



WHAT THE BEST COMPANIES DO

FINANCIAL SERVICES PRACTICE
BUSINESS BANKING BOARD®

Increasing the ROI on RM Development

Manager Coaching at Commercial Banks

Key Audience:

- Business Banking Executives
- RM Effectiveness Managers
- Learning and Development Managers
- Relationship Managers

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The Board's research on RM development shows a direct relationship between the quality of Manager Coaching received and individual performance.

- This brief is intended to:
 - Define Manager Coaching and its distinction from training and general management;
 - Prove the relationship between good manager coaching and individual sales performance;
 - Introduce the key levers of good coaching to executives and managers in the business banking area; and
 - Provide quick tips for business banking executives and managers based on data from the Board's coaching survey.

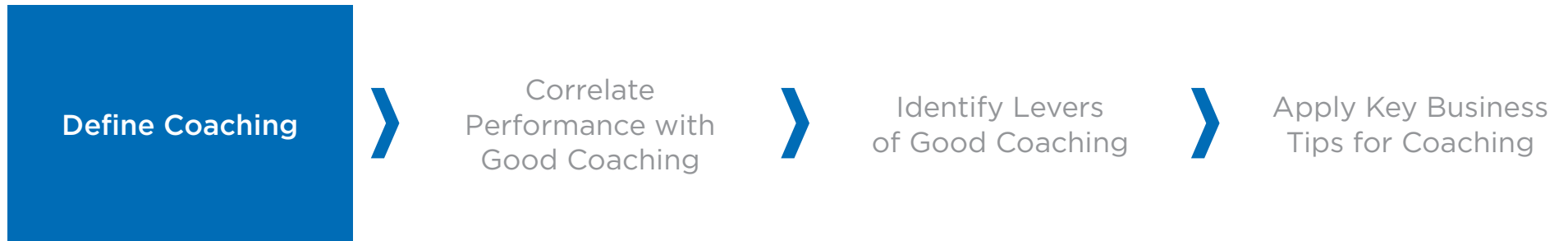
KEY COACHING INSIGHTS FOR BUSINESS BANKING EXECUTIVES

Insights Provided in This Research

This brief provides readers with key insights from quantitative research conducted by the Business Banking Board and the SEC *Solutions* team of The Corporate Executive Board.

- **Key Insight #1:** While training is a generic format for developing talent, coaching is meant to be provided at an individual level on an ongoing basis with the intention of addressing the behaviors of RMs.
- **Key Insight #2:** Teams receiving high-quality coaching are far more likely to over-perform and report higher job satisfaction than teams receiving low-quality coaching.
- **Key Insight #3:** While the best coaches drive up retention and effort from their teams, low-performing coaches create a demoralizing environment.
- **Key Insight #4:** Managers should aim to spend up to five hours per month in coaching conversations with their RMs.
- **Key Insight #5:** RMs reporting to Top Coaches are more likely to generate a greater percentage of their clients from cold calling. In addition, Top Coaches in the business banking industry are more likely to participate in a greater number of client meetings compared to average coaches.
- **Key Insight #6:** During team meetings, Top Coaches will place a much greater emphasis on RMs exchanging referrals with their internal network, focusing RMs toward fostering good relationships with other parts of the bank.

