

SALES AND SERVICE Excellence

THE MAGAZINE OF TEAM LEADERSHIP

JANUARY 2011

**Unlock
the Game**

Face to Face

**Difference
Makers**

Find Ways to Be You

Maribeth Kuzmeski
Consultant



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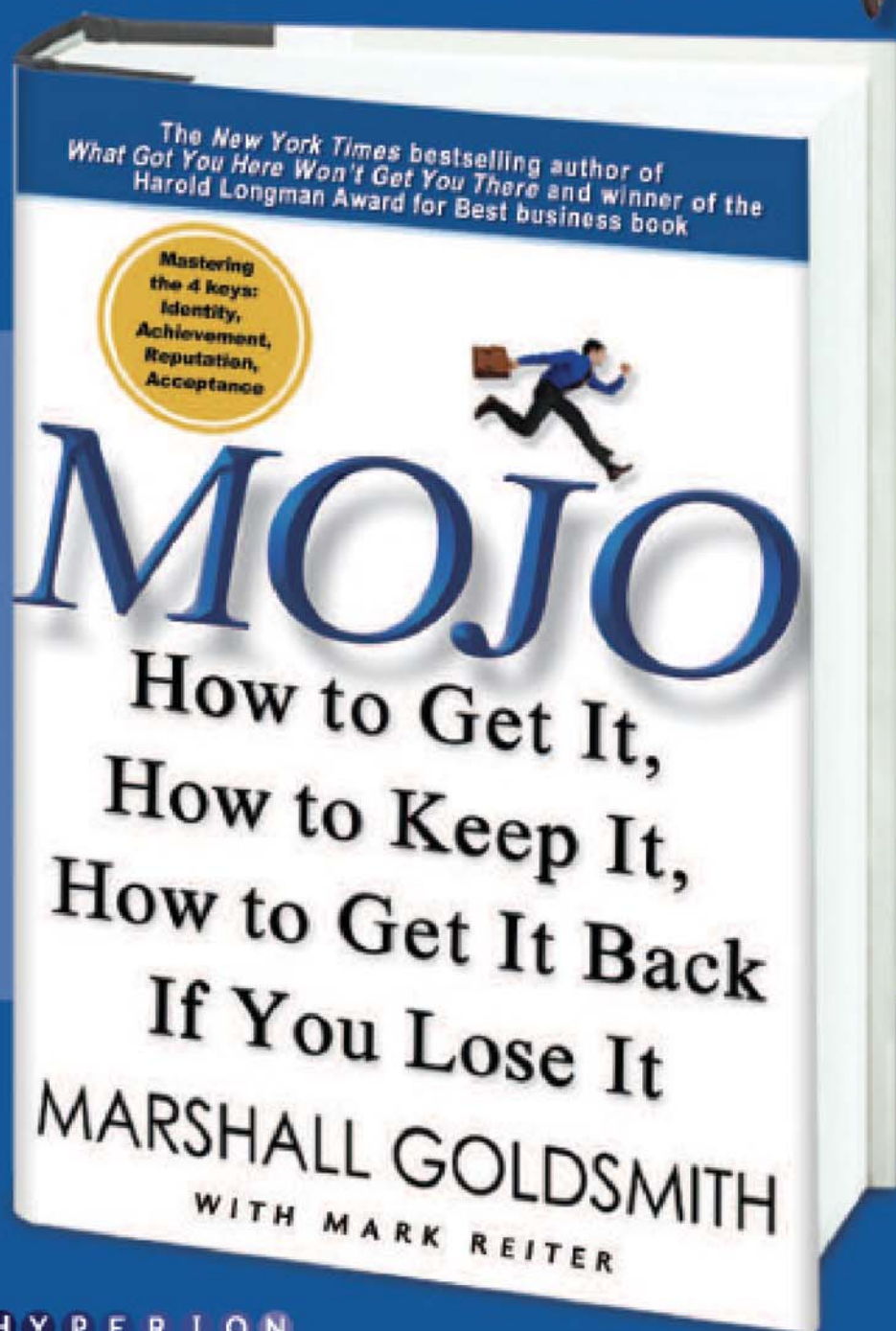
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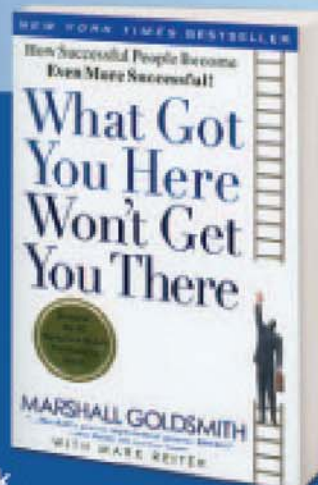


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Sales and Service Excellence

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MARKETING/DIFFERENCE

Difference Makers

They all make serious money.



by Maribeth Kuzmeski

TODAY, DOING BUSINESS AS usual is likely to put you out of business. If you're using the same marketing strategies that worked in years past, you're in danger of being pummeled by your competition. To keep customers happy, you have to get their attention, stand out, and find ways to be you—uniquely!

