

CRM:
Lead Generation &
Referral Tracking
for every Financial Institution



The goal of every sales organization is to drive more revenue. In addition to calling activity, your sales team relies heavily on marketing to generate a meaningful brand, and target lead generating marketing campaigns and events. Yet, financial institutions spend hundreds of thousands of dollars on marketing every year...with most of it going unmeasured. Is there anyone out there who believes that these dollars should be tracked? To maximize sales opportunities, marketing in today's financial environment requires that each dollar be accounted for and measured against a tangible result. But who is doing this? How can it be done? You can no longer accept that marketing is a cost center. Today, marketing is an investment which must drive sales.

What does all of this talk of marketing have to do with sales? Everything, and nothing. Everything - if you see marketing as the source for the majority of sales leads. Also everything, if you embrace the reality that your revenue machine works best when sales and marketing unite. And when marketing means nothing to sales, it is because marketing seems off on a tangent that is inconsistent with the needs of sales. Because of this, many in sales hold the perception that marketing is a cost center.

There are a number of philosophies to measure your marketing and sales effectiveness. Yet there is only one which will reach all areas of the revenue engine in a way the majority of philosophies miss: [Lead Generation & Referral Tracking](#). Why is tracking leads and automating referrals the right solution? Because only this subset of CRM can affordably supply and verify the success of each marketing element you employ; radio, TV, newspaper, direct mail, PR and so on, and the sales that result. This kind of tracking can prove the money you invest in marketing is worthwhile...and frankly, will improve the return on all the dollars you spend, upwards of 5 times. The sales team desires more and better leads. With real knowledge and cooperation, marketing can deliver.

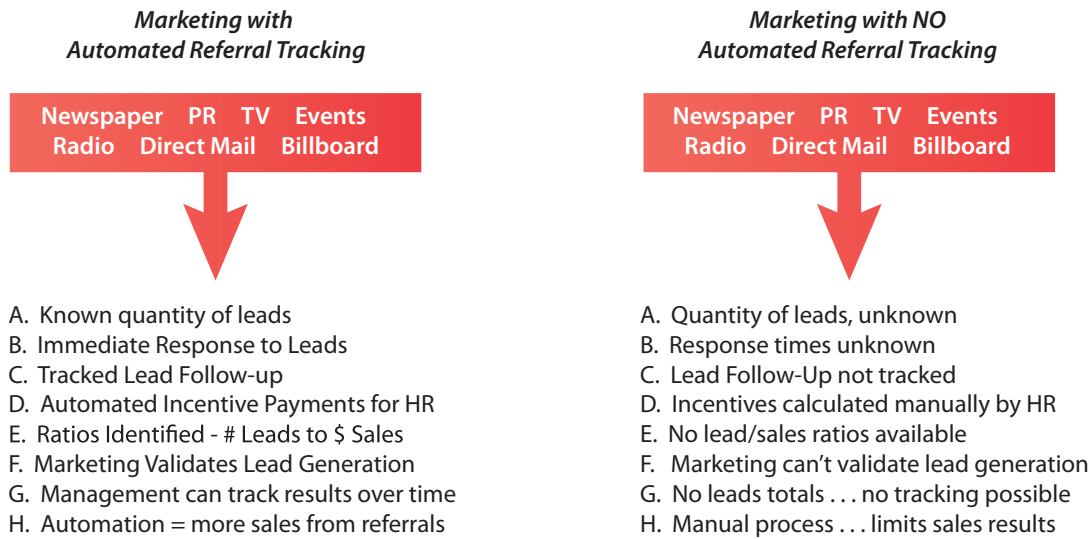
Are banks and credit unions bungling sales opportunities by the thousands, with no one in management being the wiser? Your front line staff doesn't share the misses, only the successes. So, you spend a boatload of cash to generate traffic and to hopefully solve real financial problems for your clients. Yet your front line staff is both ill equipped and unable to track these leads. This is a problem in 97% of all financial institutions.



Shouldn't Marketing and Sales be on the same team?