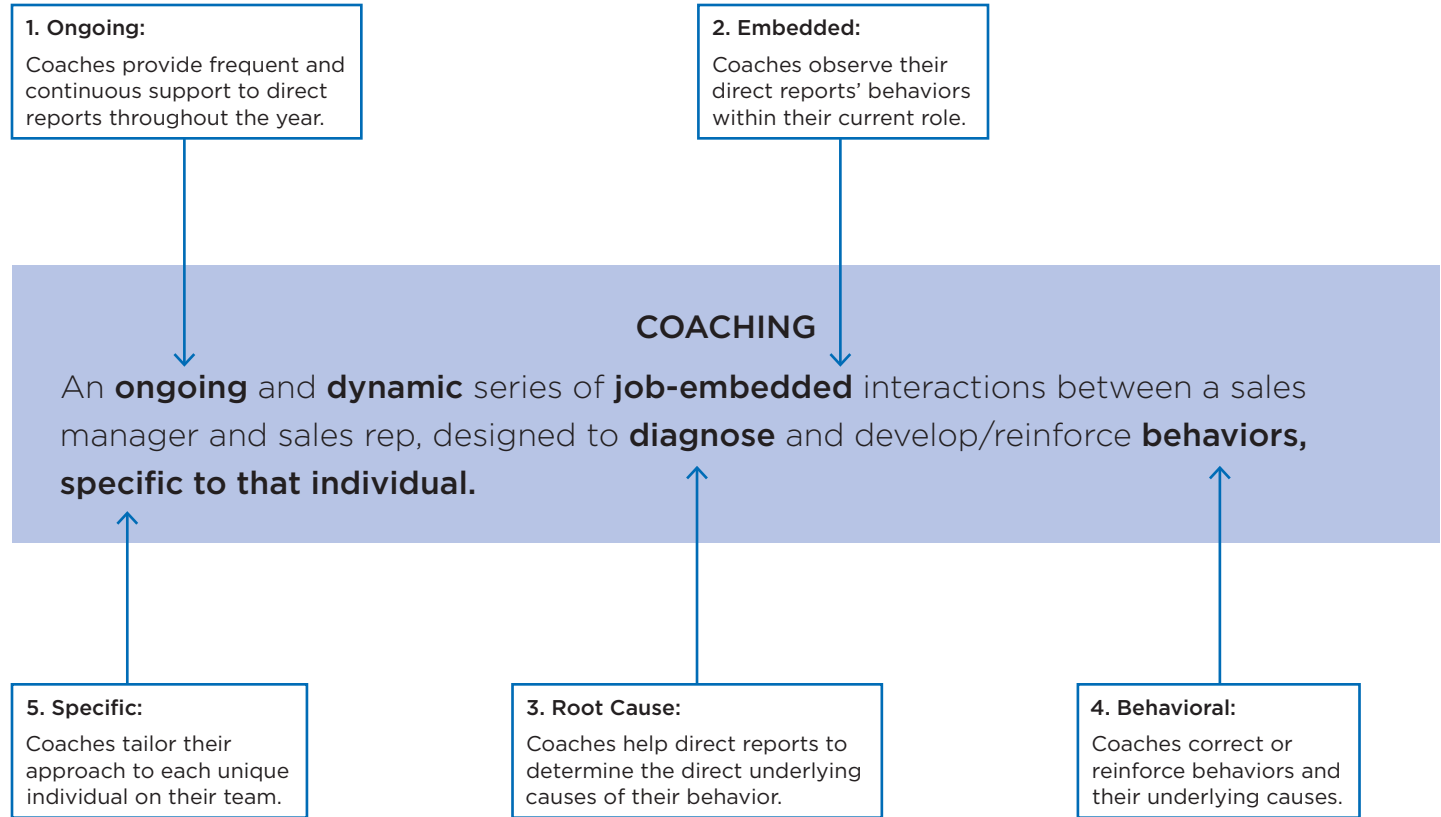
ROAD MAP FOR THE PRESENTATION



Coaching definitions vary across individuals and organizations, creating ambiguity between coaches and direct reports around coaching expectations.

- To avoid this confusion, the Board’s research favors the following definition.
- Note the emphasis on impact—coaching is a tool that helps training stick and one that takes training even further.

WHAT IS COACHING?



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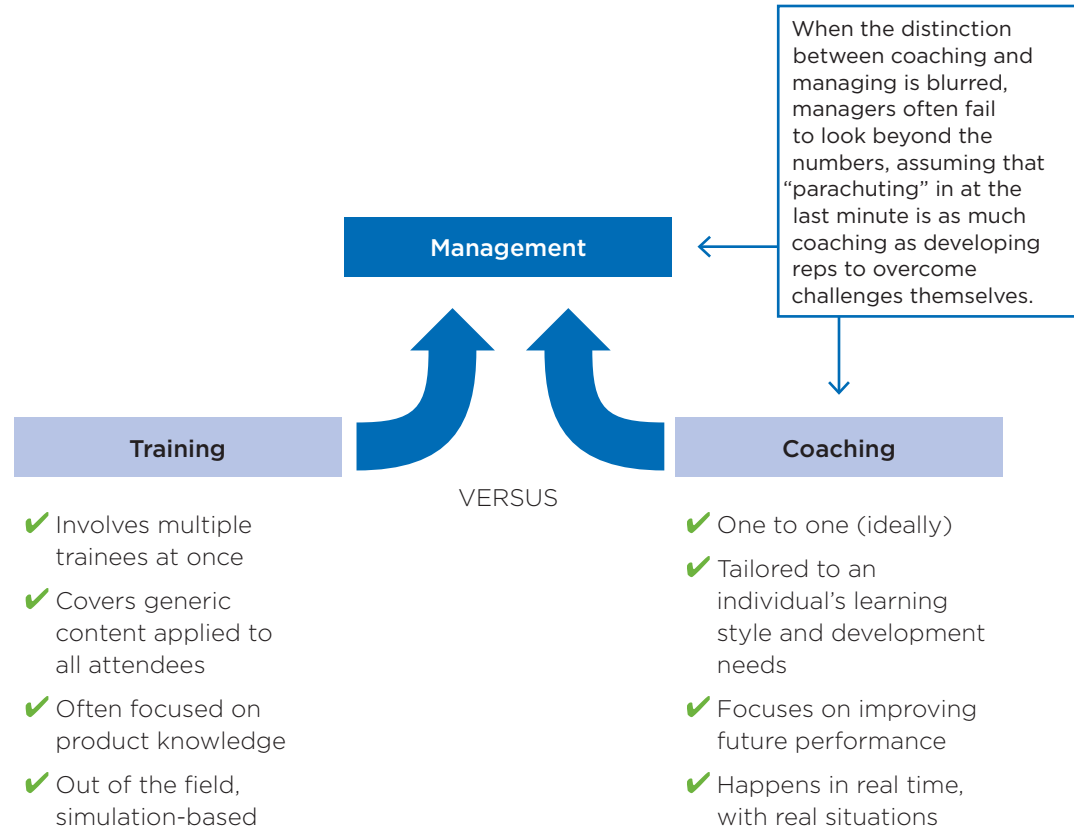
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DEFINE COACHING	CORRELATE PERFORMANCE WITH GOOD COACHING	IDENTIFY LEVERS OF GOOD COACHING	APPLY KEY BUSINESS TIPS FOR COACHING
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Coaching is one component of managing but not the same thing.

- **Key Insight #1:** While training is a generic format for developing talent, Coaching is meant to be provided at an individual level on an ongoing basis with the intention of addressing the behaviors of RMs.

HOW IS COACHING DIFFERENT FROM MANAGING AND TRAINING?



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Relationship managers must be aware that coaching relationships and interactions are different from standard performance evaluations.

COACHING IS DIFFERENT FROM A PERFORMANCE EVALUATION

Coaching Versus Performance Management Considerations

	Performance Evaluation	Coaching
Orientation	Presents a picture of what has happened in the past	Focuses on improving future performance
Objective	To review past performance	Focuses on development; improving future performance based on mutually agreed-upon goals
Frequency	Typically episodic (biannually or annually)	Is continuous, ongoing
Roles	Is manager-led with little input from direct report	Is equally driven by coach and direct report
Method	Focuses on telling rather than listening	Is driven by questions
Cross-Over	In the short term, these two activities are kept separate. Goals and development areas identified while coaching should not find their way into immediate performance management discussions. These identified gaps are included only after long-term behavior has or has not changed.	

Key Consideration

Be clear with RMs on the distinctions between performance evaluations and coaching, set reasonable expectations, and build trust by not including every detail of every conversation when giving performance reviews.

