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Integrating sales processes

Case United Bankers Plc

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ABSTRACT

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The goal of this study was to document the sales processes of two different sales organisations in financial services industry that were combined after acquisition. After finding out the best practices from both organisations they were combined to one sales process that can be used by the new organization in daily sales work.

This study was conducted by the means of qualitative research combining semi-structured interviews of the most successful salespersons, participant observation as well as document analysis on previous process descriptions. Interviews found out the working methods and processes used the most successful salespersons in both organisations.

The theoretical framework was extracted from earlier studies on sales processes and models created on selling. During the process the qualitative data from the interviews was aligned with this theoretical framework in order to create the new sales process to be used by the commissioner.

The result of this study was the new sales process that can be used in the sales meetings by salespersons. The study also confirmed that the most successful salespersons follow the patterns that are recognized by several studies. This study proved that the salespersons working in both organisations are professional and skillful if analysed from the theoretical point of view.

This study verified the assumption that there is variance between salespersons and their ways of selling depending on their personality and experience and there is not only one single way to sell successfully.

Key words: sales, selling, sales process, professional selling

CONTENTS

1 INTRODUCTION

Professional sales organization is the crucial success factor in almost any business. In the world of competition there are very few products and services that sell themselves without any sales efforts by the company. If the company is not able to sell its products and services, it cannot survive.

Many companies have good products, good marketing plans and appropriate facilities but there are plenty of salespersons who do not understand the sales process in practice and as a result of that they underperform. Trained sales organization will outperform the untrained one even the untrained organization may include gifted individuals (Rubanovitsch & Aalto 2013, 10).

Many industries are going through remarkable changes caused by globalisation, digitalisation and legislation. The values of potential customers change following the trends and customers are expecting better service and communication from salespersons. Being better skilled and more active than competitors, a salesperson can differ form competitors and get advantage of it (Rubanovitsch & Aalto 2013, 12-13).

In the financial services industry, the difference between individual salespersons and their skills in selling is very important because typically all products and services are tailored to match the actual needs of the customer and therefore buying process includes always meeting with a salesperson. In this kind of process the professional sales skills of a salespersons are critical to success.

In order to excel in selling, a company needs standardised sales process where all elements are fitted to the special characteristics of the business. This kind of process can then be taught to all salespersons participating the sales process. Financial services industry is not an exception and besides the products and services, the sales skills will determine the success in the future too.

1.1 Objectives

This study was commissioned by United Bankers Plc (UB), a Finnish company specialising in investment products and services, in the aftermath of acquisition of Suomen Pankkiiriliike Oy’s entire share capital on November 2017. Suomen Pankkiiriliike Oy was later renamed as UB Pankkiiriliike Oy (UBPL). The objective of this study was to study the sales processes and methods used by UB sales organisation as well as UBPL sales organisation in order to document and find the best practises and create one solid sales process to be used by UB sales organisation in the future, based on the findings of this study.

In order to meet the objectives, following steps had to be taken:

- Documenting the sales processes of sales organisations of UB and UBPL.
- Finding out the best practises from both processes.
- Finding out the individual working methods of the most successful salespersons in both organisations.
- Combining the best practises to one integrated sales process that can be used as standard procedure by sales organisation and confirm the standard procedure scientifically.
- Implementing regulations in to the sales process according legislation.

UB corporate management set objectives for the integrated sales process from the corporate point of view. According the objectives the process must fulfil following requirements:

- Be ethical.
- Follow laws and regulations.
- Focus on true needs of customers and offer added value.
- Establish long term customer relationships.
- Be effective in terms of closed sales.
- Be scalable and easily transferrable to sales persons.

1.2 Research methods

This thesis is based mainly on qualitative data gathered by interviewing the most successful salespersons of both organisations. It was obvious that the best practises can be found from the working methods of the most successful 20% of salespersons following the Pareto 20/80 principle that assumes 20% of salesforce produce 80% of the sales. The data collected from salespersons was reviewed and compared the data collected by participant observation by the author who has been working 19 years in different sales and managerial positions in financial services industry.

The interviews were conducted semi-structured with enough open questions in order to gather enough data of the sales process, focusing on the sales process used by salespersons and their views of organising their own work.

The theoretical background was confirmed by comparing each step of sales process that was documented from interviews, with scientific publications on sales process. Also, non-scientific publications as sales manuals written by experienced salespersons were used to confirm the steps further. This approach was chosen because most of the authors of the published sales manuals have been very successful in selling prior becoming writers and authors. Selling is very practical job and it does not necessarily require academic expertise to master.

The working methods of top salespersons and their experiences of ideal self-management were reviewed against the theories defining the working methods of successful sales persons in general.

Document analysis was conducted on existing process descriptions and especially on the legal framework. Document analysis included interview with the person who had done the documentation earlier in order to understand them properly without assumptions.

1.3 Structure of the thesis

The first chapter introduces the background of the thesis briefly and in general. It introduces shortly the commissioner and states the objectives of the thesis. The chapter describes precisely the objectives of this thesis that are critical for commissioner’s future business and narrows the thesis to the essential issues.

The first chapter introduces also the research methods and data collection techniques used in different phases of study process as well as how the data was analysed and results implemented to conclusion. The first chapter also defines the structure of the thesis.

The second chapter introduces background and current situation not only from financial sector but also the commissioner’s point of view as the main driver to the merger has been the result of national consolidation trend in the financial services industry. The chapter introduces both the commissioner and the bought company and their operations in order to clarify what kind of organisations are mergered in the process.

The second chapter focuses on the theoretical framework used in this thesis and introduces the sales circle model that was used as scientific benchmark that the process was compared to.

The third chapter focuses on the qualitative interviews and describes how they were completed and how the data was analysed. Actual findings and analysis are introduced along the thesis in the parts that are focusing the issues questioned.

The fourth chapter presents the results of combining data from all sources mentioned. The chapter will present the new integrated sales process step by step. The process is first shown as a whole in order to describe it simple way and later in the chapter all steps of the sales process are analysed deeply and aligned with theoretical background.

In the fifth chapter all parts of the thesis are summarised. The chapter includes the suggestions to the corporation management that will help execute the planned merger of two sales organisations successfully and profitably.

As some product specifications, actual sales questions and segmentation are considered confidential, this thesis analyses those topics only on such way and level that confidential knowledge is not compromised.

2 BACKGROUND

Financial services industry in Finland has had growing trend of consolidations during the last few years. The regulation including EU Markets in Financial Instruments Directive (MiFID II), implemented January 3rd, 2017, that regulates entities who provide services to clients and the venues where those instruments are traded, General Data Protection Regulation (GDPR), implemented May 25th, 2018 and Insurance Distribution Directive (IDD) implemented October 1st 2018 together with digitalization require resources that smaller companies do not necessarily have.