With all the noise in clients' and prospects' lives, you need to find ways to cut through the noise. Attracting attention often means stepping outside of current norms in order to stand out.

Difference Makers

If you don't know where to start, take a cue from innovative companies that win and keep customers—while sticking with their values:

1. Buc-ee's: Banking on bathrooms. What your competitors consider to be unimportant may become the differentiation. Buc-ee's gas stations—located all through Texas—focus their number-one offering on what people dread most about stopping at a gas station: the bathrooms! Each of the 30 locations has clean, large bathrooms, along with full-time attendants. Looking at things from a differ-

ent perspective can pay off. They looked at what customers liked least and improved on it. Think about what people dislike most about your industry, service, or product. What solutions can you offer? It's a great way to differentiate yourself and create some buzz in the process!

2. Odwalla: Juicing with a conscience. Juice company Odwalla was founded in 1980 by Greg Steltenpohl, Gerry Percy,



and Bonnie Bassett. The trio took the idea of selling fruit juices and began by squeezing orange juice with a second-hand juicer in a shed. They hoped to make enough profit to help fund music programs in local schools. Odwalla was driven by a corporate conscience and a goal of leading the public toward a closer-to-nature way of nourishing their bodies. The juices were highly rated for taste. But the true success came in the

way that they appealed to their customers. The founders created what they called their Drink Tank—a group responsible for developing the Odwalla brand—by focusing on authenticity, alignment, clear narrative, and the value of a strong culture. Odwalla differentiated their brand by extolling the benefits of supporting a juice with a conscience. They called their customers' consciences to action. How strong is your call to action? Do you tell your customers what you want them to do?

3. Geico: Ensuring brand awareness. When you think Geico, what comes to mind? Their slogan: "15 minutes could save you 15 percent or more. . ." Or the gecko with the British accent. Or the stack of money with the eyeballs. Or those oft-offended cavemen? For Geico, frequency of messages has brought them incredible brand awareness. What Geico has done is simply repeat, over and over, their message to their prospects. Think what you can do to repeat your marketing messages to your target market. Repeating your core benefits or offerings to your prospects can yield high results.

4. Australian Government: Offering the world's best job. The Australian Government promoted "the best job in the world" with a creative Internet campaign. They advertised a six-month

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contract to be caretaker of some islands in the Great Barrier Reef. They released the story through media and then sustained the buzz over online networks. The contest's website received one million hits *the day* after launch (the goal was 400,000 hits for *the year*). The program attracted 34,000 applicants and generated over \$70 million worth of global publicity. You have to *evoke emotion in your customers* if you want a response from them. Whether it's hope, love, happiness, anger, or hate, you want them to feel *something*. When people are passionate about something, they'll act on it, tell their friends about it, and get involved. Think about what messages you can convey to provoke an intense reaction.

5. Vistaprint: Giving it away for free. Vista-print employs 1,850 people, and ships business cards, with jaw-dropping value, to 120 countries. By offering 250 business cards for free, with a \$5.67 shipping charge, they appeal to their target market: small businesses. Now 66 percent of Vistaprint's business comes from returning customers. In the first quarter of 2010, they acquired 1.4 million new customers—many who started with a *free order*. If you offer something of real value for free, people will listen. In fact, free can convert price shoppers into loyal customers. Don't concentrate on the money you may lose. Instead, focus on the potential revenue.

6. The Bargains Group: Teaming up for A-level customer service. Jody Steinhauer began The Bargains Group in 1988 from her kitchen table by purchasing clothing and reselling it to discount clothing stores. Today, she runs a multi-million-dollar firm with 4,000 different items for sale. This discount wholesaler with only 20 employees manages to make millions without offering prices much lower than their competitors *by hiring the right people*. By focusing on hiring fun, vivacious people who believe strongly in service, they service each customer personally. They don't have voicemail! While many firms advertise how different their people are or how they focus on service, The Bargains Group proves it. Make sure that your staff and service are differentiators. Happy customers stick around, and spread the word!

8. Dillard's septic service: Doing the dirty work. James Dillard runs a business that most others might consider *beneath* them. Yet he earns a six-figure income doing what many of us would call mundane. *It's a dirty job, but someone has to get rich doing it*. Many wealthy people make their money in less than glamorous fields and products—including discount tires, roofing, salsa, lumber, and tequila. They found their niche, and, their differentiation. Think about a product or service that you can offer that no one else will—not a product

or service that is better, but a product or service that they simply *won't* offer. Doing so can mean big opportunities for you!