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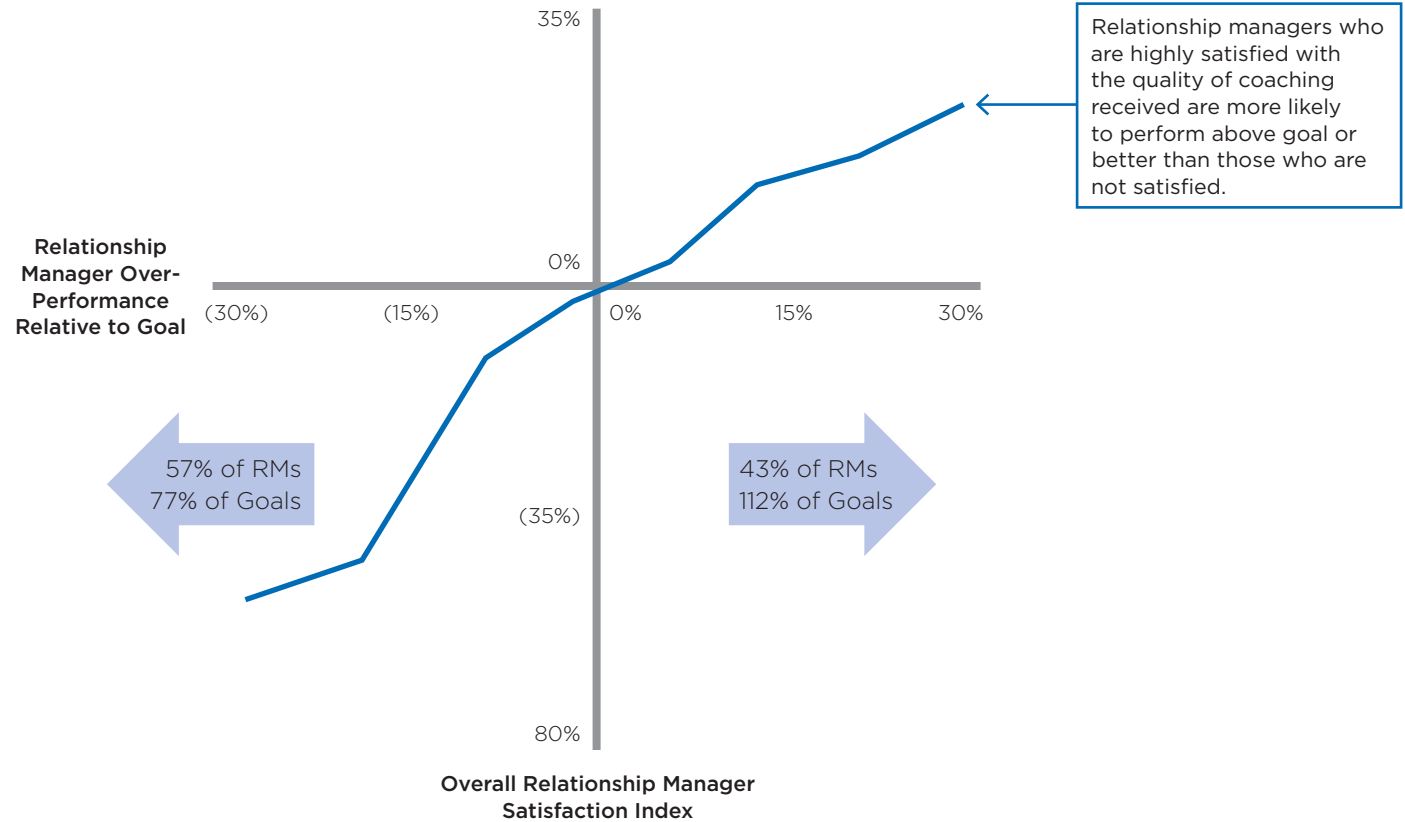


The Board's research proves coaching effectiveness drives performance.

- Key Insight #2:** Teams receiving high-quality coaching are far more likely to over-perform and report higher job satisfaction than teams receiving low-quality coaching.

THE BUSINESS CASE FOR COACHING BUSINESS BANKING RMS

Performance Relative to Goals Versus Satisfaction with Manager's Coaching Ability



n = 6,767 relationship managers.

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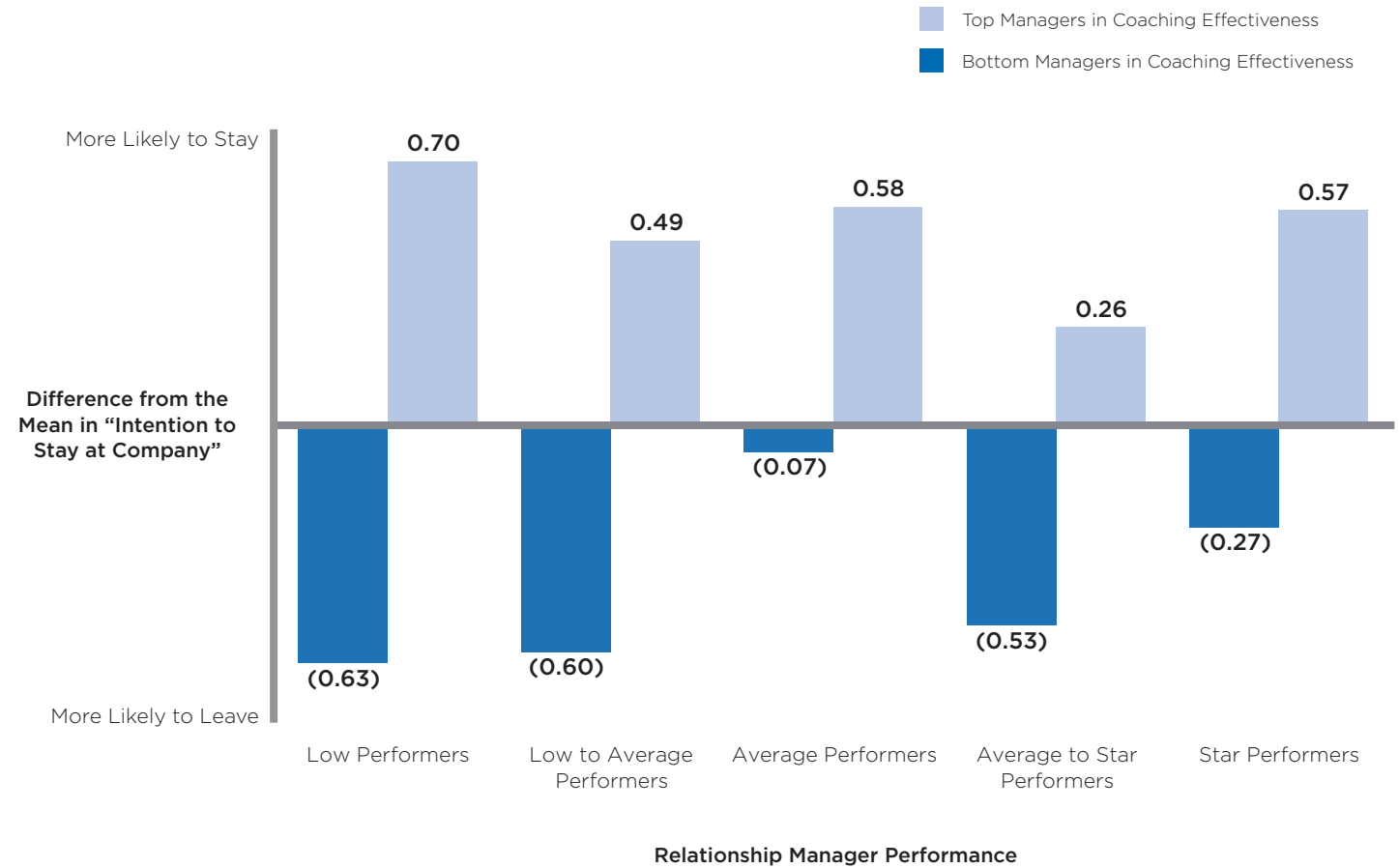


