

# Fluent Product Knowledge: Application in the Financial Services Industry

by Carl Binder & Claudia Bloom

**B**ehavioral fluency is accuracy plus speed, what we recognize in experts as nearly automatic or "second nature" performance. Fluency represents a standard of true mastery for criterion-referenced instruction: correct performance without hesitation.

Whether it be speaking a foreign language, conducting a diagnostic equipment test, speaking about financial products and services, operating computer software, playing the guitar, responding to a subordinate's question, or dancing, masterful performance is quick and nearly automatic rather than slow and hesitant.

People can observe this difference between novice and expert performance in their own behavior and in the behavior of others. Yet conventional percentage correct scores, the standard in most training and educational programs, cannot differentiate between these obviously different levels of achievement (Barrett, 1979).

Research from several different fields demonstrates the importance of using timed assessment procedures to define mastery. Sources of this research include the study of verbal learning, human factors engineering, human information processing theory, perceptual motor learning, and applied behavior analysis. The findings are remarkably consistent in support of the conclusion that mastery implies speed as well as accuracy of response, in virtually every type of skill or knowledge.

The key findings divide into three broad categories (Binder, 1987a): studies which link fluency to improved retention or maintenance of skills and knowledge; those which show that fluency improves attention span or resistance to distraction; and those which indicate that fluency in prerequisite skills or knowledge supports application or transfer of new learning to more advanced or complex performance. In short, the evidence shows that fluency bridges the gap between mere acquisition of skills or knowledge and truly useful performance.

In addition, these studies all suggest that in order to achieve true mastery, learners must have

sufficient opportunities for *practice*, a component of the learning process that is sadly lacking in most training and educational programs.

## The Fluency-building™ Technology

When instructional designers do not measure the time required for performance, they often ignore many of the ways in which their programs effectively limit learning and performance. Most conventional training procedures and materials actually prevent or retard fluency in one way or another. Some simply provide too few response opportunities per minute or too few examples for sufficient practice. Other training strategies, such as group question-and-answer sessions or slow-paced computer-based training lessons, require learners to wait between response opportunities rather than allowing them to perform as rapidly as they are able, at their own pace.

Many procedures, especially those designed to build complex problem-solving or "soft skills" (e.g., responding to sales objections, dealing with employee complaints), fail to produce fluency because they require participants

to roleplay complex chains of behavior before providing opportunities to become fluent in the components of the chains. The results are frustration on the part of trainees, and subsequent failure to retain and apply new skills and knowledge.

The PT/MS Fluency-building technology (Binder, 1987a; 1987b) breaks desired outcomes into manageable units of skill or knowledge, provides brief and efficient timed practice activities for each, and offers learners time-based fluency standards which they may attain through self-managed practice.

### Product Knowledge: An Obvious Application

Opportunities for applying the Fluency-building technology abound, but an especially obvious one is product knowledge training. Typical approaches to product knowledge training include dissemination of extensive reference materials and job aids (sometimes to the point of infor-

mation overload), stand-up demonstrations and lectures, computer-based training, video and audio tape programs, and various "exposure and update" methods.

Many product knowledge training programs and reference materials suffer from being features-driven rather than needs-driven. Such programs require sales staff to make the translation from what they know about product features into solutions for customer needs. This is often a difficult task for sales people, and one that course designers and writers should accomplish for trainees as added value, before implementing programs (Van Patten, Husted, & Binder, 1987).

A more fundamental problem is that the usual approach does not support development of truly fluent product knowledge in any form, an obvious requirement for success in face-to-face sales. If salespeople cannot speak easily and without hesitation about their products and services, responding fluently to potential

customers' statements of need, signals, and questions, then they are likely to miss sales opportunities.

Salespeople typically become fluent only with respect to high-volume products and services, where frequent sales provide frequent, if inefficient, practice opportunities. They only "know what they sell, and sell what they know" because they have not attained fluency in all the essential information about a product line. Loss of cross-selling opportunities is a particularly damaging result of this deficiency.

In short, there is a huge potential for improving product knowledge training, and by implication, bottom-line results, through programs which guarantee product knowledge fluency.