9. Man Cave: Manning up before the rest. Nick Beste and Kevin Carlow saw the success stories from female-centric companies like Tupperware, Silpada, and PartyLite and thought, why not have a Tupperware-type party for men? As a result, they created Man Cave, an in-home party where hosts throw *Meetings* complete with a set of *Man Laws*. They are the industry—and they crossed the \$3-million mark. *Don't shy away from an idea that hasn't been done before*. Discovering an untapped market can be like striking gold. Instead of following trends, be a trendsetter. It can lead to a big idea and a big payoff.

10. Realtor and Inventor Jean Newell: Recognizing it's not what you know, it's who you know. Jean Newell had an idea for real estate agents—a *personal utility pouch* (PUP)—a multi-zippered mini-pack designed to



carry all the tools, keys, contracts, and more that a real estate agent needs. Judging by the initial reaction, she knew she was on to something. Since her initial appearance on QVC, Newell has become a sales superstar and media darling. *A great idea is just an idea unless you can get it into the right hands. You must find ways to leverage what you have to offer*. Get in front of people who can connect you to places you want to

be—and then leverage your connections.

11. Toy House: Advertising curiosity. In Jackson, Michigan, a city and state hit hard by recession, toy store owner Phil Wrzesinski was struggling to compete against local Toys "R" Us, Target, and Walmart. Then, he began running ads on the local radio station that had local DJs wondering what *was* in the men's bathroom of the store. Drove of customers started coming in to see (it was a nightlight that projects stars on to the ceiling and walls). The result? Despite the down economy, Toy House has seen a steady increase in both loyalty and sales ever since!

Just because your product may be ordinary, it doesn't mean your promotion of it has to be. Clever advertising can peak interest and create buzz. Take risks with your promotion. Having an edge will set you apart. Offer something that no one else offers—a unique product, promotion, offer, staff, or culture. You can't expect to keep customers coming back by offering the same thing. Take risks, think outside the box, and be daring. You'll grow your business—and be inspired, recharged, and motivated. **SSE**

Maribeth Kuzmeski is founder of Red Zone Marketing, a speaker and author of five books, including ... And the Clients Went Wild! (Wiley). Visit www.AndTheClientsWentWild.com.

ACTION: Make your clients go wild over you.

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Empowered Customers

Discover their four decisive moments.



by Robert H. Bloom

THE SERVICE SECTOR IS THE most vulnerable segment in business because it has more customer touch points. Companies that make their living providing service must deliver that service more consistently and at a higher standard. Of course, you already know this because you live it every day. However, you may not recognize the full extent of change in customer purchasing behavior nor realize how much this change is damaging your bottom line. The transformation in customer purchasing is radical, irreversible, and permanent.

Customer loyalty, long in decline, has virtually disappeared. Here are just two examples: 1) in 2009, only 20 percent of car buyers were brand loyal, compared to 80 percent in the 1980s; and 2) in 2009, only 36 percent of business travelers claimed that they were brand loyal, compared to 42 percent in 2007. Today's customers no longer care where or from whom they buy—they are a new generation of aggressive, internet-empowered customers—they are the *new experts*.

Today's prospects and customers seek and often demand price concessions, freebies, and other benefits they need or want. These *new experts* are confident and determined because they have *purchasing firepower*. They employ *three lethal weapons* to get their way: 1) *instant, comprehensive information* from the internet about all products and services sold—on and off line; 2) *immense choice*—many options and prices in every local community worldwide; and 3) *real-time price comparison* at the moment and location of purchase on smart technology and new apps on their mobile devices. Social media constantly informs these intensely self-centered customers. They relish their chances to share and compare their online and offline purchase experiences. They communicate their real-or-perceived attitudes about sellers immediately to millions of people on Facebook and Twitter. Sellers must understand the full extent of exposure they have in social media—exposure that is destructive as well as beneficial.

Today's *new experts* are your spouse, your grandmother, your next-door

neighbor, and they are you, when you are the potential buyer. Each of us buys products and services for ourselves or our company or someone we care for. When we do, we are as unfaithful and selfish as any buyer out there, looking for “the best deal”, and walking away from our previous relationships with former sellers of choice.

There is no longer any difference in the purchase behavior of “online customers” and “offline customers”. Commitment to a single channel is rare and becoming more infrequent. Most shoppers are addicted to sites that compare choice, availability, quality, service after the sale, and the most



dangerous comparison of all—price.

This era of *new experts* will become a more potent force because the generations of customers that follow will have more effective, more agile technology and become more adept at using it for their benefit—not yours. To grow and prosper, you must stop thinking like *yesterday's seller* and start thinking like *today's buyer*. When buyers no longer care where they buy, *Customer Preference* is the only differentiator—the surest way to be your customers' first choice.

From the customer's perspective, *Customer Preference is deliberately making a choice*—deciding from whom or where to purchase in order to obtain a valued benefit. Here is how a customer might explain his or her way of selecting a vendor: “My preference is based on how well you meet my wants, needs, and aspirations and reduce my apprehensions, concerns, and fears. I have many choices, and I'll decide where to buy after looking at all options. Given all of the factors in my purchase decision, I prefer you.”