Financial services industry is highly scalable and larger companies tend to survive better due their larger assets under management (AUM) that produces steady income. AUM based income means steady percental income that investment manager earns from management fees of the assets it manages. This kind of income is crucial since it does not require new sales and is equivalent to service agreements in many other businesses where a company first sells the product but earns in the long term by providing the customer with the service for the products purchased earlier. AUM based income tends to be remarkable determinant also for the stock pricing in public listed companies and therefore larger AUM is important for the stockholders.

More and more international companies are entering the markets as European Union guarantees free movements of services and capital. That creates more competition that require resources in all business areas. Having well trained and professional sales organisation will help any company in competition if managed properly.

As a part of this national and European consolidation trend, United Bankers PLC (UB) acquired Suomen Pankkiiriliike Oy's entire share capital on November 28th, 2017.

The merger between UB and Suomen Pankkiriliike Oy (renamed UB Pankkiiriliike, UBPL) was strategically important and it was the largest financial transaction in UB’s history. The merger should bring significant synergies over the medium term. Synergies found in administration, information system and online service environments and marketing are important part of the merger, but the most significant part is expansion of distribution channels and pure sales power.

During the merger it has been realized that both organizations have very different cultures and procedures in their operations. Both organizations have had successful sales organizations even the processes differ from each other. However, working in one organization needs one sales process that can be used as standard procedure and monitored by management.

Different cultures of two companies require sales management to have a solid plan and planned steps during integration. Besides the technical integration including IT-systems and physically moving to one office, also all processes need to be integrated. This thesis will focus on sales process as a part of integration. The sales process is the actual core of the sales organisations, all other functions like IT-systems or marketing just support the process and help salespersons in their task of selling products and services to the customers.

2.1 Introduction of company and the case

United Bankers PLC (UB) is public limited company, listed at Nasdaq OMX Helsinki. Company started its brokerage operations in 1986 and today the group offers a wide selection of asset management products and services, fund management, investment banking and real asset solutions. Assets under management (AUM) are about 3 BN€ (06/2018) Besides wide range of professional services and solutions, UB also has strategic partners and represents several foreign assurance companies, investment managers and banks and distributes their products to Finnish customers based on cross-border offering inside European Union.

UB corporation consists of seven subsidiaries with each of them specializing in their own products and services from fund management to corporate finance. UB is operating internationally and has a filial in Sweden and assurance agency in Luxembourg

UB has private banker team of nine salespersons. On top of private bankers who sell mainly to private customers UB has institutional sales team of 4 investment managers. Also fund managers sell their own funds and individuals in the management have role in selling so the sales organization is complex.

UBPL Oy was a privately-owned financial services company established in 1997. At the time of acquisition company was employing 80 experienced professionals specializing in investment advice, investment product brokerage services, tax planning and investment portfolio analysis.

Total AUM of UBPL Oy before acquisition was around 600 M€ and total sum of assets invested over 3 BN€.

UBPL has 42 salespersons selling products mainly to private customers and companies. Most of the UBPL salespersons work as tied agents trough their own companies. During the process of writing this thesis this sales organisation was renamed to UB Private & Corporate sales.

This thesis focuses on private bankers and sales persons in UB Private & Corporate sales targeting their sales to private customers and companies and small institutions. As the sales process and especially the decision-making process in institutional sales differ from private customers one, these processes can be integrated only on certain level.

The sales processes in general are extensive subject and they include all functions from prospecting and finding customers to aftersales. However, this thesis focuses only the sales negotiations, meaning the part of the process that happens in interaction with customer during the meetings leading to closing the sales.

The need for documented sales process is critical in the situation where UB is integrating two sales organisations with very different backgrounds and working methods. New integrated sales process will be strategically important for future success in sales in private and corporate customer segment.

It is also critical to understand and document what requirements the process has from legal point of view as the regulation in national and European union level define strict limits and frames that processes must follow. Research on the topic provides the management great insight of the methods the best salespersons in the company are executing in daily work and helps management to understand the needs of sales organisation.

2.2 Theoretical framework - the sales circle

Sales process as a whole has been described in numerous earlier studies by several authors over a long period of time as selling has been always a part of all businesses. There are very few products or services that sell themselves without marketing and sales efforts.

There is variation between the process descriptions mostly based on the fact that different products and services have different target customers and they may need different approach. It is very easy to understand that selling large business to business project like machinery differs from selling smaller products or services to consumers in business to consumer business. Smaller sales have shorter cycle and decision is made faster than in larger sales.

Common phenomenon in the process descriptions of all authors reviewed in this thesis is that they try to visualise the process in form of funnel, circle or flowchart. Assumption is that sales process is always a series of steps that follow each others and therefore this kind of visualisation is understandable.

As the sales process used by most of the salespersons in UB and UBPL follow certain sequence and consist of steps, the sales circle seemed the closest to reality approach and was therefore selected as theoretical frame for the study.

As mentioned earlier in introduction, this thesis focuses on the actual sales negotiation during the meeting between the salesperson and prospected customer. Sales process as a whole from prospecting potential customers to aftersales is too wide subject to be studied deeply in this thesis. However the theoretical framework used in this thesis includes elements of the sales process that are not analysed deeper during this thesis.

The sales circle used as a ftheoretical framework s described briefly in following parts of this chapter. The model is supplemented by information from earlier studies on sales process.

Dr Mika Rubinovitsch visualises the sales circle in 9 steps (Rubanovitsch & Aalto 2013, 10). The sales circle is shown in figure 1.