Better support through coaching enables relationship managers to feel more engaged in their jobs leading to a higher rate of retention across all performance categories.

- **Key Insight #3:** While the best coaches drive up retention and effort from their teams, low-performing coaches create a demoralizing environment.
- Good coaching leads to higher retention rates across all types of RMs and provides organizations with the ability to ensure optimal team performance.

GOOD COACHING DRIVES ENGAGEMENT AND RETENTION

Retention Impact of Coaching



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For the majority of managers, coaching progress fails due to one of three observation and interpretation challenges.

TYPICAL COACHING CHALLENGES

Retention Impact of Coaching

I. No Instant Replay



- Interpreting a dynamic, fast-moving, and rambling social interaction is very difficult.
- “What did I just see?” Even if managers correctly understand what was good and bad, there is not a fundamental understanding of what factors are influencing that performance.
- Since they are never looking for the same thing twice, managers cannot retain specific details about the customer, RM, and stage of the deal.

II. Delivery Dilemma



- Managers tend to identify the most obvious areas to coach, not necessarily the most important.
- A fundamental failing is that feedback is too generic and not focused.
- It’s challenging to deliver “hard” messages constructively without breaking trust or dispiriting the RM in the process of “helping” them improve.

III. Repeating the Same Conversations



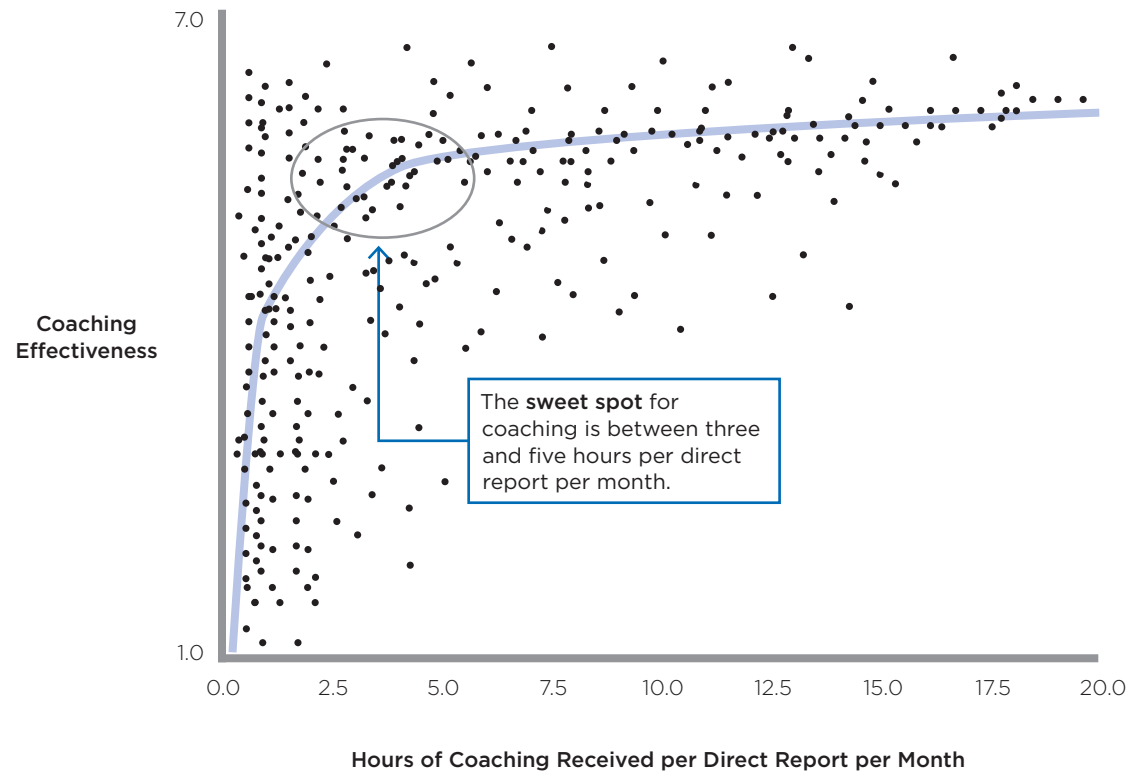
- Lack of continuity in the coaching story; every coaching interaction starts on a blank sheet of paper.
- Any given coaching moment is a chapter; it picks up from a past interaction.

The Board's research shows a decreasing rate of coaching effectiveness as managers spend more time in coaching interactions.

