



## Knowing Your Customer... The Key to Cross-selling Success

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Is cross-selling part of your strategic business plan in 2014? If not, it should be. Cross-selling is an essential strategy to enhance brand loyalty, increase revenues, and maximize the value of your client relationships.

Cross-selling is based on bringing value to your clients in ways they may not have expected when they hired you. Your best practice cross-sell strategy map begins by doing an A+ job on the initial client engagement, developing deep relationships, and understanding their concerns so you can deliver products, services, and resources that complement the original offering. Done properly, cross-selling increases your customer's reliance on you and decreases the likelihood of switching to a competitor.

Recently, a producer in a Reach Your Peak performance enhancement program said, "If you are not cross-selling, it means that you really don't know what keeps your clients up at night. And, you are leaving money on the table!" How true!

The research of Beyond Insurance indicates that the vast majority of producers and account managers do not cross-sell effectively because they have not learned the art of discovery nor know how to utilize a consultative and diagnostic sales process. According to a Beyond Insurance Survey of 7,000 agents and brokers, only 27% state that they have a disciplined, strategic, results-oriented cross-selling system.

Your client will not be receptive to your cross-selling attempt unless you have developed the following four key components:

1. Credibility
2. Trust
3. Customer Intimacy and Loyalty
4. Knowledge and Know How

These four components are best evidenced by customer engagement and enthusiasm leading to retention, referrals and cross-sell opportunities.

Cross-selling takes marginal effort as compared to the original purchase. If a buyer is pleased with the initial experience, subsequent sales are much easier. A research study by Deloitte LLP found that the odds of selling a product or service to a new customer are generally about 15% as compared to 50% for a satisfied existing customer -- and the cost of selling to a new customer is 5 to 8 times more than selling to an existing one.

Finding new customers is important, but keeping your existing clients satisfied is the secret ingredient to cross-selling success. To be effective at cross-selling, Deloitte found that you need to have a "unified view of your customer base as well as insights on customer behavior, preferences and lifestyles." In other words, you need to know your clients from the inside out before trying to cross-sell them.

Cross-selling opportunities occur when you have solutions to risks and business needs as well as access to products, services, and resources that fulfill your clients' needs. An obvious cross-sell area for P&C producers is employee benefits and financial services, but others could include business travel accident coverage as a complement to workers comp; business interruption or contingent business interruption in addition to property coverage; and cyber liability if your client is housing customer information.

If you are in personal lines, you must feel capable, confident, and credible to offer an array of insurance and risk management strategies to properly protect the family. This includes not only property and liability risks but extends to the perils of life, disability, and long-term care.

Make it your goal to learn every nuance and detail about your client – personally and professionally. When you have a comprehensive understanding of the business and your client's lifestyle interests, the faster your clients will perceive you as a trusted advisor and feel confident in your recommendations. It goes without saying that you must make certain that your solutions

make sense for the client's situation, given their risk tolerance, family or business situation, and budget.

**Warning:** Never seem more interested in delivering additional products or services until the current one performs well! Be patient. Over time, clients will trust that you have their best interests in mind. This will create a path for future cross-selling opportunities.

How do existing clients feel about being cross sold? Are they enthusiastic? You bet. Especially if you have delivered on your initial promise. Clients embrace cross-sell strategies as they enable them to tap more deeply into the capabilities of a team whom they already trust and respect.

The foundation for cross-selling success is built upon your knowledge of the client. An intimate understanding of your clients' personal and professional needs puts you in a position to recommend additional solutions. Here are five simple ways to get to know your clients better:

1. **Focus on building deep relationships** with your existing clients outside of the 90-day bidding cycle. The number one obstacle to cross-selling success is not knowing enough about the client or organization being served. While you may have a handle on your client's technical issues, the big-picture view must also be in focus.

The most opportune time to gain a big-picture view of your client is at the six-month point of the policy term in the form of a Stewardship Review, where you deepen the client relationship and understand what keeps him or her up at night. Invest time and energy to increase your understanding of the client's business and personal goals, dreams, and aspirations!

2. **Ask client-focused questions.** Get your clients to talk about their issues and concerns, particularly as it relates to your cross-sell portfolio. Avoid asking questions about your own performance, such as "How do you feel we're doing?" or "Are you satisfied with the way I'm handling your account?" These are not client-focused; they are you-focused. Instead, encourage your client to speak about the strengths of his or her business, opportunities for enhanced performance, and potential issues that impact the organization's and/or family's bottom line.
3. In the Stewardship Review, **do not brag, tout or demonstrate your other capabilities.** Clients often perceive these as self-serving "product dumps." In the Stewardship Review, you are there to listen, learn, and build trust. When this occurs, your clients will freely tell you about their concerns and issues...essential ingredients to cross-selling success.
4. **Listen, listen, listen.** Your client should talk 80% of the time. That means you should be listening 80% of the time. If you find yourself talking more than 20%, stop. You cannot formulate cross-selling strategies without understanding your clients' visions, goals, and aspirations – personally and professionally.

5. **Benchmark cross-selling performance.** The success of your cross-sell plan requires measuring and benchmarking plan performance in a variety of ways including revenue generation, cross-sell hit ratios, and retention.

The following 5-step best practice cross-sell plan will dramatically improve your success:

1. Know the client's business and personal situation from the inside out
2. Build deep relationships with your existing client base
3. Acquire knowledge of the products and services to be cross sold
4. Connect the additional product or service to the original sale
5. Measure and benchmark customer enthusiasm and engagement

Cross-selling offers advantages to you as well as your clients. It not only creates more stable and loyal customers, it diversifies your portfolio, and brings in a more steady revenue flow. Importantly, cross-selling provides additional protection and value for your clients. Knowing your customers...the key to cross-selling success.

#### About the Author

Scott Addis, CPCU, CRA, CBWA is the CEO of Beyond Insurance and is recognized as an industry leader having been named a Philadelphia finalist for *Inc. Magazine's* "Entrepreneur of the Year" award as well as one of the "25 Most Innovative Agents in America." Beyond Insurance is a consulting firm that offers leadership training, cultural transformation, and talent and tactical development for enlightened professionals who are looking to take their practice to the next level. Since 2007, the proven and repeatable processes of Beyond Insurance have transformed individuals and organizations as measured by enhanced organic growth, productivity, profitability, and value in the marketplace