The sales staff would like nothing better than to sit down behind their desk each morning and find the phone ringing off the hook from clients and prospects who wish to buy. Marketing would like nothing better than for every lead they generate to be identified, tracked, followed up, and measured within a proven sales process. By working together, sales and marketing can each get what they want, and get success & recognition in the bargain.

Imagine what working together might look like? Peek at the chart below and identify the differences. Then ask... "should sales and marketing continue to work independently?"



Across 315 enterprises, The CMO Council and Aberdeen Research found "When Sales and Marketing are truly aligned, revenues grow 50% year after year on 21% higher sales conversions." Can you afford not to know?



By working together, sales will receive better, more qualified leads and an easier path to achieving sales revenue goals. Let's not forget, this result should happen without sales or marketing having to work any harder. What does marketing get? Marketing gets a [built-in ROI machine](#). With lead generation/referral tracking, sales will provide marketing the feedback to validate the effectiveness of marketing.

A Note for Marketers: Many of you track the end results of marketing campaigns. And yes, tracking the sales which result from your efforts is good. Yet shouldn't lead generation be more important to you? Let's say you mail 1,000 pieces of targeted direct mail. You may expect and get 8 sales. The ROI may even be worthwhile. Yet how many of the 1,000 you mailed...called, came into a branch, or went to your website to learn more? Let's say for argument's sake it was 50. Why did only 8 out of 50 responders actually buy? In the end, marketing may be leading many to look, but the sales team isn't closing the deal, so to speak. Your head of sales wants and needs this Intel just as much as you do. Once you have the information, the two of you will need to work through how to get better sell through for the leads you actually generate. If you track the leads, your sales will increase. This will make your ROI look even better.

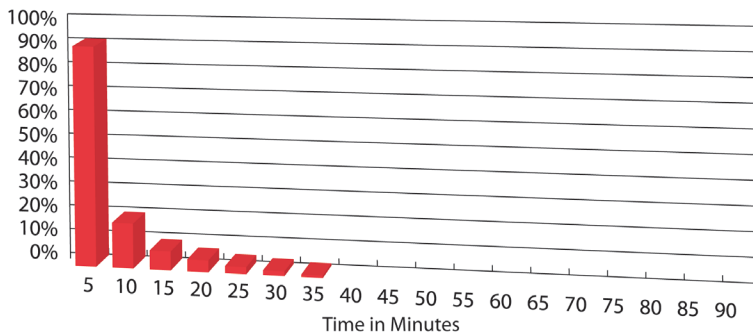
How do you manage leads? Referrals? When one of your clients raises his/her hand to ask a question about buying one of your products...what happens? Is this tracked somehow as a lead? Doesn't a good sales manager want to know? Identifying leads generated vs. leads closed offers a natural coaching moment, for those reps who are having conversion issues. If this lead desires a product only sold in a different line of business...how is it referred over? How quickly is it followed up? **Is getting back to a customer promptly a sales task or just plain good "customer service?"**

To point out the impact of response time to leads...a recent MIT study stated that an Internet lead not followed up on in the initial five or ten minutes, almost doesn't need to be followed up on, as the lead will go cold that quickly. Does your staff follow up on leads the next business day, like most do? If so, you have lost your best chance to get business. How well does your institution follow up?



Likelihood to Connect

% of actual contact with lead



If you called a car dealer about a new model and they said they would have someone get back to you, what do you think is an acceptable time frame to wait? A week, a day, an hour or minutes ...how does your institution compare? We commonly joke about car salesman - but seriously, if you have a question about one of their products, a car salesman will respond almost immediately. Laugh all you want about these car salesman types, they are on top of every lead like stain to a fence. Think about it...if you're really interested in a product...how long will you wait to get a call back/response? If it is a car you're after, there are other dealers. Come to think of it, there are other banks and credit unions, too.

Can [lead/referral tracking](#) be the place where your institution embraces CRM? Sure. It is dramatically easier to implement than you think (the old perception doesn't fit today's reality). It is a snap to get your folks using it. [Managing leads and referrals](#) will help you [track results of marketing efforts](#), maybe for the first time. And maybe the most important reason is because these tools are affordable, the ROI from getting one is stupidly easy and uniquely measurable. Also, automating your referrals simply replaces a process that you already have using technology, which will actually help your staff do what they are already asked to do...just much more efficiently.