- **Key Insight #4:** Managers should aim to spend up to five hours per month in coaching conversations with their RMs.

MORE TIME DOES NOT EQUAL BETTER COACHING QUALITY

Coaching Effectiveness by Hours of Coaching Received per Month



Additional Consideration

The greatest increase in performance through coaching is achieved by focusing this time on those RMs who are in the middle tier of performance. This will ensure the greatest return on time spend in terms of overall performance improvement.

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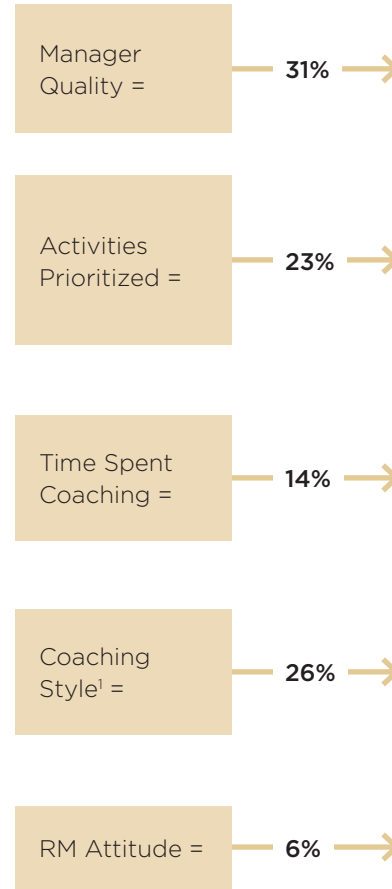
Improved coaching effectiveness comes down to getting 10 drivers right.

THE 10 KEYS TO THE KINGDOM

Ten Hallmarks of Outstanding Coaches

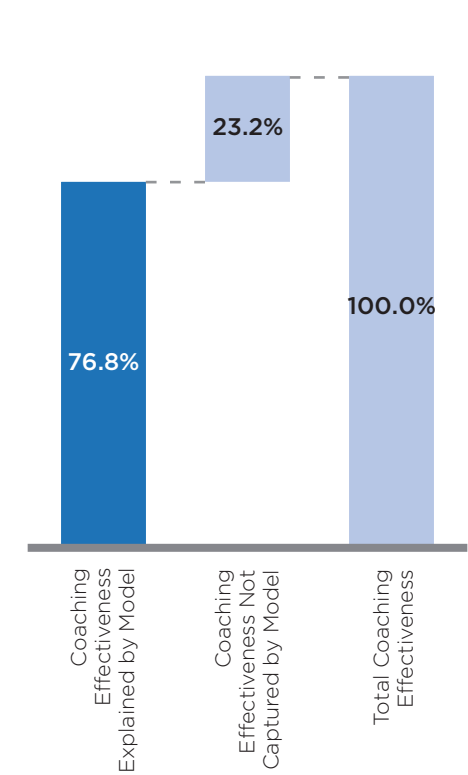
1. Build strong relationships with direct reports.
2. Improve team results.
3. Emphasize targeting the best opportunities.
4. Aggressively pursue deal profitability.
5. Create role for specialists to support opportunity creation.
6. Spend between three and five hours per month coaching their reps.
7. Coach the core for performance and the stars for retention.¹
8. Calibrate coaching style to the individual.¹
9. Deliver coaching in person and in the moment.¹
10. Recognize the importance of rep job satisfaction in coaching delivery and effectiveness.

Drivers



Relative Impact

Coaching Effectiveness



¹ Please see appendix for suggested frameworks to categorize RM performance and behavior type.

THE KEY TENETS OF FORMALIZED COACHING

Key Characteristics of Scheduled Coaching Events by Type

Coaching Method	1. FORMAL ONE-ON-ONE COACHING	2. FOLLOW-UP AND REINFORCEMENT
Frequency	<ul style="list-style-type: none"> Three to four sessions per month per salesperson Each session is one hour long 	<ul style="list-style-type: none"> Ad hoc/three to four times monthly 10- to 15-minute check-in (One hour per month)
Delivery Method	<ul style="list-style-type: none"> Face-to-face preferred Phone (as required) 	<ul style="list-style-type: none"> Phone or face-to-face (where possible)
Key Focus	<ul style="list-style-type: none"> Skill discussions Strategy on opportunities Joint visit identification 	<ul style="list-style-type: none"> Reinforce messages from one-on-one coaching Follow up on documented next steps (from coaching sessions/co-visits)
Required Preparation and Materials	<ul style="list-style-type: none"> 15-minute preparation per session Experience-based skill development discussion Agenda (e-mailed pre-session) Next steps (after session) 	<ul style="list-style-type: none"> Consolidated next steps based on one-on-one meetings and joint customer interactions

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J.D. Edwards uses a three-tiered roadmap to refocus sales managers and account executives on the bigger picture.

BRINGING CONVERSATION TO A NEW LEVEL



J.D. Edwards' Sales Management Coaching Road Map

<p>Biweekly Activity Meeting</p>	<p>Objectives:</p> <ul style="list-style-type: none"> Review Territory Plan Review Opportunity-Generation Activities Review Next Steps on Top-Five Opportunities 	<p>Biweekly: Sales Activity Meeting</p> <p>Tactical Discussion 60-90 Minutes per Rep</p>	<p>Sample Questions:</p> <ul style="list-style-type: none"> What is the level of executive sponsorship within each account? What is our position in the account versus the competition? What actions have been taken in the past two weeks on the top five opportunities?
	<p>Objectives:</p> <ul style="list-style-type: none"> Agree on and Review Top-Five Opportunities Review Forecast Status Review Org Chart and Map Contacts 	<p>Monthly: Top-Five Strategy/ Forecast Review</p> <p>Tactical and Strategic Discussion 2-3 Hours per Rep</p>	<p>Sample Questions:</p> <ul style="list-style-type: none"> What resources are you allocating to these accounts? Are those resources consistent with the level of opportunity? Have we created a compelling "why now?" statement to ensure sales keep moving?
	<p>Objectives:</p> <ul style="list-style-type: none"> Review of Revenue Objectives/Attainment Assess Territory Development Plan Confirm Strategies and Plans 	<p>Quarterly: Territory Plan Review</p> <p>Strategic Discussion 60-90 Minutes per Rep</p>	<p>Sample Questions:</p> <ul style="list-style-type: none"> Does the account executive's territory analysis offer a clear plan for how it should be developed? Is there appropriate focus on penetrating existing customers with additional solutions? What is the largest barrier to account executives hitting their goals?