### Fluency About Non-Credit Bank Products and Services

Recognizing the need for better product knowledge training in the banking industry, Omega Performance Corporation engaged Precision Teaching and Management Systems, Inc. to develop a product knowledge program for commercial bankers. Trends in the banking industry, especially a proliferation of non-credit products and services and a growing emphasis on consultative sales, led to a decision to focus on non-credit bank offerings.

The program which emerged covered 27 generic non-credit products and services, divided into three categories, using a training system comprised of several parts. It also provided a basis for customization to specific banks' products and services.

### The Training Program

Participants attended a half-day kickoff workshop where they received an introduction to the program and learned how to use the Fluency-building exercises. In order to motivate participants, it was necessary to overcome some

**Figure 1.**  
**Three Types of Ceilings that Prevent Fluency**

TYPE OF CEILING	HOW IT LIMITS FLUENCY
Measurement -defined	<ul style="list-style-type: none"> <li>Measures or criteria which only specify accuracy or quality without a time dimension cannot distinguish between fluent and non-fluent performance.</li> <li>Learners lack unambiguous fluency goals to motivate practice.</li> </ul>
Procedure-imposed or Materials-imposed	<ul style="list-style-type: none"> <li>Materials or procedures that contain too few examples or response opportunities do not provide sufficient practice for attaining fluency.</li> <li>Slowly paced procedures prevent individual learners from performing and improving at their own pace.</li> </ul>
Deficit-imposed	<ul style="list-style-type: none"> <li>Non-fluent prerequisite or component skills or knowledge elements impose limits on performance and improvement of more complex skills and knowledge.</li> </ul>

misconceptions. For example, most participants believed that comprehension of product knowledge was all that was necessary for effective responding to customer's needs. A 4-minute timed pretest, matching product definitions, customer needs, and features to product names quickly proved that years of studying product manuals, attending seminars, and joint sales calls with product experts had not produced retention or the ability to effectively apply product information.

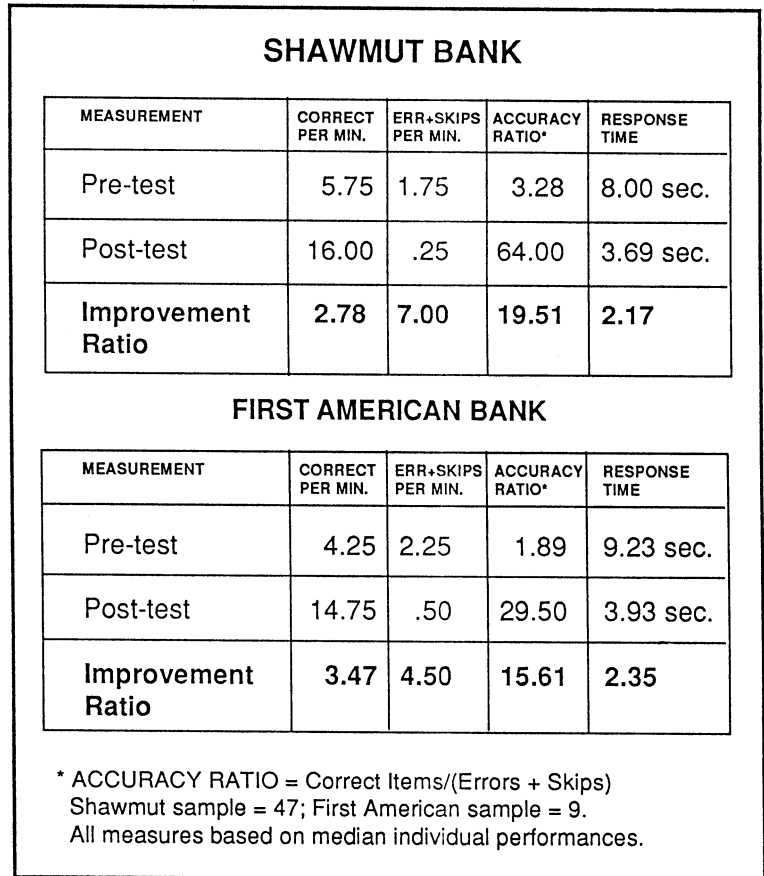
The methods to achieve fluency, a three-step process of using Fluency Cards™ to acquire the facts, verbal recall exercises, and roleplaying, struck participants as too remote from what actually happens in a sales call. Some were convinced that because of the learning method they would act like automatons, spewing out facts about products without being able to listen and respond normally.