If it is so easy, why are most bankers still manually plodding through their referral process with no automated lead tracking whatsoever? You tell me. Maybe, if we examine a real life scenario, it will help shed some light on why [automating referrals](#) as a first step for CRM is a no brainer.

Regardless of whether a lead is the result of direct marketing, advertising, or even a sales rep's ability to create a lead in their discovery process, a referral may be the result. How do you manage your internal referrals? 74% of financial institutions manage these referrals manually. A manual referral process hurts your institution in a number of ways. Let's explore what happens when you automate this one piece.

A couple of years ago, there was a bank just shy of \$1 Billion in assets that managed crossdepartmental referrals the old fashioned way...with something called a 3-part form. You may have heard of it. Heck, you may currently use the dastardly thing. Here was their process. See if you can find the problems that this bank felt they needed to solve.



Manual 3-Part Form Referral Process

MyBank
Internal Referral Form

Date: _____ To: _____
Branch/LOB: _____ From: _____
Branch/LOB: _____

Client Name _____ Product _____
Business Name _____ Timing _____
(if applicable) Quote _____
Home Phone _____ (if applicable)
Cell Phone _____
e-mail _____

NOTES: _____

HR ONLY

Product Sold _____ Referral Fee To: _____
Initial Balance _____ Referral Amount: _____
Date _____ Date Paid: _____
HR Signoff: _____

Results

MANUAL 3-PART FORM REFERRAL PROCESS

- Step 1:** Fill out the referral form.
- Step 2:** Save the top part of the form; to be sent to the person who will follow up on the referral. (More on this in a moment.)
- Step 3:** Send one copy of the referral form to HR
- Step 4:** Keep one copy of the form for yourself.
- Step 5:** Every Friday afternoon, all of the referrals (the top page of the form – see Step 2) will be collected and then couriered to the respective branch & person for follow-up.
- Step 6:** Staff who received the referral sheets on Monday morning will follow up with those clients based on the information filled out on the referral form.
- Step 7:** Both HR and the person that originally filled out the referral form, will manually check the core d/p system to see if any business resulted from the referral for incentive purposes or make a call.
- Step 8:** HR will manually build incentives results into Excel, and then share them with accounting for payment to employees.

The bank had four key problems with this process.

1. Referrals were not sent immediately. Under their existing process, referrals were collected and sent out once per week. Because of the delay, responses to every referral were late in coming. This meant that, more often than not, customers had already found a solution elsewhere.



2. No one ever knew the status of referrals. Once you sent a referral you never got an update, and it became lost in a black hole. No one knew what happened with referrals that were sent and received. Your staff wants to know the results of their efforts, and not just for incentive reasons.

3. HR had to manually track referrals to pay incentives. Even with the manual process in place, HR was at maximum capacity to chase referral results. They had to automate or spend more in human capital just to count the beans. If that wasn't enough, the frontline staff was constantly calling to see if and what they were going to get paid. The man hours saved alone would pay for automation!

4. The front line team had no client knowledge or business intelligence. OK, so you automate referrals. Have you shared anything about these relationships that might help you close more of these leads? This bank wanted to connect their front line staff and lenders to a database that included true client business intelligence. They felt that they needed to share information about what products clients have now, what product they might like next, the profitability of the overall relationship, etc. They felt by providing this client knowledge, their front line staff would be in a better position to help their clients solve financial problems and make their dreams come true.

OK, so what happened, you ask? Yes, this bank did automate their lead generation and referrals for the reasons outlined above. Within the first 30 days, the number of referrals more than quadrupled from 300 per month to 1400. And while they started simply with lead/referral tracking, they have since migrated to full contact CRM. Results from referrals were obvious to senders and receivers alike. Management too, could track leads, closing results, and leads/sales ratios and timelines. And HR could manage incentives with ease. Within days, the bank's staff felt that their efforts to send and track referrals internally actually meant something tangible, maybe for the first time ever. It did not take long for the proof to stare everyone in the face. The facts were clear. Automating leads and tracking referrals was CRM that works. And most sales could be directly attributed to marketing investments. Hmmm. Wouldn't that be nice to know?

