

# LICENSED PERSONAL BANKER PROGRAM MATURITY ANALYSIS

Sales Quality Group has been conducting mystery shopping studies of broker-only, licensed branch employee and hybrid investment sales programs since 1994. Sales Quality Group's research illuminates both the strengths and weaknesses of selling investment and insurance products through licensed platform bankers.

Sales Quality Group's shoppers, posing as investment prospects, check for three kinds of compliance behaviors – the disclosure of investment risk, product knowledge, and the suitability of the investment recommendation. In 42 mystery shopping studies of brokers and licensed bankers conducted between 1998 and 2005, the licensed branch employees did not perform as well as the full-time brokers, but the performance gap was relatively small. Where the bankers came up quite short was in needs assessment – profiling the customer for prior investment experience, investment objectives, other liquid assets, etc. – the building blocks of a suitable investment recommendation. [Graph A]

Sales Quality Group shoppers also test for sales and service quality skills. Surprisingly experienced licensed platform bankers, who have the reputation of being passive order takers rather than assertive sales professionals, score nearly as high, on average, as full-time brokers in advocating skills, the behaviors that close the sale. The bankers do not, however, perform quite as well as the experienced brokers in relating skills. This is surprising because the banker is more likely than the broker to already have a relationship with the customer. For many licensed bankers, the time pressures of retail banking duties can cause them to fall back into an order-taker mode, skipping over the get-to-know-you phase of the interview. The largest shortfall in banker sales performance is in the area of discovery skills, those traits that are related to the suitability assessment process. [Graph B]

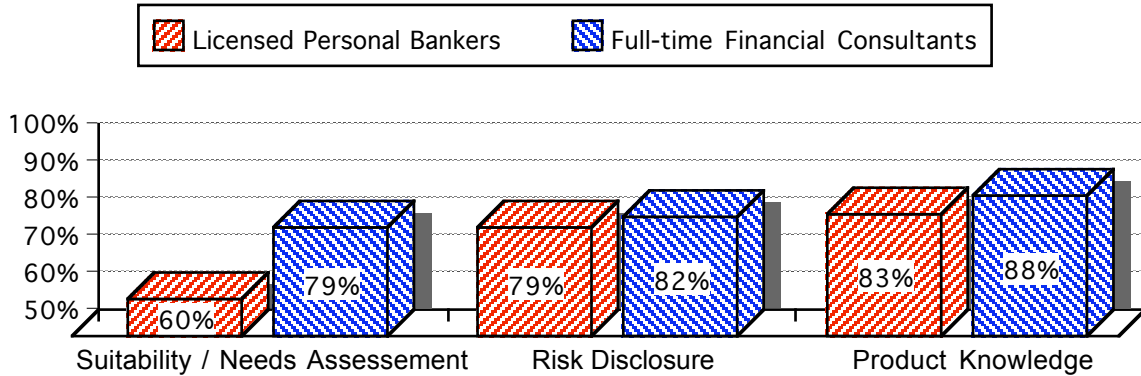
Sales Quality Group's research also demonstrates how licensed branch employee programs improve over time. As the banking staff gains experience in selling investments, their suitability needs assessment and discovery skill scores both increase until they approach the levels of the average full-time investment sales professional. The objective for hybrid programs should be to accelerate this learning curve through training and effective sales coaching. [Graph C]

Sales Quality Group's research is helpful because it demythologizes the issue of whether licensed bankers are compliant and effective investment sales people. Alert program managers can use mystery shopping studies to help pinpoint the training needs of their licensed branch employees and hopefully fast-forward through the "awkward teenage years." For further information on Sales Quality Group's market research methodology and pricing, please contact Jim Rensel at (480) 967-7500 <[jim@salesqualitygroup.com](mailto:jim@salesqualitygroup.com)>.

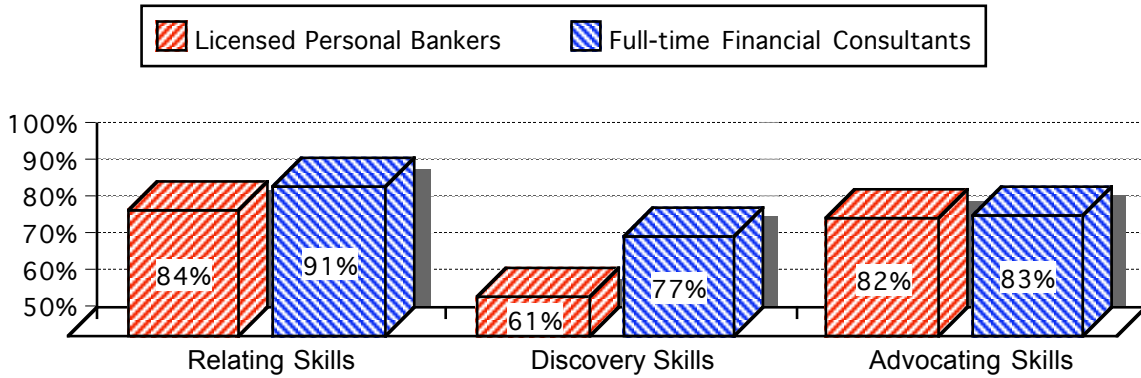


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**GRAPH A: COMPLIANCE SCORES - INVESTMENT SALES MYSTERY SHOPPING STUDIES**



**GRAPH B: SELLING SKILL SCORES - INVESTMENT SALES MYSTERY SHOPPING STUDIES**



**GRAPH C: LPB NEEDS ASSESSMENT SCORES IMPROVE WITH PROGRAM MATURITY**