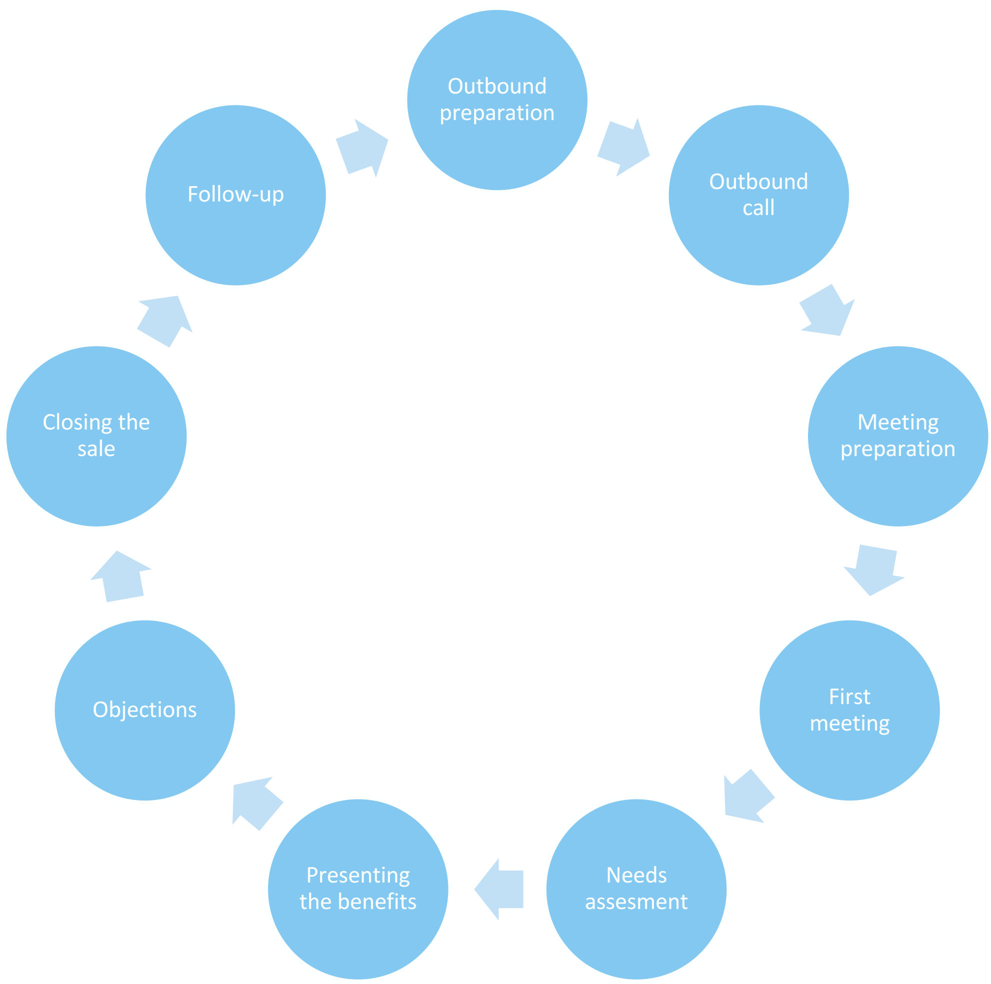

FIGURE 1. Sales circle by Dr Rubanovitsch

Meeri Hartonen describes sales negotiations as five steps in her thesis where prospecting or outbound calling are not included as a part of the process. Five steps model was reviewed side by side with sales circle to confirm that models have similarities even different steps may be named differently. Description of the five steps process is shown in figure 2.

FIGURE 2. Sales negotiations steps.
(Hartonen 2013, 12)

This five steps model is simplified version of sales circle but still has the essential elements in it.

The sales circle with wider process description is presented in following subchapters.

2.2.1 Outbound preparation

The sales circle assumes selling process to start from cold outbound call. Proper preparation helps sales persons to success in outbound calling that is very demanding way of setting meetings with new customers.

Focusing in preparation will rise the possibility to success as customer will notice that the salesperson has orientated on the current situation the customer has and shows that the customer is appreciated by the company (Rubanovitsch & Aalto 2013, 42).

Proper preparation includes finding out background information from open sources like internet and other media. Knowing the background of the prospected customer makes it easier to communicate during the call.

2.2.2 Outbound call

The sole purpose of outbound call is to set up meeting with a potential customer if the business is not actually selling products during the call as some magazine publishers or teleoperators do. Usually only very simple consumer products or services can be sold directly during the cold call. More demanding solutions are still sold face to face in the meeting or series of meetings.

When outbound caller is calling cold calls, the message and the voice are crucial as customer is not able to see the products or even the salesperson. Difficult terms and complicated sentences must be avoided (Rubanovitsch & Aalto 2013, 54-55).

The caller must have pre-determined reasons why the potential customer shoukd agree on meeting. Every call must have a bait that will appeal the customer (Rubanovitsch & Aalto 2013, 58).

The outbound call may proceed in following order (Rubanovitsch & Aalto 2013, 60).

1. Introducing the caller and the reason of the call and presenting the bait.
2. Telling the customer the benefits of the proposed meeting and why the customer should agree on meeting.
3. Briefing the customer on the agenda of the meeting, the duration of the meeting and that the meeting will include personal needs assessment.
4. Suggesting two possible times for the meeting.
5. If the meeting cannot be set, the call should be continued following the sales circle to needs assessment.
6. End the call politely.

2.2.3 Meeting preparation

Preparing for the meeting does not differ much from the preparing the outbound calling but it is deeper in nature. Besides finding out background information about the prospected customer, the salesperson must ensure that all other aspects are set for the upcoming meeting.

Rubanovitsch & Aalto have put together checklist for salesperson to follow before every meeting. The checklist includes all elements that are essential for successful meeting. However too much time should not be used to preparation as it is only small part of the sales process.

Checklist for salesperson before meeting:

1. Correct and full name of the customer.
2. Is there previous history with the customer or is this first meeting.
3. What products and services are available to sales at the moment.
4. What products and services are not available to sales at the moment.
5. Has the customer had possibility to get familiar with the products or services in advance
6. Objectives of the meeting.
7. Memorandums from earlier meetings.
8. Statistics of earlier sales to the customer.

9. Earlier offers.
10. Frequency of meetings.
11. Decision makers and contact persons if not individual consumer.
12. Open source data available on the customer.
13. Brochures, price lists.
14. Test results, articles.
15. References.
16. Business cards.
17. Notebook and pen.
18. Calendar.
19. Calculator.
20. Information on competitors.

(Rubanovitsch & Aalto 2013, 46)

2.2.4 First meeting

The first meeting with the customer determines how the sales process will succeed. If first meeting fails, it is very difficult to build up relationship with the customer later. Even the customer is not signing a deal and sale is not closed during the first meeting, the result of the first meeting will lead to the sale eventually.

The first impression is crucial for successful sales. Therefore the salesperson should always be in time, be confident and polite, remember eye contact and be active and positive (Rubanovitsch & Aalto 2103, 67-68). The first impression and its meaning is discussed more in the chapter 4 defining the integrated sales process.

The salesperson must take a stand on proceeding the honest and open discussion with the customer and define the steps of the sales negotiation that will be taken during the process. If customer agrees on these steps, the process will flow easily and leads to success easier (Rubanovitsch & Aalto 2013, 73-74).

There may be different goals for the first meeting from closing the sale to just getting customer to agree on next meeting.

2.2.5 Needs assessment

The meaning and the goal of needs assessment is simply to find out the needs of the customer and satisfy that need later with the product or service that the company is offering. It is not common that a customer walks in any sales situation and defines exactly all needs and problems that should be solved. More often it is the salesperson who needs to ask all information in order to understand the current situation of the customer.

There may be wider consequences depending on the success of need assessment. Successful needs assessment may lead also larger sales and deeper customer relationship (Runbanovitsch & Aalto 2013, 77).

To be able to truly help customer, the salesperson should forget the services and products and selling during the needs assessment and instead focus on finding out what kind of person is faced in the meeting. It is important that products are not presented during the need assessment. It is known that top sales persons use more time on needs assessment and building the trust than presenting the products and services (Rubanovitsch & Aalto 2013, 78).

Completing proper need assessment and understanding the true needs of the customer differs tops salespersons from average ones as top salespersons are able to offer suitable products and services to their customers.

2.2.6 Presenting the benefits

As a result of successful needs assessment, the salesperson is able to suggest a solution that fulfils the needs of the customer. Effective salesperson presents the product or service that is sold by focusing on the needs of the customer (Rubanovitsch & Aalto 2103, 98).