Think of *Customer Preference* in terms of the *specific advantages* it offers you:

- The buyer will go a little out of his or her way to buy from you

- The buyer will pay just a bit more for your firm's products or services
- The buyer will buy from you without always demanding a discount
- The buyer will buy more frequently
- The buyer will be slightly more tolerant when your staff fouls up

Individually, these benefits may not make or break you, but collectively they will be the difference between growing and declining in today's fiercely competitive service industry.

“I Prefer You!” These three words will give you a *potent competitive advantage*—they'll make your firm *1st Choice*.

Embracing *Customer Preference* does not require a wholesale rethink of your business plan nor require investment in infrastructure or advertising. Service providers—any size or type—can create *Customer Preference* with big ideas and small ideas. Don't you want your company to be your customers' *1st Choice*?

To achieve this ambitious but attainable goal, you must align your organization behind the mission of creating *Customer Preference at the Four Decisive Moments* in every purchasing progression: 1) *Now-or-Never Moment*—first brief contact; 2) *Make-or-Break Moment*—lengthy transaction process; 3) *The Keep-or Lose Moment*—customer's continued usage; and 4) *Multiplier Moment*—highly profitable repeat purchase, advocacy, referral.

Firms, especially the service segment, must forget about building the brand. *Brand-Building is yesterday's mantra*. It is costly and seldom works, because in today's *sea of brands*, mind-numbing slogans, and time-constrained customers brands mean far less and often nothing to the *new experts*. Concentrate all your human and financial resources on delivering *Customer Preference* every time and all of the time.

Do not confuse *Customer Preference* with a pep talk to your sales associates. *Customer Preference* requires that every staff member be *energetically committed to making your firm your customers' preferred firm*. To be *1st Choice* you must align behind the concept and reality of *Customer Preference*. Jeff Bezos says: “We start with customers, figure out what they want, and how to get it to them.”

To remain relevant to the *new experts* and stay ahead of competition, service providers must stay in front of their customers' changing needs, tastes, and buying habits. *Customer Preference* is the simplest, least expensive, and surest way to make your company *1st Choice*. SSE

Robert H. Bloom is the author of THE NEW EXPERTS: Win Today's Newly Empowered Customers At Their 4 Decisive Moments (Greenleaf). Visit www.thenewexperts.com.

ACTION: Become your customers' first choice.

Face to Face

It beats Facebook everytime.



by Richard Abraham

ONCE TALKED WITH A YOUNG salesperson and asked how he was doing. He'd just landed his first real job out of college and was fired up. I said, "I love your enthusiasm! Where are you directing all that energy and passion?"

"I have a dynamite Facebook page. I've updated my profile on LinkedIn. We Twitter all the time. I'm compiling a terrific data base of prospects, and set up my SalesForce.com dashboard."

"That's terrific," I said, "but what are you doing about schmoozing—face-to-face appointments, phone calls, follow-up, entertaining—things like that?"

"Well, I'm concentrating on social networking now." He glanced to his cell phone to check a message. He was not listening (an unintended consequence of too much social networking).

"Turn off your cell phone," I said.

He looked up, terrified. "What?"

"Humor me for a minute. Thank you. Now, when is the last time you had breakfast with a client or prospect? Or lunch? Or cocktails?"

The silence was deafening. "When is the last time you dropped into a prospect's office, spoke for a few minutes with the receptionist, maybe dropped off a basket of cookies for the team? How about this one. What is your biggest prospect or client's name?"

My friend brightened. "Universal Dynamics! I know everything about them! I've done research on the Web."

"That's great, but what is the name of the person—your main contact?"

"Oh, that would be Bill Palmer."

"How many kids does Bill have?"

(Silence). "Where does he live?" (Silence). "What is his passion in life?" (Silence).

The new tech stuff is great for networking, marketing, and research, but it will never replace close personal relations. Personal connectivity depends on factors that can only be met in person, face to face. It's the turn of a phrase, tone of voice, body language, and the scent in the room. The simple act of looking into another person's eyes can cause powerful, diverse emotional reactions. So, use the web to plan, but sell in person.

Today salespeople are having fun on the web, but they are often mistaking linking and texting for actual selling!

The best salespeople connect emotionally with their clients and build deep and rich relationships. They know that the decision to buy something is not an intellectual response, but an emotional response that comes deep from within the buyer's emotional needs. Understanding those needs is the exquisite skill that often separates great salespeople from average ones, and discovery can only be conducted face to face, in person.

World-class communicators build emotional bridges to prospects and customers in many ways. They start out by being great listeners, but they are not just listening just for business cues. They go much deeper, searching for clues about what interests others.

