

Neue Zürcher Zeitung

Neue Zürcher Zeitung Special Supplement
26 June 2013

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Switzerland, we have a problem!

The financial industry has reached a point the watch industry was at in the eighties. Back then, the only way out of the dilemma was cultural change. Now the financial industry needs to find its own solution. Customer consultant trainers know that customers reward skilful questions with the truth.

By Louis Grosjean

In April 1970, following the explosion on board Apollo 13, Captain James Lovell radioed the famous phrase: “Houston, we have a problem!” back to NASA Ground Control. A chain of omissions and miscalculation had led to him making this emergency call. Today, our bank customers have a problem. They suffer uncertainty and feel left out in the dark. Any bank that takes the initiative and offers customer-focused support thus has a chance of initiating cultural change with its actions. Employees with excellent social skills who can restore trust in the financial institutions are in great demand as a result.

What happened in the past

In the sixties, the Swiss watch industry reaped the rewards for its innovation, precision and quality when its Omega Speedmaster was used in the Apollo space programme. “The only watch in the world with a return ticket to the moon” – this is how the Omega chronograph was once praised in its adverts – turned out to be the fated mission’s only guarantee for a return ticket to Earth. Speed was of the essence during

the rescue mission. The lives of the three astronauts hung in the balance. The astronauts were asked very specific questions in order to recognise and solve the problem.

The ground personnel tried to get a picture by asking questions about the situation at hand. The answers gave the experts clues to the imminent problems in space. They also asked questions about the implications and effects: “Which effects does this manoeuvre or that procedure have on the condition of the astronauts?” The dialogue was intensive, a race against time.

However, two questions regarding the implications were omitted. The landing capsule weighed less than anticipated on the way back to Earth as no moonstones had been collected. The questions should have been: “Will the reduced weight have any impact on the re-entry angle? If yes, will the radio silence during re-entry last longer than the planned four minutes?”

Had those questions been asked, there would not have been such panic about the unexpectedly long radio silence.

When truth poses a problem

Foreign assets kept in Switzerland that are not declared to the Swiss tax authorities pose a problem for our banking industry. Commission-based revenues from customer deposits motivated by a bonus-driven mentality also clouded many consultants' perception of their customers' requirements. The result of the referendum "against rip-off salaries" does not come as a surprise in view of this situation.

People who need help but don't have a solution hope to get answers to questions that they cannot ask themselves. Nobody had thought about the consequences untaxed funds may have

By asking a question about the implications following a question about the problem, the consultant can expand on the identified customer problem. Consultant: "What effects did this lack of currency hedging have?" If customers realise that there is a genuine problem, they are more likely to consider an offer. Such "offer question" may be asked in the form of a question about the usefulness without exerting pressure or making suggestions. Consultant: "Would you be interested in seeing a presentation of our foreign currency hedging strategy?"

Are customers aware what they are getting themselves into when they ask to have their undeclared funds managed in Switzerland? Consultant: "Have you been unsettled by the most recent findings of the tax fraud investigation?" "Could this have a negative effect on your business activities or your career?" Such questions pave the way to well-founded advice and help the consultant strengthen customer satisfaction, which is all-important to him.

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for customers. Consultants now expect to hear questions about the implications. Friedrich Dürrenmatt coined the phrase: "The truth is such a difficult problem that most people don't recognise it as one". We all have to live with the truth. Most questions only become indiscretions through their answers. But they are an absolute lifeline for the banking sector. They must be asked.

Asking the right questions

Asking the right questions is an art that we have to learn and keep practising. A constructive discussion must be well prepared, otherwise it will not be efficient or of any use to the customer. A clever consultant has to be able to ask questions in a targeted and open manner and at the right time to identify, solve and satisfy the personal needs of his customers. Consultant: "Would our foreign currency fund add to your portfolio?" Customer: "What makes you think that?"

To avoid such counter questions, the question about usefulness should not be asked too early on in the discussion, but only once the consultant has a clear idea about the customer's intention to consider his own foreign currency fund. Suggestive questions are not proper questions, but a means of manipulating the customer. Consultant: "Don't you also feel that this high-return, structured product would be an ideal choice for you?" In the past, overtaxed customers were all too often confronted with this suggestive question. Customers no longer want to be manipulated, but convinced instead.

Securing success

Behavioural patterns conveyed during sales training have to ensure that future success can be controlled, measured, manipulated and repeated. An efficient training programme is based on scientific facts. It should teach social skills and promote emotional intelligence. Trainers come across as more sincere if they have had their own successful sales experiences. Senior managers must ensure that their customer consultants are given enough time for professional sales training. This should not be cut short in favour of core training activities.

These two training programmes are unfortunately competing with one another. Trainers in a specific professional field, most of them employees with no contact to customers, often regard third-party trainers as their competitors. Expert knowledge is useful and a basic requirement, but it is not the deciding factor in sales talks. If needed, experts can be consulted at any time.

It is time to return to the virtues of value-driven actions and sincere customer focus. Training has to be provided for all phases of a discussion, from start to finish. This is the only way for private banking to pick up on its former success again. In the eighties, the watch industry was a good example of how things can end if too many skills are lost when an industry rests on its laurels for too long and doesn't even wish to acknowledge it.

Nicolas Hayek, a legend in his own time, single-handedly "saved" this industry without any help from the banks. Today, he most certainly would agree with the theory that all customer consultants should receive excellent professional training. All consultants should also be able to master those behavioural patterns that give them the best-possible access to their customers.

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