Salesperson should focus on the benefits rather that detailed information of the product that is sold.

This part of the sales circle is named presenting the benefits to underline that a successful salesperson does not present the detailed information on the products with all specifications and the focus must be on the benefits.

2.2.7 Objections

Objections are part of sales negotiations. During the presenting the benefits of the product or service, the customer will ask questions and resist buying with different kinds of objections. The salesperson should see handling objections as a way to deepen the trust and relationship with the customer. If the salesperson is well prepared already before the meeting to handle the objections, the sales negotiation will flow despite of the fact that customer has objections.

None of the objections should be neglected. They all must be answered in order to close the sale. Referring the points found out in the needs assessment phase of the sales process and presenting the benefits again the salesperson can postpone the handling of the objections but all objections must be handled before the sale can be closed (Rubanovitsch & Aalto 2013, 117-119).

Being able to handle the objections rises the amount of closed sales as most of the objections root from normal buyer behaviour and are easy to handle.

2.2.8 Closing the sale

Closing the sale may be very difficult for average salesperson. Especially if the salesperson has not focused on the beginning of the process the closing may be impossible. Average salespersons may be afraid of asking the sale and believe that the customer feels that buying is uncomfortable. Being able to ask for the sale and close the sale is very important as the customer may easilybuy from the competitor, lose interest or even forget the discussion and sales if the sales is left open (Rubanovitsch & Aalto 2013, 121- 122).

There are several ways to ask for the trade but most common can be listed as following, including examples:

1. Straight suggestion: “I suggest we do following and…” where the salesperson suggest customer to buy.
2. Offering two alternative options: “Is it OK if we continue doing…. or would you prefer if…” where the salesperson gives the customer two options that both lead to closing the sale.
3. Reference method: “One of my customer had exactly similar situation and with him I solved the problem like this…. Therefore I suggest we do…” where the salesperson shows the customer experience on similar situations.
4. Hesitation: “I see you hesitate and therefore I suggest…” where the salesperson shows he understands the hesitation of the customer and instead of aggressive selling is interested of thoughts of the customer.
5. Lockup: “If our solution proves to solve your problems, can we later…” where the salesperson shows that customer satisfaction is important.
6. Questioning the close: “Did I understand right our conversation if I assume our solution solves your problem ? So can we agree on practicalities and proceed ?” where the salesperson tries to get the approval by confirming the service or product fulfils the needs of the customer.
7. Asking for order: “Are signing the agreement ?” or “How many you will take ?” where salesperson just confirms if the customer wants to buy or not.
8. Visualisation: “When we take care of… you can focus on your job and hobbies and you do not need to worry about legislation or any other boring stuff” where the salesperson talks as the customer already bought the service or product.
9. Details: “What coulour do you want” where the salesperson assumes the customer buys and only details need to be adjusted.

(Rubanovitsch & Aalto 2013, 129-133).

2.2.9 Follow-up and selling more

Once salesperson manages in selling, the relationship with the customer begins. How profitable this relationship is depends much on behaviour of the salesperson after the sales.

Successful salesperson keeps contact to the customer on regular basis and begins it with a follow-up call quickly after the first sale. Willing to buy from same salesperson decreases if the salesperson has not been in contact or remembered the customer after the sale. Follow-up call will ensure that customer is satisfied with the product or service bought and decreases the will to cancel the purchase (Rubanovitsch & Aalto 2013, 155-156).

When customer is happy with the service, new needs can be satisfied with new products and services and the customer is willing to hear the solutions the familiar salesperson has. That will lead to increased sales in the long term.

3 INTERVIEWS

To collect sufficient data for analysing and documenting the sales process, 10 sales persons were interviewed between December 2018 and February 2019. The persons were chosen by their sales results during last two years and following the general Pareto 80/20 rule top 20% of salespersons were interviewed. That equals 8 salespersons form UBPL and 2 salespersons from UB sales organisations.

Sales results were the simplest way to decide the salespersons who were interviewed. This thesis does not suggest that other measurements like customer satisfaction or company profits per sale are less important but measuring all areas would have been too time consuming and therefore the sales results were chosen as sole figure to decide the persons to be interviewed.

Sometimes it is possible that a salesperson seems to be very successful during short period of time because of lucky sale or unusually large deal. In order to eliminate this phenomenon the sales results of the interviewed persons were analysed three years backwards to interview only the salespersons that have long term success in their sales.

Salespersons were asked open question about their working methods and sales processes they follow in their sales negotiations. They were given preliminary task to define and describe the essential steps of the successful sales negotiation based on their experiences. (Appendix 1).

They were also asked to define three most important steps of sales negotiation that will lead to the success in the sales.

When analysing the answers, the experiences of the Huthwaite research were taken in account. Huthwaite research was extensive study of selling including analysis of over 35.000 sales transactions during 12 years in 23 countries by

Huthwaite Research Group. One of the important findings was that top performers are not willing to share their skills and there is big difference between the actual working methods and the methods they described they use.
Therefore, the best way to learn what they do is to observe them in their actual work instead of interviewing them (Rackham 2016, 3). In this thesis it was however impossible to participate the sales negotiations of 10 salespersons and sales processes they described had to be reviewed based on the experience of the author.

The results of the interviews are analysed in chapter 4 where the sales process is described and aligned with theoretical background of selling.

4 UB SALES PROCESS

4.1 Process description

Interviews and participant observation combined with existing process description gave clear picture of sales process that has been successful in both companies. Individual variance between salespersons blurred the process since even most of the salespersons had same steps in their processes, they had them sequenced differently during their negotiations. One of the conclusions of this thesis is that different steps of sales process are known and they occur in most of the successful sales negotiations but they can be positioned to different places of the process depending on the salesperson or the customer on case by case basis.

To be able to describe the process the different steps must be placed to logical order and the process described in this chapter is the order that this research suggest they should follow. Duane Sparks (2003, 18-19) describes sales process as series of steps, five buying decisions that are made in every purchase. These steps are always made in the same sequence that is predetermined and the sales negotiation should match the sequence of buyer's decision. The steps of action selling process created by Sparks are:

1. Salesperson
2. Company
3. Product
4. Price
5. Time to buy

(Sparks 2003, 16).

The sales process has been described in numerous studies but based on participant observation a company must create its own process that takes in account all variances in different businesses. For example, paper machines cannot be sold same way than consumer products like cars or services and consulting. The theories and processes reviewed and quoted in this research however support the sales process described in this chapter.

Sales process is often described as a circle or a funnel starting from prospecting the possible customers, contacting them and ending to lasting customer relation. When reviewing different models like Dr Mika Rubinovitsch sales circle in chapter 2.2 of this thesis and comparing it to the actual results of sales persons in the company it was clearly seen that the actual part of helping customer to realise the actual needs was missing. The interviews and participant observation gave much deeper understanding on the actual psychological process of consultative selling than any publication reviewed during the process of writing this thesis.