When I ask people, *What's your passion?*, I hear a variety of answers—golfing, fishing, cooking, coaching, riding horses, singing, acting, garden-

ing, football, and art. When I ask them to describe how that activity makes them feel, their faces light up—their mind goes to a place of exhilaration and joy.

That is where your prospects and customers go when you talk to them about their passions. When they open that doorway to their souls and invite you in, *only good things can follow*. But that only comes after establishing trust—in person, face to face.

Social media can lead to some opportunities. But while you're texting your client, I'll be golfing, fishing, or watching a game with him—laughing, cheering, interacting, up close and personal. When he texts you back, he'll be mine. Face to face beats Facebook every time. SSE

Richard Abraham is author of *Mr. Shmooze: The Art and Science of Selling Through Relationships* (Wiley). Visit www.mrshmooze.com.

ACTION: Spend more face time with your clients.

MANAGEMENT/TRENDS

Workplace 2020

Start creating your future today.



by John Grubbs

THE YEAR 2020 IS NEAR, AND the workplace in 2020 will be very different. Imagine the demand for quality workers and the pressure to find talent. You will have more difficulty finding employees than customers. Change will be driven both by the employee and the employment market. HR will become talent scouts. Proven talent will cost a premium, while the promise of talent will be held in suspicion. Résumé and credentials won't get you in the door. Social networks and other media will be the most likely source of the next job.

Highly educated and skilled workers will be represented by agents who will sell their capability to the highest bidder. Employment packages will be pre-negotiated, and contracts will lean heavily in favor of the worker. Proven employees will be in control, and the best employees will be difficult to attain.

Workplace 2020 will also become an incubator of talent. When top performers are rare, companies will try to grow their own. An emphasis on learning and information will be a competitive advantage. Corporate universities and educational partnerships will be a huge part of the budget. Companies won't cut training budgets first, as talent and its capability will define winning firms.



Baby boomers, with their knowledge and experience, will be a distant memory as they approach 75 years old. The workplace is now dominated by Gen Y and Gen X. A paradigm shift has changed attitudes toward work and schedules. The end of the 40-hour work week has appeared. The preoccupation with time as a measure of work has given way to flexible schedules that pay for output, not sitput—paying people to sit or stand for time rather than productive output. Single parents are the norm, and work is adjusted to accommodate the needs of the newer, smaller family.

Many people are in jobs that allow a cross-pollination of work-home office concepts, while others simply work around the demands of life, traffic and other issues. Managers realize that inflexibility will drive away the best talent that's so hard to find. Loyalty to work will be gone. Talent

will move from one opportunity to the next like free agents. Employment models and contracts will be based on an 18-to-24 month duration that can be renewed by the mutual agreement.

The workplace will be designed to attract and keep the best talent. Resources that make life easier for employees will become common. Daycare and medical services, workout facilities, nap pods, and cafeteria services may be expected to keep people energized and refreshed. Older models of work will become repositories of people with minimal talent. What will your firm look like in 2020? SSE

John Grubbs is president of GCI. Email john@gci4training.com or visit www.gci4training.com.

ACTION: Create an attractive workplace.

Effective Teams

They're the opposite of mobs.



by Chris Brady

THERE IS SOMETHING CAPTIVATING about a great team. Whether they are involved in athletics, business pioneering, effective management, or community service, groups of people aligned in productive common purpose are an inspiration. Many of us have participated on such teams, and discovered that such involvement is fun, exhilarating, and feels like anything but work.

Nearly everything of consequence is created by a team: from architectural masterpieces, to successful companies, to the dynasty sports teams—people coming together and sharing their contributions. Very little can be accomplished by a lone striver.

While the appeal and productivity of teams is obvious, the principles required for their formation and function seem to be overlooked at best, ignored at worst. In short, while productive teams are of massive importance, many leaders underestimate their impact and remain all too ignorant of how to form and lead them.

Leadership is not solely an inside job. Students of art of management and leadership often think it is something to be gained by reading books and attending classes—simply develop a requisite assortment of skills and begin applying them. But this is folly.

Team leadership is always with, for, and about people. No one taps into the exponential power of leadership without having people to lead. And while you must be capable of leading yourself before expecting others to follow, this is merely a first step in a bigger journey. The best leaders understand the power and importance of effective teams and work to develop them. Their primary concern is to find, recruit, attract, and select the best people. But, teams of superstars are rarely the best teams. Curiously, there seems to be something more than simply attracting the highest talent. There is an art to getting people to combine in sincere harmony toward a bigger goal. As Geoff Colvin wrote, "Turning groups of great individuals into great teams is a discipline in itself." Teams

composed of individuals who, on their own, may not appear to possess the greatest abilities, often combine to produce the greatest results. This is the mark of great leadership.