Can you imagine how simple it would be for your bank or credit union to achieve similar results? Simply automating your lead/referral process assures easy buy-in, measurable results, and a way to say to your staff, "Your efforts are valuable and appreciated—and we want to make it easier for you to help our clients get what they want."



Doctor, heal thyself

Looking to embrace CRM? Here is a list of tough questions that should get your team talking about the sales and marketing problems you need to solve. Make sure everyone fully understands each respective perspective of a problem. See if you can highlight how bad processes create real problems down the line. CRM improves efficiency yes, but discussing the problems gets everyone working to solve the same objectives.

How is marketing helping sales drive revenue? Are marketing's goals aligned with sales? Do both have their eye on the strategic plan? How much would sales increase from working together more tactically?

How do you manage CRM today? Are you capturing leads currently? What is your internal referral process? How much effort is manual? Is this process different within different business units at your institution? How long does it take for you to respond to a client who is interested in something else? Does this vary by branch, line of business, or by officer?

How is your staff tracking leads/referrals in progress? Once an internal referral has been sent, can anyone (or everyone) track where it is in the sales process? Are there updates or status reports provided, that share the latest news on these referrals with everyone? If so, who pulls that together and how much time is spent?

How does your staff report or acknowledge sales from leads/referrals? Is a part of the lead/referral process communicating back to your internal referral source and marketing that you helped their customer buy? Is the person responsible for accounting for the incentives (HR?) also in that communication loop?

Is management clued into the results? How is management informed of leads and then sales? Does management see the [pipeline of sales revenue](#) and/or the source of this potential business? Can management see who is diligently sending leads/referrals and who is not? Can management evaluate who is converting internal referrals received at a high level, and who isn't?

What is your lead/referral incentive plan? Do you pay per referral, or per closed referral? Do you pay for every referral over the average # produced by that branch per week, month, or per quarter? The more sophisticated the plan the more you need automation's efficiency, although simplicity is often best.

What is the process where you pay out these referral based incentives? How often do you pay them? Does anyone check to confirm that your folks are being accurate? How much time does it take to assimilate the numbers and dollars, and then confirm the results before paying the incentives? Who does this work? Are calculations made manually?



Are you sharing accurate client information? Does your front line staff know anything about the clients they are talking with, either on the phone or in person, and if so, do they know how to use this information to better serve the client? How do you share this information today...or do you?

Don't get sucked into doing more than the CRM basics...until you are ready. CRM can absolutely provide a great deal more horsepower in a sales driven organization, than just lead/referral tracking. And candidly, it is cool! Unfortunately, most banks and credit unions aren't ready for full contact CRM. You must resist the temptation to expand your CRM dreams to go all out, until you can clearly articulate your goals and objectives for broad based CRM and how you will measure the results of the same. Some would say, until you master the basics, don't spend too much.

History is; change with it, or be changed by it.

There is no question that we live in an age where clients expect a unique experience. How can your team make magic without the immediacy of accurate client intelligence and real time knowledge of leads and referrals? Remember, if you were to personally call any business to learn more about a product, you would expect someone to help you immediately, right? When you don't get the timely response you expect, it hacks you off. Be honest. If your team can't give immediate answers and responses to your clients, might they get hacked off at you? Responding days later to a lead provided today won't get it done. Studies are now saying you have somewhere between five minutes and thirty minutes to connect.

There are some banks and credit unions who are trying to eat the whole CRM enchilada in one bite. And some of them are ready. Yet a common failure with CRM is often the result of organizations trying to do too much too soon. Give yourself permission to ease into the CRM waters with a simple solution, which can prove ROI quickly, and which improves a process that you already have established.

Lead/Referral tracking...Is it CRM for the rest of us? Yes. Isn't it time that your marketing team was able to validate and verify all of the results they deliver from the investments they make? Yes, again. More importantly, isn't it time for marketing and sales to align for obvious mutual benefit? Of course. This is truly CRM for every financial institution.

*"However beautiful the strategy, you should
always occasionally look at the results."*

—Winston Churchill

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