However, as the process must be visualised in order to make it easier to understand, a circle model was chosen to be used to visualise the UB sales process.

Based on all data gathered by different methods, the standard sales process of UB can be described visually as in figure 3:

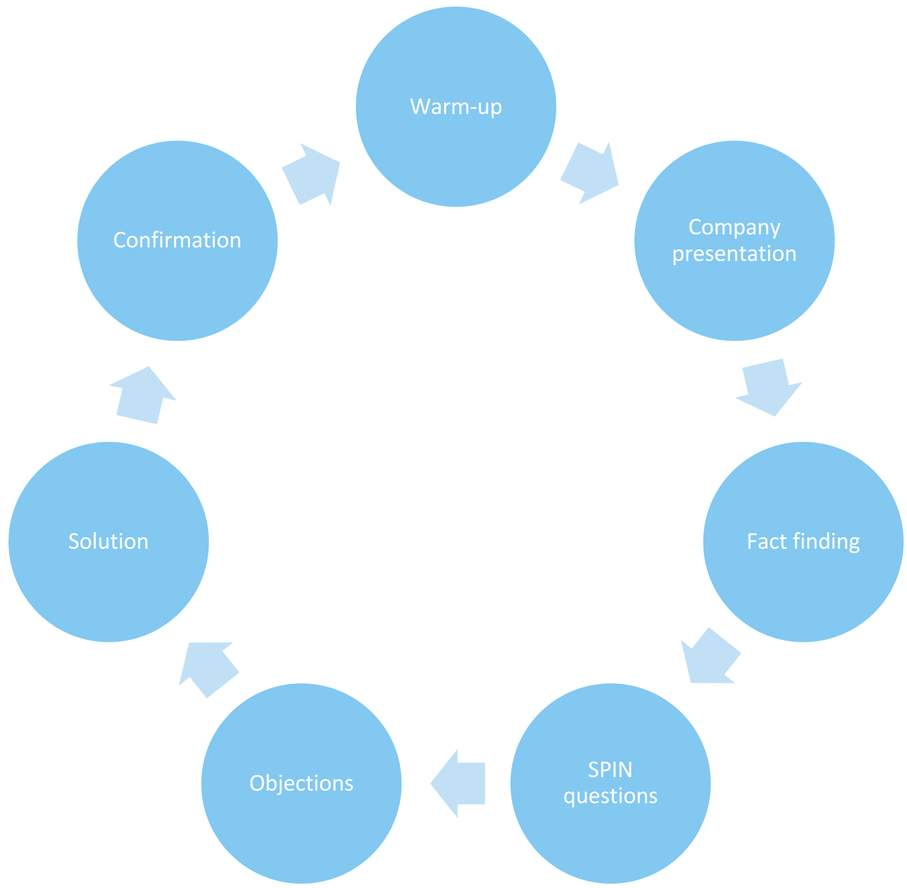

FIGURE 3. UB sales process.

It is important to understand that the steps of the sales process may occur in different order or two or more steps can be going on simultaneously during the negotiations. This thesis suggests the sequence of the steps but eventually it is determined by the customer and the situation in the sales negotiation process.

4.1.1 Warm-up

During the interviews, all 10 participants defined warm-up as a part of their sales negotiations. 70% of them ranked it among the three most important steps of the sales negotiation. According to the interviews and experiences, proper warm-up creates the base to good sales negotiation where salesperson can truly help customers to find solutions for their needs. Ideal sales negotiation is done in relaxed atmosphere and good interaction skills of salesperson are crucial in order to perform good warm-up.

Warm-up or sometimes called as opening, is also defined in the earlier studies as a part of the negotiations. According Rubanovitsch and Aalto (2013, chapter 6) the first impression is crucial in order to make customer feel welcome and if it is neglected, whole sales process goes easily to wrong direction. Jobber and Lancaster (2015) define personal selling process as a part of personal selling skills. The opening and favourable initial impression is important part of sales process and skilled salesperson can affect a lot to the initial impression by correct behaviour (Jobber & Lancaster 2015, 239-243).

The decision about the salesperson is critical success factor because it lays the groundwork for everything that follows. Therefore, the importance of warm-up, creating trust and selling the salesperson to the customer cannot be undermined (Sparks 2003, 19).

Warm up can be described as small talk on general issues in order to get to the same level and get to know customer better before proceeding to cold facts and selling (Ristimäki 2010, 32-33).

The deeper goal of warm-up is to create personal trust deep enough that customer is willing to proceed with the process and listen what salesperson is going to offer. Selling without trust between the buyer and the seller is almost impossible and creating this trust is one of the most valuable skills of successful salespersons.

The customer may have several factors that create sales resistance. Salespeople usually have poor image and customer may have bad experiences on high-pressure sales techniques and/or low-quality products and services. Customers may even think salesperson is going to take advantage of them rather than solve their problems and find solutions for their needs (Girard 2002, 6-13). Overcoming this resistance is best done by creating trust.

In the business where there are plenty of product/service offering competitors with rather similar products and services and lots of competition, finally the personality of the salesperson may be the final determinant for the decision (Girard 2002, 16).

First impression is not given only verbally and by postures. Having good listening skills and showing the customer that the salesperson is good also in this area of interaction give strong positive impression (Tapanila 2016, 4-5).

As a foundation for the good sales meeting the importance of the warm up is very important according to all researches reviewed and also persons interviewed.

4.1.2 Company presentation

Once the salesperson feels customer is ready to proceed, it is time to give customer a company presentation. During the interviews all participants defined company presentation as a part of their sales processes but none of them ranked it in most important three steps of successful sales negotiation.

Company presentation is also part of sales process defined by Rubanovitsch and Aalto (2013, 98) as a part of presentation of the benefits to the customer. In practise company presentation can be given to customer in different parts of sales negotiation but UBPL and UB Plc sales organisations have always given it after the warm-up or partly before the warm-up if customer insists hearing the facts of company before continuing discussion.

The purpose of company presentation is to tell customer the facts why company is able to serve the customer rather than listing data and strategies (Rubanovitsch & Aalto 2013, 99).

The goal of the company presentation is to consolidate the personal trust that was created in warm-up phase with the salesperson’s company. Theoretically it means situating the company inside the industry and give justified information on the advantages the company has on the competition. That may include references and examples of expertise and credibility. Finally, the company presentation should clarify customer how the company is able to identify and solve his problems (St-Cyr & Thibodeay, 1).

In the UB sales negotiations, following information should be given to customer during the company presentation.

- What kind of services and products company offers
- What kind of needs the services are fulfilling and what kind of benefits customers can achieve
- How is the process working from finding out the customer needs point of view
- Purpose of the meeting
- References
- Brief history and facts
- Company earning logic.

Based on interviews, successful salespersons focus more on benefits the company can offer and what kind of problems the company can solve rather than figures and numeric facts.