How does a coach, manager or leader bring out the best in the team? How does leadership blend individual abilities and multiply them for the biggest possible outcomes? The answer will be familiar: hard work, consistently applied over time. Developing great teams requires intentional, painstaking effort. It must be the obsession of the leader. It is something that never leaves his or her mind; something he or she holds as the ultimate objective. The best leaders continually ask themselves *what they can do to improve the performance of their teams*, and they relentlessly apply the answers.

Unifying themes seem to play a significant role.

When the participants on a team clearly understand the vision, tied into a cause that has meaning for them, they become energized to perform. When the purpose for which a team strives overrides individual agendas, harmony results. When team recognition and team victories take priority over individual ones, groups begin to function at high levels of joint contribution. It's as if the pride of belonging to such a team of people becomes the highest recognition for the individual. "I am part of something special" becomes the dominant thought. "We are changing the world" or "we are doing something significant" or "we are the best in class" become the shared group identity. A pride in *we* outranks pride in *me*. Gradually, no one wants to let the others down; therefore, each participant raises his or her game to the next level. *Peer pressure*, a concept generally considered to be a negative force, becomes productive in developing a whole that is greater than the sum of the parts.

Trust and respect among the members of a team function like grease and oil between moving parts in a machine: they reduce friction and keeps things cool. When the individu-

als on a team trust each other and know each has the other's interest at heart, less time and energy is expended in political gamesmanship and can therefore be directed toward productive activities.

Equipping and training team members are also important, as people will only *attempt* to do what they believe they *can* do. But skill development isn't as critical as belief development. Belief is an elusive concept that embodies the overall expectancy of the team. In short, teams that expect to win usually do. While conversely, those that expect to lose seem incredibly able to fulfill that expectation as well. Therefore, developing and nurturing a productive belief in and among the team is one of a leader's paramount responsibilities.

There are many more considerations for leaders seeking to maximize the contributions of their teams. From



selecting the best possible participants, to getting them to harmonize and synergize, to reinforcing unifying themes and visions, to fashioning respect and trust, to equipping and training, and finally to the building of belief in outcomes, leaders will find that developing high-level teams is a full-

time job. But for the leader that understands what he or she is doing, it won't be a job at all, but rather a *labor of love*.

A great team is the opposite of a mob. Where a mob of people represents *individualism unleashed in a group setting*, effective teams represent *harnessed and directed energies aligned in common purpose*. Mobs can be the most destructive and heartless entities on earth. Teams can be the most thrilling and productive. The difference is leadership. Wise is the leader who understands the power of a group of highly charged, focused, and vision-directed individuals. Foolish is the leader that leaves these things to chance. The more intentional you are about developing individuals into a team, the more your results will be like those of the best, high-powered teams. The less intentional you are, the more you can expect your people to behave like a mob. In the end, it's performance that counts—and positive results are the responsibility of the leader. **SSE**

Chris Brady is author of Launching a Leadership Revolution. Email chris_brady@comcast.net or visit www.chrisbrady.com.

ACTION: Manage and lead your team.

Loyalty Trends

Here are 11 keys to customers.



by Mark Johnson

THIS YEAR, 2011, MAY BE THE year of customer loyalty.

In a crowded marketplace, creating loyal, engaged customers is vital. That's why **11 key trends** will dominate *Loyalty Marketing* in 2011:

1. Marketers will see that loyalty is not a program—it is a journey and a strategic business goal. While points programs have been around, from a strategic marketing perspective building true loyalty based on a total customer experience is still relatively new. Loyalty initiatives will focus on engagement and building long-term relationships.

2. Loyalty will focus more on emotions than on rational, incentive-based initiatives. Economic decision-making is 70 percent emotional and 30 percent rational. Incentive-based loyalty programs that tend to be rational do not work well. The emotional side of the decision-making process creates connected, passionate, engaged customers.

3. Managers will look at how customer and employee engagement work together to drive bottom-line results. A Gallup poll found that those in the upper half on either customer or employee engagement get a 70 percent boost in bottom-line results; those in the upper half on both customer and employee engagement get a 240 percent boost!

4. We'll see more focus on voice-of-the-customer programs. IBM discovered that getting closer to the customer is a top strategy. In fact, 88 percent said this was a key focus, followed by 76 percent saying that insight and intelligence is also a key area.

5. Relevancy will be a key driver of customer loyalty and engagement. Today's customers want loyalty programs to be about *me*—individual, relevant, meaningful. Personally relevant deals are the second most common reason for spending more with a company. Data collection and usage is key in building relevancy. Show customers you're listening and give them what they want.

6. Marketers will reexamine in-the-moment marketing to learn how best to use all customer touch-points, including mobile. Businesses will spend \$1.8 billion on location-based advertising in 2015 as part of mobile marketing budgets. But, if Congress regulates net neu-

trality and cell phone marketing, marketers must know how to best use moment marketing, including mobile. The best loyalty initiatives will be relevant in messaging and communication.