 "My first reaction was, 'I already talk to my account executives every day—I don't have time to do this.' [Now that I'm using the road map guidelines], I find that I spend the same amount of time, but I add more value to the discussions with my account executives because we really end up talking about strategy."
 First-Line Sales Manager
 J.D. Edwards & Company

Source: J.D. Edwards & Company; Sales Executive Council research.

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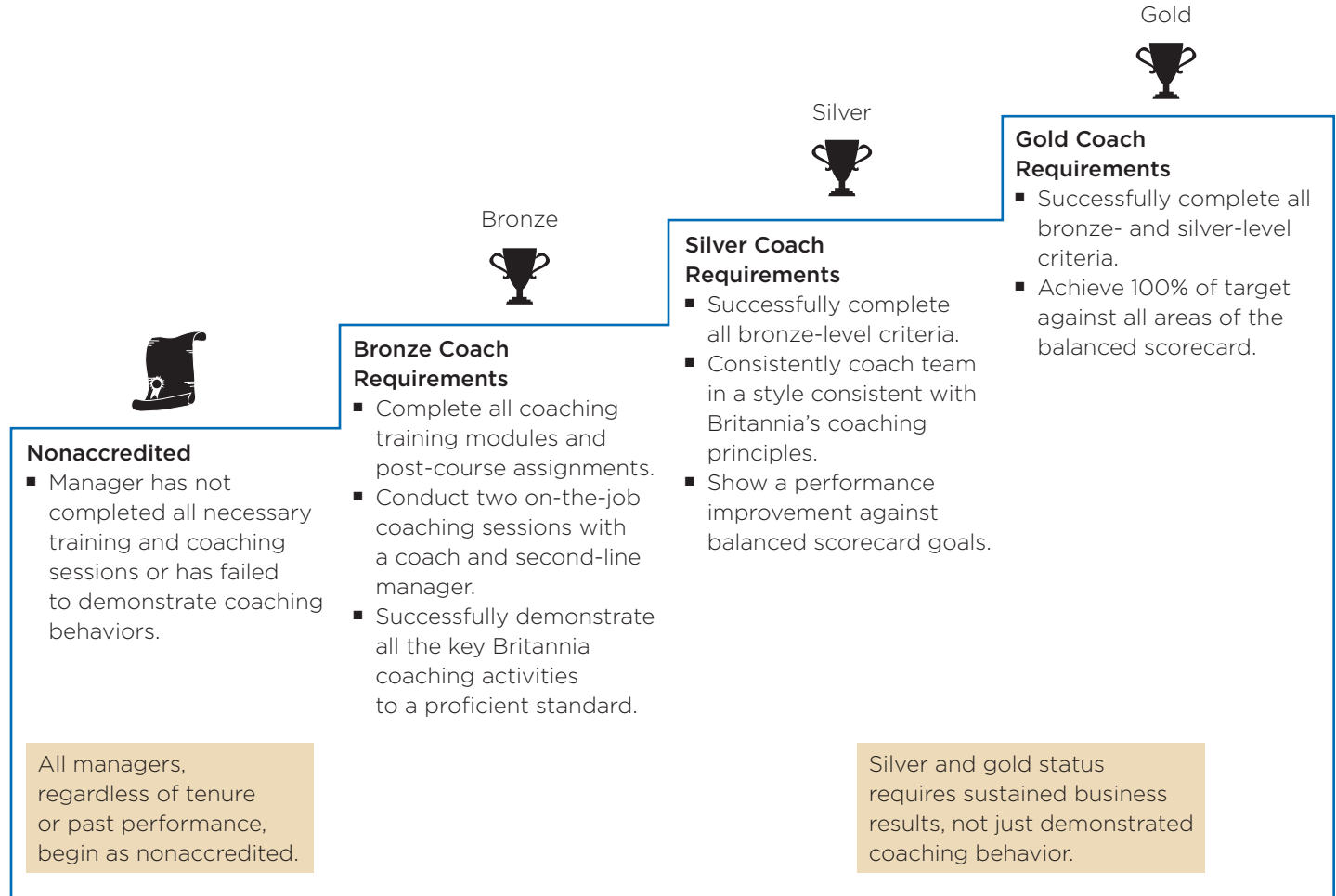


Best practitioners invest in high-quality coaching instruction and tools.

- Britannia implemented a coaching accreditation program where there are four distinct levels of coaching ability.
- Britannia tied the levels to a medaling metaphor to appeal to the sales managers' naturally competitive nature.
- Britannia provides managers clear and systematic means for improving their coaching ability over time.
- Even after achieving gold status, managers are still reviewed every six months to ensure maintenance of coaching proficiency.

STANDING OUT

Britannia's Coaching Accreditation Levels



Source: Britannia Building Society.