4.1.3 Fact finding

Fact finding was described as the most important part of the sales process by 60% of the interviewed sales persons and all of them had it defined as a part of their sales processes. 100% of interviewed salespersons defined fact finding among three most important parts of sales process. However, many of them stated that asking too much personal questions may feel intimidating and if for some reason warm-up has not been proper not all facts can be asked without discussing something else for a while. It was noticed that experienced salespersons continued the warm-up during the fact finding process in order to make customer feel relaxed.

The cardinal rule in successful selling is that there has to be a need and salesperson must propose a solution (St-Cyr & Thibodeau, 1). Properly executed fact finding will find out the needs and give salespersons tools to help customer to find his implied needs or even develop the needs.

Joe Girard defines fact finding as follows: “professional salespeople obtain the information they need by conducting fact-finding sessions, and as the name implies, it’s a series of questions asked of prospects” (Girard, 109).

In consultative selling understanding customer’s circumstances is inevitable in order to be able to offer correct solutions. To fully understand all circumstances need focusing the customer’s situation and asking wide range of different type of questions. (Jobber & Lancaster 2015, 244-245). The different types of questions are explained in table 1.

TABLE 1. Question techniques by Jobber & Lancaster (2015, 245)

Type of question	Objective
Tie-down question	Confirmation or commit a prospect to aposition
Leading question	Direct or guide prospect's thinking
Alternative question	Force selection from two or more alternatives
Statement question	A statement is followed by question forcing reflection upon statement
Sharp angle question	Commit a prospect to a position
Information gathering question	Gather facts
Opinion gathering question	Gather opinions or feelings
Confirmation question	Elicit agreement or disagreement about particular topic
Clarification question	Reduce ambiguities, generalities and non-committal words to specifics
Inclusion question	Present an issue for prospect's consideration
Counterbiasing	Attain sensitive information by making potentially embarrassing appear acceptable
Transitioning	Link the end of one phase to the next phase
Reversing	Pass the responsibility of continuing the conversation by answering a question with a question

The proper way to execute the fact finding is ask question and let customer talk. It is important to understand that during the fact finding the solutions, products or services should not be presented yet. The ideal fact finding finds out also the future needs of the customer and expectations on products and services. Salesperson must be able to find out the whole spectre of needs instead of one acute and current need. This is even more important if customer is buying a service or product that he is not familiar with (Rubanovitsch & Aalto 2013, 77-79).

Successful salesperson may use up to 70% of the time in the meeting to fact finding and building the trust (Kajaala 2017, 35).

As UB sells products and services related to wealth management, investments and tax planning, fact finding focuses on the financial side of prospect’s life.

When conducting the fact find in financial services business, one must keep in mind that legislation requires service providers to find out certain background information relating to AML, anti moneylaundring, regulation. Salespersons must know the origin of the money invested.

In UB sales process fact finding should obtain following information of prospect:

- Age
- Marital status and children
- Occupation
- Annual income (salary + investment income)
- Debts, interests paid and monthly payments
- Monthly margin of manoeuvre
- Current investments including funds, stocks, structured products, assurances, bonds, real estate etc
- Cash balance
- Possible future purchases
- Current service provider and fees
- Retirement plans.

The salespersons interviewed for this study saw fact finding as a part of sales process where they actually decide what kind of products and services they will start selling to the customer as fact finding opens the discussions on needs and problems of customer. In most cases these needs are not known beforehand and customers are not usually telling their needs without the correct questions. The best experiences on fact finding have been when the interaction stays on same level than in warm up without changing too formal.

During the interviews it was also noticed that UB does not have ready form for fact finding process and most of the salespersons feel it would help their process compared to the way the fact finding is done at the moment on empty page of paper. Without standardised form the fact finding may differ from meeting to another and lead to the situation where a salesperson may forget an important question.

4.1.4 SPIN (Situation, Problem, Implication and Need-Payoff Questions)

The proceeding from fact finding to actual selling and offering the products was the major problem of sales process noticed during the interviews. Only 20% of salespersons had standard procedures and techniques as rest of them improvised their sales process every time they met customer. Analysing the background of the salespersons who had procedure showed they had been working together already over ten years and they had participated sales training where they had learnt the basics that they still used in their daily work.

Deeper analysis on the processes showed that all salespersons did have certain pattern in their procedure that was aligned and could be described. The assumption of this study is that experienced salespersons have learned their ways during continuous sales meetings by observing what is leading to success and adjusted their process according to it even it has not been documented or described by them.

100% of salespersons described this part of sales process among three most important ones. According to the model matching the actual process this part of sales process is called Situation-, Problem-, Implication- and Need-Payoff Questions.

The fact behind this step according to data collected is that customers have more often implied needs than actual conscious needs. Customers have needs for products, but they have not thought the matter deep enough to realise their needs or they lack understanding and knowledge of the markets to create opinion. Customers may not realise that even some part of their situation is satisfactory, it could be much better if done different way.

The sole purpose of this step of sales process is to help customer understand their needs and possible problems and want solutions that solve their problems and fulfil their needs. In UB business the needs and problems are most often related to the returns of investments, risks and risk/profit relation, taxation, costs and quality of customer service.

A skilful salesperson can extract these needs from proper fact finding process but going straight to solutions without correct process is not leading to successful sales. Therefore salespersons need process to bring implied needs to explicit needs in the way that is not oppressive or manipulative that is ethically wrong and does not lead to good relationship with the customer.

Situation, problem, implication and need-payoff model is created by professor Neil Rackham and is described in his book “Spin Selling”. Rackham (1995, 73-97) This model is integrated to the sales process described in this thesis as it is the closest the actual methods of the most successful sales persons. Further analysis showed that most of the successful salespersons had participated in sales training that was based on this model in their earlier working life.

Rackham developed the model based on his studies on salespersons who succeeded better than others. He found out that skilled salespersons were able to make customers realise themselves their needs by correct questions (Hartonen 2013, 18).

This step of the sales process starts by asking customer situation questions during the fact finding. Situation questions are questions that gives sales persons facts about customer’s existing situation. They are essential part of questioning but must be used carefully because customers become bored and impatient if asked too many of them. Examples of situation questions are:

“What service provider do you use at the moment ?”
“How much your portfolio yielded last year ?”
“Does your bank contact you personally quarterly ?”

From situation questions successful salespersons move to problem questions to probe problems, dissatisfaction or difficulties to uncover the implied needs. The problem questions will guide the customer to point out the problems in current situation. Examples of problem questions are:

“Were you unsatisfied with the losses in you portfolio last year ?”
“Are you happy with the costs you pay to your current service provider ?”
“Are you satisfied with the service you get from your bank, without personal contact ?”

From problem questions salesperson moves to the implication questions that build up the seriousness of the problem. Implication questions focus the effects, consequences and implications of the problem making implied need measurable. Implication questions guide customer to realise the real effects of the problem and focus on the problem. Examples of implication questions are:

“So you lose thousands of euros annually on costs without getting any benefits ?”
“Have you calculated how much capital you lost last year and how long time it took to earn that capital ?”

