



Will new sales model propel CIBC to insurance market leadership?

Fast-talking salesman image evolves into long-term relationship in which sales reps help clients make decisions based on client's needs

By Norman L. Trainor

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What would you do if you were offered the opportunity to design and implement a learning system from "scratch" for a new sales organization?

Even better, what if the offer were made by a senior manager you know and respect and he said, "Be innovative. We want a new and better approach to training our sales professionals?"

And what if your new organization already had one of the strongest human resources teams in the country for you to work with?

For most of us, a chance to work for whom we want, doing what we love, with the best people in the field would be a dream come true. That is certainly the way Geoff Davidson of CIBC Life Insurance views it. CIBC was the first of the major banks to aggressively enter the life and property and casualty insurance markets in direct competition with life and P&C insurers.

Committed to becoming a market leader in insurance services, CIBC has put a great deal of thought into how CIBC Insurance can differentiate itself in this extremely competitive marketplace. A key differentiation is the way in which their sales representatives meet their clients' insurance needs.

As manager, sales effectiveness, Geoff's responsibilities include sales training for life insurance representatives, a role for which he is particularly well suited. He is a Chartered Financial Planner, with a number of years in sales, sales management and training roles in financial services. He has also earned an MBA from Simon Fraser University, concentrating his graduate work in training effectiveness.

Let Geoff describe his approach to developing a learning process for professional sales representatives:

"We committed ourselves to examining existing sales models more critically to determine the most effective sales process for our people. The traditional sales model is clearly transaction-oriented, where the measure

of effectiveness has been seen as the shortest path to a close.

"Since our objective is to develop long-term client relationships, our approach to selling needs to ensure that the economy of the transaction does not drive the process, but that success is measured by the economy of the relationship.

"Selling has gone through three or four shifts since the '50s. The stereotype of the fast-talking salesman dressed in a plaid jacket and white shoes gave way to the IBM sales rep with a blue suit and white shirt. While the salesperson was much more professional, the sale was still very much driven by the transaction, with after-sale support provided by a service network. The IBM objective was to establish a long-term relationship, sustained by a team of sales and customer service professionals.

"In the insurance industry, the shift during the '60s and '70s was to the agent as the client's friend, involved in clubs, the community, charities and politics. The agent modeled his professional demeanor after the IBM salesman, while maintaining primarily a one-product, one-sale-at-a-time transaction.

"The next shift was to the salesperson as counsellor. The parallel was the client relationship established by other professionals, such as lawyers, physicians, accountants, and dentists. In precisely the same way that these professionals specialize in providing solutions, it was recognized that the sales professional must become more proficient in facilitating solutions for clients.

"Initially, it appeared that a key difference between the patient/doctor and the client/sales representative relationship was that trust was implicit in the former, while in the latter trust had to be earned. Closer analysis, however, revealed that trust is not the main issue, rather it is the dependency that is driven by the urgency of the client's needs.

"Most of the relationships in the professions discussed are driven by the patient/client calling the professional. The salesperson's disadvantage is that most clients don't recognize their needs, don't trust the salesperson's motives, nor do clients feel the same urgency to act that they would when calling their doctor.

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Dentists provide an excellent model for efficiently managing the professional/client relationship. Dentists focus on managing their existing patient base and in earning referrals to new patients. Appointments for check-ups are made, and followed up, on a semi-annual or annual basis.

"This is clearly in the best interests of the dentist, but it is also in the best interests of the patients, since prevention treatments offer one of the best tools that dentistry has.

"In most fields a salesperson cannot easily create a dependency similar to that one forms with a doctor or dentist. What salespeople can facilitate is awareness of needs and opportunities. Once someone recognizes a personal objective which is not being met, one has created an educative moment—a moment in which the person is ready to learn.

"The salesperson of today must understand how to create these educative moments. The s/he needs to understand how people make their decisions to act on what they learn.

"My academic studies incorporated an understanding of judgment and decision-making as they relate to selling financial services. We translated this decision theory back into our sales process and training.

"This was done by working with two learning systems teams, one led by Denise Pratt-Villani for the CIBC Investment Specialists and the other by Suzanne Jokinen and Ken Featherstone for CIBC Insurance. My experience as a facilitator of adult learning and as a salesperson taught me that the processes of learning and of selling were fundamentally the same. Armed with that understanding, these teams have worked to design sales training modeled on the

sales process.

"The first training step for sales reps is to understand how people make decisions. If the ultimate goal in a sales situation is that people make the right decisions, then central to that is an understanding of why people make the decisions they do.

"The easiest way to teach decision theory is to walk people through their own decisions. For example, we built exercises into the training that require participants to make decisions and to look at how they arrived at those decisions. What they learn is that feelings, not facts, drive their choices.

From a sales perspective, the objective then is to focus on how clients feel about the decision they will be making. This may challenge traditional sales paradigms driven by product knowledge, but in the context of building lasting relationships, the importance of appreciating the other person's feelings has long been recognized.

"In a sales interview, there are two controllable elements that the salesperson can manage: framing of information and positioning.

"Framing relates to the way in which information is presented. Salespeople learn to help clients examine their feelings about a subject, determine how important the issue is to them and assess the value they place on making a decision to change the way they think and act. The client learns how s/he makes a decision to buy or not to buy.

"Positioning addresses the fact that the sales rep must provide the learners or clients with all the resources and information they need. It must be delivered in the order needed for the client to understand it and with enough emphasis on the important components,

giving them no reason not to proceed, given that they have already identified the need to act."

The best salespeople will be those most proficient at helping clients identify their needs and then facilitating the change. They will learn the requisite skills and knowledge to do their job and, even more important, will master the three conversations that take place in every sales situation: me-to-me, me-to-you, and you-to-you.

The me-to-me conversation requires an understanding of our own thoughts and feelings so that you don't impose your biases or values on the client.

The me-to-you conversation involves your ability to manage the interaction with the client, so that both understand what is meant, not simply what is said.

And the you-to-you conversation consists of your ability to understand how the client thinks and feels, which is the only conversation where a buying decision occurs.

The training approach being developed for CIBC Insurance breaks new ground by fostering an understanding of all these elements. It is also designed to enable the learners to become "consciously competent," good at what they are doing and able to learn how to learn to continually get better.

Norm Trainor is a principal with The Covenant Group, a consulting company specializing in training and development. Since this article was first published Geoff Davidson has moved from CIBC Insurance, while still actively continuing to develop better sales training and effectiveness programs.

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