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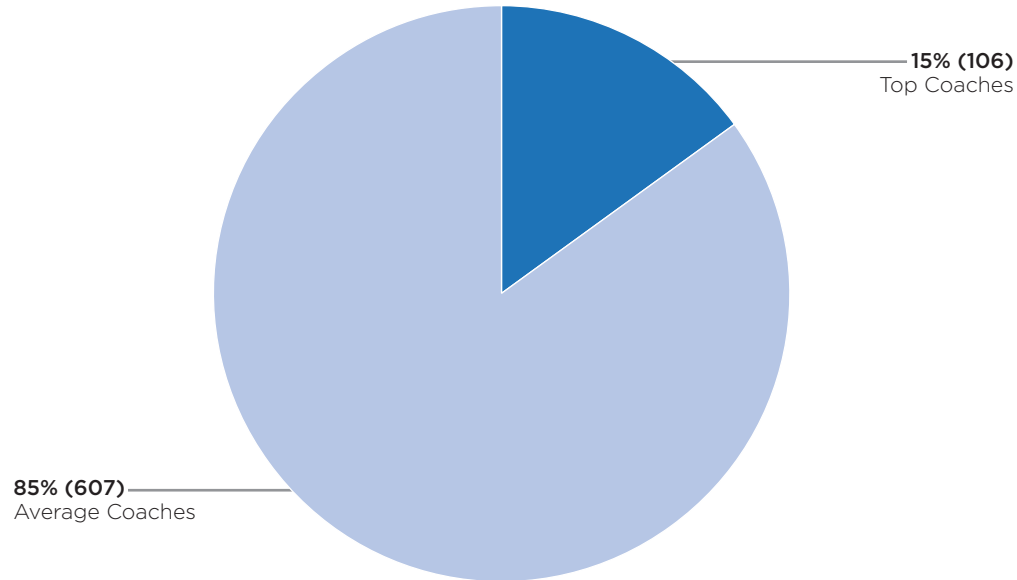




The Board defines a coach's performance category by overall achievement against goal of direct reports.

DEFINING HIGH PERFORMANCE IN COACHING ANALYSIS

Top Versus Average Coach Breakdown by Participant
2007 Coaching Survey



Top Coaches:
Managers whose direct reporting sales teams achieved at least 100% of their annual targeted goals

Average Coaches:
Managers whose direct reporting sales teams achieved less than 100% of their annual targeted goals

n = 713 managers.

Source: Business Banking Board 2007 Coaching Survey.

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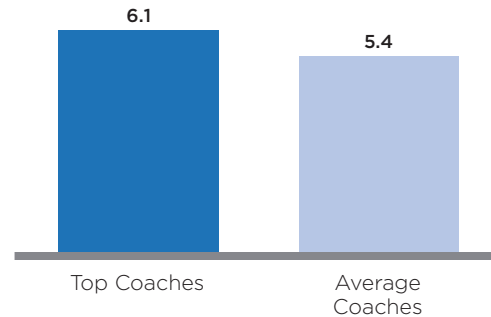


The Business Banking Board conducted a survey of sales managers at commercial banking institutions in 2007 to identify key drivers of effective coaching delivered to frontline relationship managers. The Board has conducted its analysis around the quality of coaching received to understand what differentiates best coaches from average coaches.

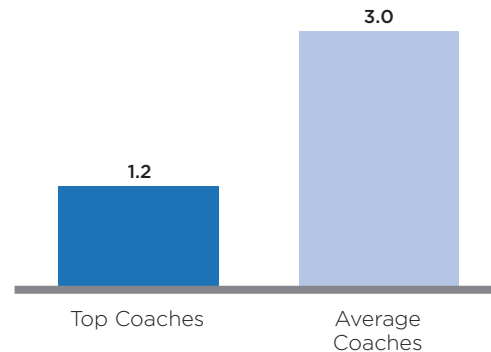
- Key demographics of Top Coaches include the following:
 1. Individuals identified as Top Coaches typically have greater management tenure regardless of institution.
 2. Top Coaches are more likely to have a lower attrition rate from their teams compared to average coaches.
 3. Top Coaches are more likely to work less hours compared to average coaches.

KEY CHARACTERISTICS OF TOP COACHES IN THE BUSINESS BANKING INDUSTRY

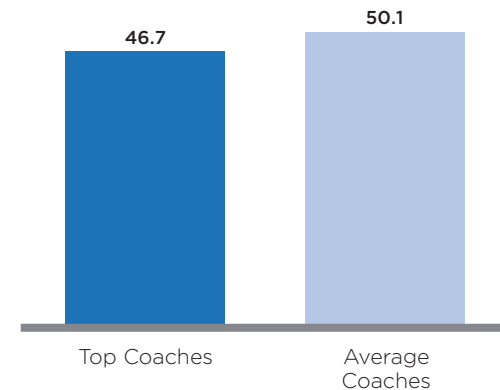
Years in Current Role as Manager
Regardless of Institution



Annual Rate of Team Attrition
By Coach Type



Hours Worked per Week



n = 713 managers.

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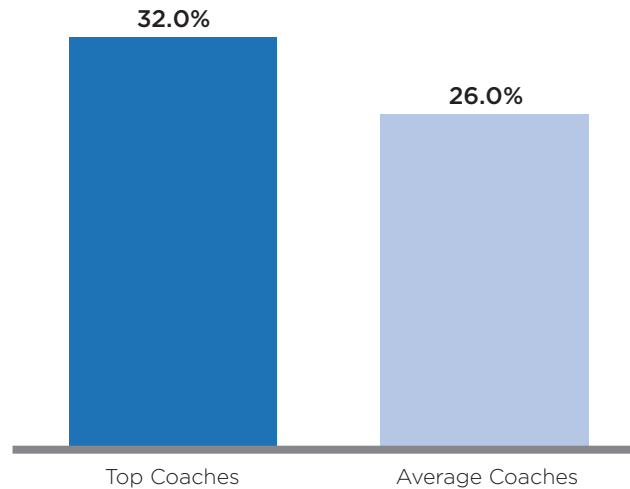


The Board's survey asked managers to indicate tactics they communicate and use to ensure optimal productivity from their RMs.

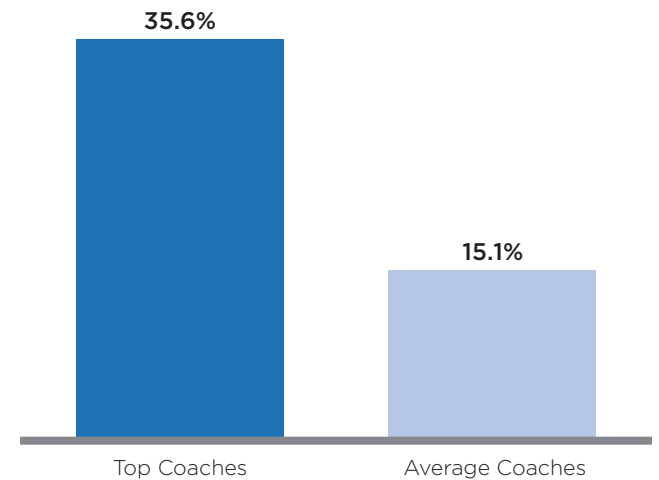
- **Key Insight #5:** RMs reporting to Top Coaches are more likely to generate a greater percentage of their clients from cold calling. In addition, Top Coaches in the business banking industry are more likely to participate in a greater number of client meetings compared to average coaches.