After visualising the implications of the problem salesperson moves to the need-payoff questions that are focusing on the value or usefulness of the solution that is going to be suggested. Need-payoff questions transfer the attention from problems to the solution and focus on solving the problems in a positive way. Correct need-payoff questions help customer tell the benefits to the salespersons rather than other way. With need-payoff questions the customer will state the explicit needs and allows the salesperson to clarify the benefits and create the need for solution.
Example of the need-payoff questions are:

“How would it affect your portfolio revenues if you paid only half of the current fees annually?”
“How would it help during the bear market if your investments were even partly capital guaranteed?”

SPIN selling model is described briefly in figure 4.

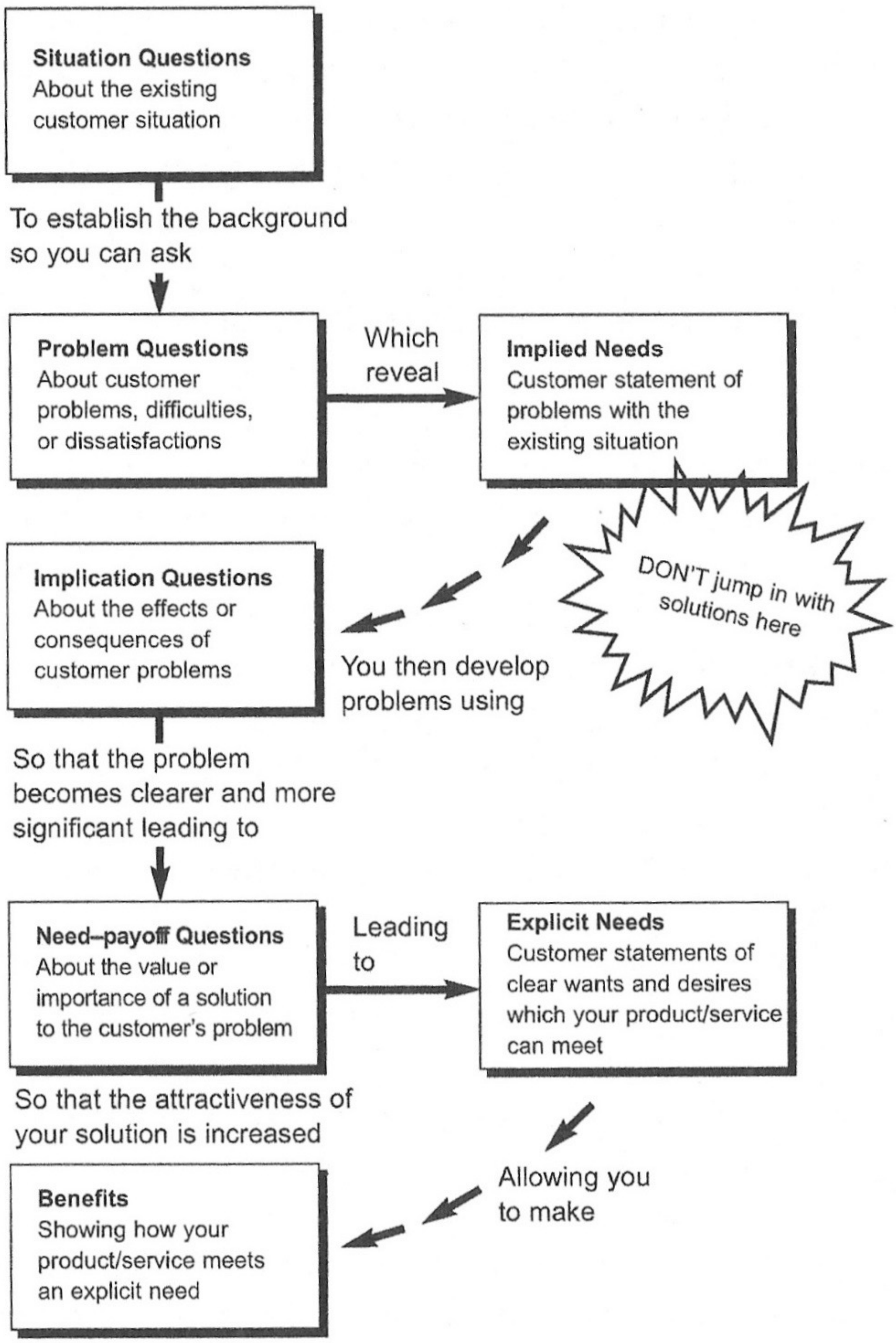

FIGURE 4. SPIN selling model (Rackham 2015, 191).

As selling is interaction between a salesperson and customer, there are always as many ways of interaction as there are salespersons. Therefor one model cannot describe all ways of helping customers to find out their needs. Based on experience, salespersons learn to discuss these issues in the long run by working in sales for years.

4.1.5 Objections

In sales negotiations, salespersons face different kind of objections on daily basis. To be able to close the sale it is inevitable that objections are solved professionally since if there are objections there will not be closed sale.

According the interviews, objection handling skills are not among the most important skills as successful salespersons do not face difficult objections. One of the top salespersons interviewed during the study described that if he faces objections he has done mistakes in earlier stage of sales process.

During the interviews it was obvious that best practises could be found from the experience of seasoned salespersons rather than any earlier studies. Therefore there is no theoretical background for this part of the process. Instead handling the objection is based only on participant observation and interviews. The importance of handling the objections is clear. failing to handle the objection means lost sale.

In order to handle objections a salesperson must understand why buyer has objections and why buyer refuses to buy. It is obvious that if a buyer does not have need for the product or service there will not be closed sale.

However, if a buyer has justified need for the service or the product but still refuses to buy a salesperson must find out if there is actual fact based reason or is the reason a lack of trust.

During the interviews the top salespersons said they divide objections in two category that are:

1. Real objections.
2. Objections that sound good.

Real objections are questions that are based on facts like the costs, risks or profit of the product or what kind commitment it requires from the buyer etc.

Objections that sound good are not real objections but phrases to avoid real objections. Examples of these kind of objections may be: “I must think overnight” or “I must ask my friend who is working in this business” or “I must compare the market”.

There may be two different reasons for objections that sound good:

1. Lack of trust.
2. Shame to ask the real question.

If there is lack of trust, a buyer wants out from the situation by giving objection that sounds good and there is quite little that salesperson can do about it or save the situation.

But if the customer has the real question behind the objection that sounds good, salesperson must find that out and answer it in order to win the sale. Top salespersons have noticed that for some reason buyers are not willing to ask a question for example about the costs of the product if it is already told to them but they did not understand it. They make up something else instead. Salespersons interviewed in this study believed the reason for this kind of behaviour is fear of feeling stupid or asking questions that may make them reveal that they do not have expertise on this area.