When the instructor demonstrated fluency with the basic exercises, then used the same information in an informal sales call roleplay, participants could see how naturally fluent product knowledge can be applied to questions, sales objections and making recommendations.

Perhaps the key to the program's success was a 2-hour focused coaching session where participants practiced the Fluency-building exercises with guidance from the instructor. Adults who are not accustomed to being timed or having to verbally blurt out facts in organized practice often experience embarrassment, awkwardness and anxiety. The instructor's role combined basic counselling to desensitize embarrassment, encouragement of friendly competition, and monitoring of activities to ensure that participants were using the exercises and reference materials correctly.

Once a few participants had achieved some progress with the

**Figure 2.**  
**Pre-test and Post-test Comparisons at Two Banks**



Fluency-building exercises, the merits of this approach became apparent. They began to realize that learning product knowledge in this way can be more fun, and certainly more effective, than sitting through the usual lectures and videotapes.

Over a period of 4 weeks after the kickoff, trainees spent 10 to 15 hours studying the highly structured needs-driven product reference materials and practicing Fluency-building exercises. They practiced in order to achieve fluency standards for each exercise. The timed Fluency-building exercises included various types of paper and pencil practice, as well as use of Fluency Cards, rapid recall exercises, and role play presentations.

During the self-study period, trainees attended sessions with in-

ternal product experts to learn how the bank's specific products and services relate to those covered in the generic program. At one bank, participants completed tours of the "back office" and met operations staff to see how their bank implements its non-credit products and services.

Finally, trainees met again for a wrap-up and posttest. Usually the program combines this final wrap-up session with Industry Analysis Workshops in which participants use case studies to demonstrate their ability to apply product knowledge in developing short- and long-term cross-sales plans. Some banks have chosen not to implement this component immediately after the self-study period, and simply administer posttests at the final wrap-up session or conduct a self-paced certification program.

## Test Materials and Procedure

Each of the Fluency-building exercises provides participants daily opportunities to measure their own progress toward fluency standards. The overall assessment instrument, however, was a 7-page test with 65 separate multiple-choice items. Each item stem was a brief statement of need, a short definition, or a "signal" phrase designed to match a given non-credit product or service. The participant's task was to mark the one product or service which best matched each item stem, out of four choices, completing as many items as possible within a 4-minute timed period. The test administrator encouraged participants to skip items if they found themselves hesitating too long at any point.

## Results

The pilot edition of the program was conducted at a Canadian bank where new commercial account managers worked with the materials and procedures over a period of about 2 weeks, less than the time recommended for self study. At the final Industry Analysis Workshop, we administered the posttest and solicited comments from all those involved. The Training Manager, himself a previously successful commercial banker, remarked that "these people know more about the products and services now than I did at the end of 6 years." Subsequent comparisons on the posttest between trainees and experienced bankers, who had not participated in the program, confirmed his observation. New trainees were able to correctly match products and services to signals and statements of need 2.4 times as rapidly as were experienced bankers who had not completed the course.

A major New York financial institution chose to implement a customized adaptation of the pro-

gram. Using the same basic components, plus a strong certification procedure administered by Sales Managers, the program was successful to the extent that a senior executive called it "a strategic business advantage" for his bank.

Two banks for which we have pretest and posttest comparison data are Shawmut Bank in Boston and First American in Nashville. Each conducted the generic program with commercial bankers of varying levels of experience selling the products and services. Both arranged with Omega for the second author of this article to lead the critical program kick-off sessions.

Figure 2 summarizes the results achieved at these banks. The standard measure of performance in Fluency Testing procedures is count per minute of correct responses, errors, and skipped items. For purposes of this analysis we combined skip and error rates into a single measure.

