

# Why Bankers Should Treat Their Customers (and Prospects) Like Dogs

By  
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At last count, almost 45,000,000 US households had at least one dog in residence. The vast majority of these four-legged friends are treated lovingly, affectionately and are looked upon as members of the family. Consequently, these dogs exhibit great loyalty, devotion and go to extraordinary lengths to protect their human family.

To my knowledge very few of these dogs can read or write English or any other language. Their intense loyalty is created by the way they are treated and the actions, not the words, of their owners. Those of us who are dog lovers know how responsive dogs can be even to a look of approval or scorn.

Customers (and prospects) are much the same. Banks are famous for going to great lengths to come up with catchy and heartwarming taglines and mission statements. A few notable examples of taglines:

BBCN Bank – *We See Your Potential, We Invest in Your Future*

Downey Savings – *The Friendlier, Easier Place to Bank*

Fidelity Bank – *Helping You Get Where You Want To Be*

Fulton Bank – *Listening is just the beginning*

Washington Federal Savings – *Invested here*

Zions Bank – *We Haven't Forgotten Who Keeps Us In Business*

(Source: <http://thefinancialbrand.com/taglines/>)

## The Risk of Making Empty Promises

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All of these taglines and the many thousands of others with which banks proudly adorn their business cards, collateral and branches, evoke good feelings about the customer's experience with the bank. But until there is experience, they only represent promises. The risk, of course, is that if the typical customer's experience is inconsistent with the promise, then the bank is probably worse off than if it had made no promise. This is even more important for prospects who are being courted by the bank and tend to be very wary of commitments that are not kept.

The reality is that all of these wonderful words and phrases mean nothing if the promise is not delivered. And the only way that the promise is delivered is by deeds, not words.

## Some Tactical Steps

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Here are some very specific tactical approaches that banks can universally apply to their customers and prospects so that they feel the commitment that the words only describe. While these tactics can apply to all customer relationships, they are most appropriate for business relationships, specifically small business and middle-market customers and prospects. These businesses tend to be the most attractive for banks because of their likely longevity, their profitability and the fact that the bank is typically dealing with an entrepreneurial owner or CFO who responds positively to relationship and service. The central theme of these tactics is the goal of making the customer feel appreciated, valued and important. While one might suggest the obviousness of this approach, we are amazed at what a large segment of customers get none of these feelings from their bank or financial institution.

1. **Solicit feedback and monitor performance.** While surveys are fine, nothing says we care more than face-to-face conversations with customers. Getting your team members at every level of the organization to focus on this important task can pay great dividends in terms of gathering valuable feedback and enhancing customer relations.
2. **Handling missteps and mistakes.** While many banks do get it right, we find that banks are often inept at responding to problems. Acknowledging, apologizing and “making it right” are the three key tactical responses (see article “What Bankers Can Learn from Baseball’s Biggest Blunder” at [www.expertbizdev.com/articles](http://www.expertbizdev.com/articles) )
3. **Access to Decision Makers.** While community banks have a huge natural advantage here, any bank can create the feeling that there is someone with wisdom and authority to talk with in the event of a problem, issue or concern. Knowing that there is someone there to quickly respond is what keeps many customers with community banks, even in the face of superior technology, products and pricing on the part of larger competitors.
4. **Returning calls.** While this goes hand-in-hand with #3, the alacrity with which calls are returned is a litmus test of the perceived commitment that the individual or the bank has to the customer or prospect. The RMs and senior officers who seem to have the greatest followings tend to get back to people very quickly, even if it’s in the form of an after-hours voice message acknowledging the message and committing to call the next day.
5. **Acknowledging and minimizing waiting.** While this is primarily a branch issue, having customers wait an inordinately long time to see a teller or CSR can create great ill-will and resentment. Moreover, nothing infuriates a customer more than the sense that they are being ignored. The easiest way to mitigate this risk is by quickly acknowledging the customer and apologizing for the wait (and, of course, taking whatever steps possible to minimize it).

6. **Fulfill promises.** While this may sound like the most elementary of tactics, it's amazing how many promises go unfulfilled because RMs leave the bank, change positions or just plain forget. This can be especially damaging with a prospect where the relationship is in its formative stage and might set the tone for the future. While CRM systems can help, the key is the discipline and cultural imperative that makes it unacceptable to not follow up on these promises.

## Validating Your Assumptions

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I'm sure that many bankers, upon reading the above obvious tactical measures, would insist that their bank already does these things. Wouldn't it be nice to have empirical evidence to that effect, as opposed to the wishful thinking of management?

Here's a suggestion on how to do that and, at the same time, create some important byproducts. As a way to implement tactic #1 with great results, ask each member of senior management to spend a day or even a half a day a month visiting with customers. The focus of those visits should not be to sell anything, but rather to ask two simple but very important questions:

- How are we doing in terms of taking care of your needs?
- What would you like to see us do to be a better business partner for your business?

In addition to getting some extremely valuable feedback, you will be strengthening relationships. While surveys can serve a purpose, this exercise can be far more effective as it will provide much more valuable and specific feedback. At the same time that it strengthens relationships it gives an important message to your team as well as your customers: we care enough and are committed enough to this relationship to come out and visit with you to evaluate our performance.

In the course of our work developing commercial relationships on behalf of banks all over the country, we have about 40,000 documented conversations each year with business owners and CFOs. The percentage that feel disconnected, disenfranchised and disappointed with their banks is alarmingly high. While none of the foregoing is rocket science, it's all about execution. Just remember that your customers (and prospects) are as affected and impressed by your words and slogans as dogs, actually, maybe less so.

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