The most successful salespersons use different kind of techniques to handle objections and one of them, described during participant observation is following 6-step tactics:

1. Understand the objection: Telling the customer that in order to answer the question the salesperson must clarify that this is the fact the customer is actually asking, for example costs.
2. Giving credit: Telling the customer that this is very important question and it is very good that it was asked in order to proceed.
3. Bordering the question: Asking the customer was this only question or were there other questions that need to be answered before continuing.
4. Giving the answer: Answering the question.
5. Assuring understanding: Asking the customer if the answer was understood and the objection cleared.
6. Asking permission to proceed: Asking the customer if the salesperson is allowed to proceed and continue the negotiation

Rubanovitsch & Aalto suggest in their book (Rubanovitsch & Aalto 2013, 117-120) that a salesperson should not be surprised nor give up because of objections. Potential customer may ask questions just to make sure that salesperson understands that the issue is important or double-check different questions. The customer must be shown that the objection is taken in account and a permission must be asked before proceeding.

4.1.6 Solution

When the customer answers positively to the closing question it is time to give the solution. During the interviews the salespersons described this part of the sales process as crystallising the feelings and wishes to the cold facts. It is important to give the customer all required facts about the product and the law describes what kind of documentation is required.

Shortly, good presentation of solution is solid presentation of the product or the service that customer is buying. It describes once again what problems it solves and how it does it. Presentation includes all facts like costs, obligations, risks etc.

Going through all parts of agreement and documentation as well as using enough time in preparations show the customer that the salesperson is appreciating the relationship and sales (Rubanovitsch & Aalto 2013, 149).

In financial services sales the legislation gives the framework how the products and services must be presented to the customer before signing the deal. MIFID2 directive forces the process to fill different kind of forms and documentation that are not essential part of sales process. This thesis does not define those requirements more precisely but remarks that they affect the structure of the sales meeting and must be taken in account when presenting the solution to the customer.

4.1.7 Confirmation

Depending on the salesperson, customer and the solution, sometimes the sales is cancelled by the customer afterwards. During the interviews the salespersons did not mention that to be a problem nor highlighted any methods to prevent it from happening. Cancelled sale is always a loss of a customer and wasted time that was used to negotiate the sale. Therefore a salesperson should do everything possible to prevent cancellations.

Based on experience and participant observation confirming the sales reduces the risk of losing the sales afterwards.

Confirming the sales is very easy. By telling the customer that competitors will most probably question the decision and try to make it feel bad decision compared to their options is very simple way to confirm the sales by the salesperson. It is very important to tell customer the differences of the product compared to the competitors so the customer will be prepared for the effort the competitors may try.

Also the friends or family members may question the purchase afterwards even they most probably do not have expertise on the issue. A simple way to confirm the sale against this kind of resistance is to ask customer if he needs help or additional information from the salesperson when presenting the decision at home.

According the interviews, most of the salespersons are making commitments. Successful salespersons commit already next meeting, reporting etc after the first sale in order to make the customer waiting the next agreed meeting. That will tie the customer better to the products and services sold. This is also confirming the sales even salespersons did not think it that way.

4.1.8 Two meeting closing

During the interviews it was noticed that most of the new sales is done on second or third meeting. The reason is not only the sales process itself but also the documentation required to sell products and meet all legal requirements. The regulation including EU Markets in Financial Instruments Directive (MiFID II), General Data Protection Regulation (GDPR) and Insurance Distribution Directive (IDD) dictate several different administrative processes that must be taken in account by the service provider.

The consultative sales process where the salesperson does not have any ready products or services for the customer and salesperson offers them only after finding out the needs of the customer leads to the situation where the salesperson must decide the solution and prepare the presentation of the solution for the customer only after finding out the situation of the customer. Creating an offer or suggestion requires some analysis and writing work and therefore the process must be split into two or more meetings.

There are several ways to split the process depending on the customer but two standard procedures are used by salespersons according the interviews.

There are five criteria that must be met before any sales can be closed in financial industry. The criteria are:

1. Sum invested.
2. Horizon.
3. Risk/profit profile.
4. Will to change current situation.
5. NOW- momentum.

(Ristimäki 2010, 38).

If one or more of these criteria are not closed during the first meeting they must be closed during the second. For example, if customer wants to change his situation by investing his cash from the bank account that is not yielding any profit but is not sure when, the NOW-momentum is missing. The sale can be closed only when the customer has the will combined to the momentum of acting now.

The standard procedure when one or more criteria is not closed is to let the customer leave with homework. Customers homework for the next meeting is to make the decision on the missing criteria. By requiring the decision on the criteria, the customer is committed to continue the sales process.

If all criteria are closed, the procedure is to agree new meeting as close as possible in the calendar and continue from solution then. The only reason for second or third meeting in this case is just to get salesperson enough time to prepare all documentation required.

The reasons for splitting the process for several meetings can vary. According the interviews sometimes simply the time limits the amount of steps that can be taken during the one meeting especially if the customer is very talkative.

5 CONCLUSIONS

In this study the sales processes of UB and UBPL were reviewed by interviewing the most successful salespersons of both organisations. The objective was to define the sales process to be used by combined sales organisation and find the best practises that the successful sales persons follow in their daily life.

Defining and documenting integrated sales process for the sales organisation was extremely important for the commissioner in the situation where two different cultures of two different sales organisations had to be mergered after large acquisition.

By combining the participant observation and document analysis on existing descriptions on the sales process it was possible to define the process and recognise different steps of it even individual salespersons had slightly different ways of doing their jobs.

The variance between individuals proved that it is impossible to describe strict and solid sales process that works in all situations for all customers and salespersons alike. The process described in this study is therefore more a guide that can be followed by salespersons in order to improve their performance. The process created is combination of the methods used by the top salespersons of both organisations examined in this study and an individual salesperson must still find out the way that best suits his/hers personality.

All steps of the sales process were compared to existing theories and studies on selling in order to justify them as a part of the sales process. During the study it became clear that all phases were recognized by the earlier studies and have scientific proof even the phases of selling are named differently by different authors in various researches.

The fact that the process follows the steps verified by academic researches gives the corporate management a confidence that the sales organisation is doing their job as right as it can be measured by this kind of study side by side with sales results and results of customer satisfaction researches.

The sales process described in this study is combination of the best practises of the most successful salespersons and it can be transformed to a sales manual of the company. The integrated sales process can be used as the guideline of the internal sales training program in order to improve personal sales skills of the salespersons. This means the process is also scalable and possible to teach every salesperson.

The sales process description can also be used to educate the other departments to understand how the products and services of the company are sold to the end customers.

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APPENDICES

Appendix 1. Interview questionnaire

- How many years you have worked in UB/UBPL ?
- How many years you have worked in financial services industry ?
- Describe the characteristics of a successful salesperson.
- What caharacteristics are the most important ?
- Describe the process of sales negotiations you go through with your customers, try to separate different steps and themes.
- What are the three most important steps of your successful sales negotiations ?
- What are the things that you find difficult in your sales negotiations ?
- What are things you find easy in your sales negotiations ?
- Have you participated sales traning previously