In summary, at Shawmut the program multiplied accuracy by a factor of 19.5 and multiplied speed of correct responding by a factor of 2.78 (178%). At First American the program multiplied accuracy by a factor of 15.61 and speed of correct responding by 3.47 (247%). Participants began without the ability to respond quickly or accurately to customer's needs and concerns, and finished with fluent and easy-to-apply product knowledge.

## Implications of the Results

Percentage correct scores do not uniquely specify levels of performance, but only ratios between correct and total response rates. Therefore, training programs with objectives that do not include a time factor do not provide trainers or trainees with unambiguous performance goals. The Fluency-building technology sets explicit time-based performance criteria to serve as "aims"

(Haughton, 1972; Binder, 1988) for trainers and learners. In the case of product knowledge training, the implications of using time-based fluency standards are obvious.

If a salesperson must pause for ten seconds or more before responding to a prospect's question or statement of need, and if the response might be incorrect a third of the time, then he or she will probably avoid or divert the question, if at all possible. Although prospective customers might view a lack of thorough product knowledge as a weakness in the sales representative, hesitation and inaccuracy are even worse. If one can't respond fluently in such a situation, one is likely to use one's relationship skills to deftly skirt the topic, then perhaps look up the answer at a later time. By that time, a sales opportunity might be lost.

After attaining fluency, bankers at Shawmut and First American were able to respond to questions and statements of need with near total accuracy in about three or four seconds (barely enough time to read each item). This is a level of performance that supports fluent face-to-face sales interactions. With results like these, it's no wonder that line managers call this program a business advantage. The Fluency-building approach makes a tangible difference in the performance of sales staff, and anecdotal reports confirm that sales were made after the training which would have been missed before.

The Fluency-building technology is a generic approach to instructional evaluation and design, applicable to virtually any skill or knowledge domain (Binder, 1987). Because products and services in so many industries (e.g., financial, insurance, high tech) are growing in number and complexity, product knowledge is an obvious area with a huge potential for improving performance. Building fluency in product

knowledge can produce immediate effects in the performance of sales personnel and on the bottom line.

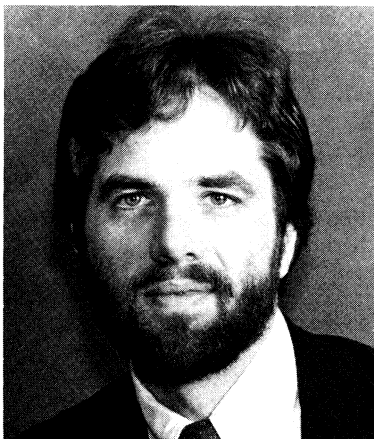


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## Note

*Fluency-building* and *Fluency Cards* are trademarks and *Fluency Testing* is a service mark of Precision Teaching and Management Systems, Inc.



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## Book Alert

### Teaching Students To Teach Themselves

By Crawford W. Lindsey, Jr.,  
New York, NY:  
Nichols Publishing, 1988,  
162 pages, \$21.50  
(ISBN 089397-315-7).

In traditional classroom settings, the teacher (or the trainer) automatically falls into the role of an actor, delivering a monologue to an audience which is passive and, too often, uninterested and un-receptive. To overcome this situation, it is necessary to find a way for transforming classes into cooperative endeavors in which both teacher and students are active and eager participants.

In this book, Crawford Lindsey describes a new style of teaching which facilitates the students' involvement in the classroom work and encourages them to take control of their own learning. The guiding principle behind the author's thinking is the idea that students should themselves become responsible for researching, organizing, and teaching the material that they have to learn and for assessing their own work. This is done by dividing a class into small groups of approximately six students and allotting to each member of the group one of the functions normally performed by the teacher.

The three chapters in Part I of this book analyze the shortcomings of existing classroom practice and set out the philosophical rationale for a new approach designed to help students to teach themselves. In Part II, the author then goes on to explain how his ideas can be applied in practice and to discuss in detail six activities which can form a foundation for this new kind of teaching.