7. Goal of customer loyalty initiatives will be to engage customers. Although spend and number of transactions are important, customer engagement is the holy grail for loyalty initiatives. With engagement comes loyalty, advocacy, trust, passion—the soft side of customer relationships that impacts profits.

8. Cause-related marketing and social responsibility programs aligned with strategic goals will drive loyalty—especially with Millennials. While interest in cause-related marketing has grown, social and environmental causes have greater influence on the purchase decisions of millennials. If you are looking for 18- to 34-year-olds' receptiveness to branding,

start with social and green issues.

9. Firms will invest more in loyalty initiatives because of their proven ability to drive business growth.

10. The future of debit rewards will change. The entire loyalty model will be dynamic. We'll see growth in partnership programs and a focus on creating coalitions and a currency that works.

11. Marketers will integrate social gaming into loyalty initiatives. Now 200 million people play games on Facebook each month, and 24 games have more than 10 million users per month. Incentive-based marketing can't drive the consumer participation that gaming can—and participation builds lasting relationships, engagement, brand affinity, and brand loyalty. **SSE**

Mark Johnson is CEO of Loyalty 360, The Loyalty Marketer's Association. Visit www.loyalty360.org.

ACTION: Attune your loyalty marketing to trends.

MANAGEMENT/TRAITS

The Five Ps

Lead your team.



by Scott Allen

WHEN I READ *THE ROAD Less Traveled* by M.

Scott Peck, I liked the opening line: *Life is difficult*. As my passion and energy for leadership grows, I've adapted his words: *Leadership is difficult*, whatever your position or role.

Leadership is about **five Ps**:

- **Personal attributes:** your knowledge, skills, and abilities can make or break your ability to lead others. You bring natural ability in some areas, but this does not mean you can influence, inspire, and energize other people. By knowing what knowledge, skills, and abilities you need in a situation (and applying them), you can better manage people.

- **Position:** your role. Often the leader is in a position of authority over others. His or her title may be CEO, president, service director, or sales manager. However, you need not have a formal title, role, or position to lead. If leadership is a process of influence, your position need not be a formal one. You can step into and out of formal and informal roles. People in positions of authority or leadership roles may be doing everything but leading others, while those without titles (Gandhi, Mother Theresa) may be exercising authentic leadership.

- **Purpose:** your cause. You need to be



clearly aligned around a cause or purpose. It may be money-related, mission-driven, politically-motivated, or community-service oriented. Without purpose, you can't effectively motivate others to work hard, innovate, take risks, sacrifice, and assume responsibility. Hopefully, your purpose is positive, and pursuing it will benefit others.

- **Process** is how you take projects and people from A to Z. At times, the process is simple and straight-forward; at other times, it is a complex maze of possibilities. The process may mean the difference between success and failure. The

process will either energize or demotivate people, either model desired behaviors and engage people or disengage them. It may foster a culture of creativity and innovation or stability and conservatism (either can be fine, depending on the context). An intentional awareness of which is needed will lead to success or failure.

- **Product.** What is the end product? Leaders are often judged by the products or results they produce—did they make a positive contribution? Are people better off? It may take years to know the full effect of a leader's actions.

Some leaders only bring one or two of these Ps to the table. The best leaders have an intentional eye on all five Ps. You can't do it all, but you can build a team with complementary talents to ensure each of the five Ps are in place. **SSE**

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ACTION: Cultivate these five Ps in your work.

Selling in a Tough Economy

Distinguish yourself from the competition.



by Don Hutson

ONE DREADED STATEMENT from a sales prospect could make a salesperson turn pale: "Is this your best deal?" "I've interviewed a couple of your competitors, and they are willing to sell for less." "Thanks, but we want to shop around before we make a decision."

How many of us have heard, "Our business has been so good in the past that we haven't needed to do any sales training, but things are different now and we need help!" In today's market of intense competition and constant margin pressure, this scenario replays itself.

When not prepared for the price resistance seen in tough market conditions, a weak salesperson stammers with a poorly thought-out response like, "Well, let me see what I can do."

Is it really about *price*, or is it *value*? Let's consider some solutions.

What is value anyway? The truth is value, like beauty, is quite subjective. It is, indeed, in the eye of the beholder. It is incumbent upon every sales professional to find out exactly what the prospect values. Be sure to lead with your ears and ask the questions that reveal what your prospect actually values. The prospect's definition of value is more important than yours.

In tough markets we need to learn to sell value by differentiating all of our deliverables. The degree to which we are perceived as different from and better than the competition is critical today.

To decision makers, *salespeople often appear to offer just about the same products and services*. Your prospective customers may be busy *commoditizing* your solution; hence, you must be busy *differentiating* it. So, unless you can create a powerful and distinct difference to the customer, you won't stand out from the crowd.

Seven Ways to Differentiate

How can you separate yourself and your offerings from competition? You've just got to be *different—really different*. And it's not always about price! Here are seven ways to differentiate.

