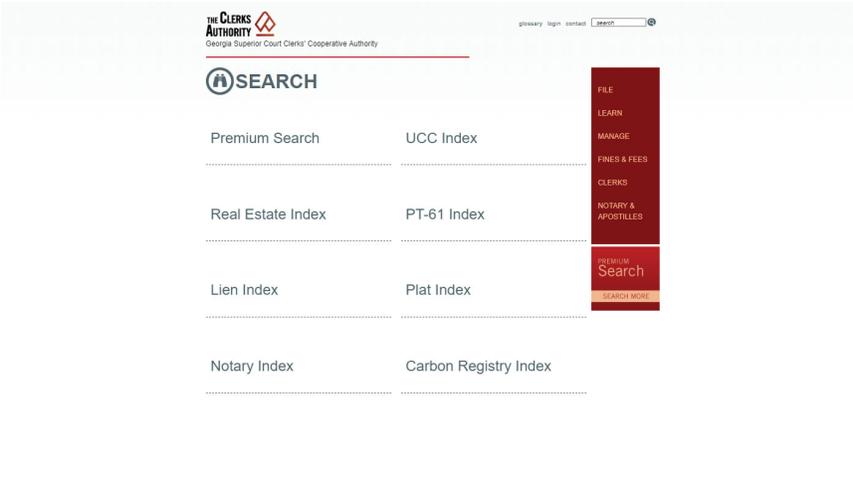
YOU HAVE HOMEWORK

Planning



- Know your prospect
- Know your competitors
- Know what questions to ask
- Be prepared to overcome objections

Planning 



The screenshot shows the website for the Clerks Authority, Georgia Superior Court Clerks' Cooperative Authority. The page features a search bar at the top with a magnifying glass icon and a search button. Below the search bar, there is a grid of search categories: Premium Search, UCC Index, Real Estate Index, PT-61 Index, Lien Index, Plat Index, Notary Index, and Carbon Registry Index. A vertical sidebar on the right contains a menu with options: FILE, LEARN, MANAGE, FINES & FEES, CLERKS, NOTARY & APOSTILLED, PREMIUM Search, and SEARCH MORE. The footer of the page includes the text "FEDERAL HOME LOAN BANK OF ATLANTA" and the page number "27".

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BREAKOUT SESSION

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We hear the terms “features” and “benefits” all the time... but what do they mean, and what’s the difference between the two?

- A **feature** is a factual statement re: the product/service being promoted
 - Facts
 - Add credibility
 - Bring substance
- A **benefit** answers the question, “What’s in it for me?”
 - Gives customer reason to buy
 - Explains how product/service improves buyer’s life

To translate features into benefits, answer the question “So what?”

- Features and benefits of a fast-preheating oven:
 - The oven preheats quickly. *So what?*
 - It’s quickly ready to start cooking dinner. *So what?*
 - Your food is on the table sooner. *So what?*
 - Life is less stressful



Are there times that we’re so focused on demonstrating our product knowledge that we forget about – or gloss over – the benefits?

- **Instead of this...**
 - “This bicycle has 24 gears and cantilever brakes”
 - “This one has a Shimano drivetrain and disc brakes”
 - “This one has an aluminum frame and hydraulic disc brakes”
- **Try this instead...**
 - “These are disc brakes, so even in the rain and mud they won’t slip and you’ll be less likely to fall”
 - “The bike has 24 gears, so whether you’re going uphill, downhill, or cycling on a flat surface you’ll be able to find the right gear”
 - “The ergonomic saddle remains comfortable even after a couple of hours of cycling, so you won’t be sore after going 20 or 30 miles on a Saturday”



PROACTIVE

Creating or controlling a situation by causing something to happen vs. responding to it afterward

REACTIVE

Responding to some unanticipated event after it occurs

No one can anticipate every possibility, and no organization can be proactive in every situation. However, those that emphasize proactive strategy are usually more effective at dealing with challenges



What does being proactive look like?

- Staying informed about things that are important to your customer
 - Current events that may impact their business
 - Industry developments – mergers, changes to laws/policies/regulations that impact them
- Reaching out to them regularly to check in and ask questions
 - Asking for business updates
 - Sharing ideas that you have that may help
 - Bringing potential opportunities to the table
 - Always a nice touch to send e-mails with articles about topics that may interest them, or just a quick note to check in

The frequency for this interaction is based on your relationship and the customer's personality. Striking the right balance is the art of relationship management.

Negotiation



- Most difficult part of selling for many
- Two things we negotiate on
 - Terms/Structure and Pricing
- Driven by
 - Competition
 - Policy
 - Risk
 - Profitability
- Should be give and take
- In order to successfully negotiate, you must add value (and be willing to say no)



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33

Negotiation



*If you're selling, you're going to be **negotiating**,
if you're in a relationship,
you're not.*

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34

Common Objections in Banking



Pricing and product features are among the most common objections in banking. How can we overcome them?

- A truly good business relationship is seldom, if ever, built around price
- If a relationship is built solely on price, one party or the other will almost always be dissatisfied with how the relationship is going
- Dig deep to understand your customer's profile, objectives, strategies, and challenges
- Seek to bring value by offering the products and services that address these items at mutually beneficial terms
- If you do these things but still lose out based solely on price... assess what happened, learn what you can, and move onto the next deal.

Understanding your customer's business and demonstrating how you add value can go a long way towards overcoming objections about price

After the CALL...



**It Doesn't Have to Be Fancy.
It Does Have to Exist.**

...You need a
CRM

PART III – MAKE THE CALL

Relationship Management



INSIGHT



NOW IT'S YOUR TURN



FINAL THOUGHTS

Contact Information



Patrick Rutledge
prutledge@fhlbatl.com

Jon Keagle
jkeagle@fhlbatl.com

Thank You