COLD CALLING PROSPECTS AND PARTICIPATION IN CLIENT VISITS DRIVE BUSINESS SUCCESS

Percentage of New Clients Coming from Cold Calling



Percentage of Coaches Participating in at Least 50% of Their RM's Visits



n = 713 managers.

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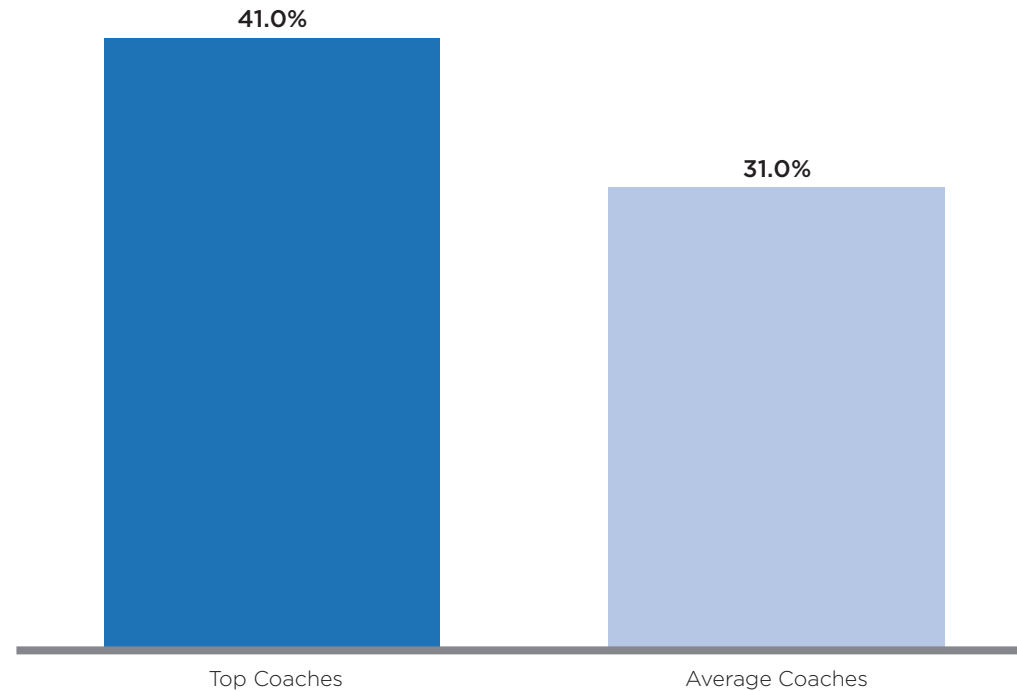
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The Board's survey asked managers to prioritize topics they typically like to focus on during team meetings with their RMs.

- **Key Insight #6:** During team meetings, Top Coaches will place a much greater emphasis on RMs exchanging referrals with their internal network, focusing RMs toward fostering good relationships with other parts of the bank.

TOP COACHES FOCUS RMs ON GENERATING A STRONG INTERNAL NETWORK WITHIN THE BANK

One of Three Topics Covered During Team Meetings: Exchanging Internal Referrals



n = 713 managers.

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WHAT THE BEST COMPANIES DO

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CUSTOMIZING COACHING TO PERFORMANCE

High Performer

Consistently exceeds goals and meets company skill standards



“How can I help you get the resources you need?”

Coach to Rep

- Coach to demonstrate the rep’s importance to the company.
- Coach around career path and development goals.
- Coaching high performers should be a secondary priority; improvements to bottom-line sales performance are limited, but gains can be made in commitment and engagement.

Core Performer (Tenured)

Frequently meets goals and demonstrated medium-level attainment of skills



“From our last joint call, it seems you are struggling with difficult negotiations. Let’s take some time to brainstorm tactics and role-play.”

Coach to Rep

- Position coaching as a method to improve sales success.
- Identify skill opportunities and coach for improvement.
- Coach to increase motivation, to increase accountability, to set goals, and to help surface interesting work.
- Coach for growth opportunities, stretch assignments, career path, and development goals.
- Coaching core performers should be your first priority.

Core/Low (Rookie) Performer

Typically less than one year of tenure



“Let’s set up a regular time to meet so we can discuss how you are adjusting to the team and how I can provide you with helpful resources.”

Coach to Rep

- Coach for development as the rep learns the role.
- Coach on a regular basis—set up sessions immediately after the start date; gradually decrease the frequency over time.
- Consider assigning a high-performing mentor.
- Coaching new-to-role reps should be a primary focus to ensure a smooth transition and set expectations for success.

Low Performer (Tenured)

Meets goals only sometimes and demonstrates significant skill gaps



“Have you considered XYZ role? It’s similar to sales but aligns more closely with your skill set and career goals.”

Coach to Rep

- Identify easy wins and coach for short-term goals to maintain sales performance.
- Discuss career path and development goals; determine if sales is a right fit based on the skill set and objectives.
- Coaching low performers should be of minimal focus, as improvements here are likely to be minimal.

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IDENTIFYING YOUR RM'S BEHAVIOR TYPE

	Expressives	Drivers	Analytics	Amiables
They Are Looking for You to Be...	Entertaining	Efficient	Accurate	Agreeable
They Are Interested In...	Ideas and Possibilities	Outcomes	Facts	Relationships and Communication
Their Pace Is...	Fast, Spontaneous	Fast, Decisive	Slower, Systematic	Slower, Relaxed
They Seek...	Applause	Results	To Be Right	Acceptance
They Want You to Support Their...	Dream	Conclusions	Process	Feelings
They Want to Save...	Effort	Time	Face	Relationships
They Have Questions About...	Who	What	How	Why



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