- **Product differentiation:** How is your product or offering different from or better than your competitors? If you can't come up with some solidly unique components, you may be in danger of

being perceived as just another commodity. Here's a strategy: Now that you know what your prospects value, you and others can make product enhancements. The collective intellect of the team might create *something unique about your product or service*; then creatively exploit every aspect of the difference and tie it into what the prospective customers told you they wanted. Your goal is to come up with both UCAs (*unique competitive advantages*) and RAs (*relative advantages*).

- **Price differentiation:** Marketing and sales people often think the best way to get business is by under-pricing everybody else. Thin margins have put more companies out of business than any other single factor. If the boss chooses



to go to market as *the low-price provider*, your company better have *every expense category* cut to the bone, including sales commissions, or it will perish! This might be your *worst approach* in trying to build a viable long-term enterprise.

- **Relationship differentiation:** Harness the power of relationships and lock out the competition. If there is a solid relationship between you and your clients based on high trust, *you have an inside track*. This will make you the envy of your competitors; your client may not even give your competitor a chance if the relationship is strong. Build trust with a solid, high-integrity win-win approach by *exceeding their expectations* and *being a valued resource* in every conceivable way. Earning their trust takes time, planning, and perseverance. Be impeccable with your word from the get-go and communicate in ways that keep you and your clients connected.

- **Process differentiation:** Attach great importance to the *processes* that dictate the image of your business model. The *We've never done it that way syndrome* bites you in the backside when you don't give innovative thought to your business practices. Get your best minds

together and brainstorm better, more customer-friendly out-of-the-box ways to do business. *How business is conducted* changes every day due to globalization, e-commerce, the Internet, changing buyer behavior, and new software and technology platforms. *Capitalize on innovation* rather than being a victim of it!

- **Technological differentiation:** This age of modern technology affords many opportunities to advance our ways of operating and communicating. These new modes of communication encompass a wide variety of options, from using podcasts to update customers or address customer-sensitive issues to a blog that provides "voice" and interface to "hear" from your customers that results in your prospects better understanding updates, changes and timely buying opportunities. Cardinal rule: Make it easy for the customer to communicate and buy.

- **Experiential differentiation:** Many people believe we're in an *experience economy*. Can you provide customers with knock-your-socks-off service and experiences that are so memorable that they start telling their friends and colleagues? Customer service miracles are anything you can do to make a customer say *Wow!* How can you make doing business with you an *irresistible experience*? Create not only a brand but a service experience that is terrific!

- **Marketing differentiation:** Think how you go to market. If you can *outsell* competitors, you'll gain market share. *Create distinction in your sales and marketing approaches*. If your sales process is so compelling that your prospects see you and your offering as *irresistible*, you render your competitors irrelevant! Remember, *people will always pay for expertise* and do business with those they know, like, and trust! When trust is high, stress drops, which is why *high-pressure tactics really don't work anymore*.

Revisit price objections and transition prospects from discussing price to discussing the *differentiated deliverables* you offer. When prospects ask if *that is your best price*, you might say, "It's easy to focus on *apparent price* rather than *actual cost*. Please allow me to distinguish between our product offerings and those of our competitors. We've engineered some *unique advantages* for you." Then go into your *differentiated advantages*, building the *value of your solutions* in light of his expressed needs. SSE

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ACTION: Differentiate yourself from competitors.

Apply Trends to Brands

A brand = product + compelling story.



by Meg Asaro

BRANDS ARE BUILT ON CULTURAL DNA; thus, they must evolve with the times and shifting consumer desires. To navigate such turbulent waters, marketers need to steward brands through a *trend process*, recognizing that the *brand essence* resides in quintessential equities—visual, sensorial, experiential, and personality—that create truly emotional bonds with consumers.

For 12 years, we've refined a *Brand Effervescent Trend forecasting Process* that funnels *macro trends* into *brand essence*. Each higher trend feeds the one below in a *10-step brand development process*.

1. Trend signals. Seek visionaries; stay future-focused. Big discoveries can come from the fringe, unfamiliar territory that can even elicit a touch of fear.

2. Benchmark cultural signposts. Trends are *rooted in culture* so look to *key influencers* in architecture, design, media, art, technology, social media, politics, religion, economy, even healthcare. Aim for signals in *at least three disciplines* to indicate a trend. Validate whether this trend has *peaked*. Nothing is worse than discovering a *new trend* is on its way out. Information overload is the greatest challenge in the search for emerging trends. To cut through the clutter, try these resources: *Trendhunter, Trendwatching, Coolhunting; Psfk; Huffington Post, Daily Beast; Ad Age; New York Times, USA Today; Guardian, BBC; The Dieline; Designer; Daily Candy, Goop; Industry blogs, magazines; Fffound.com (sensorial trends); ICFE, Milan Furniture Fair, Future Trends; Twitter, Google Alerts, RSS; and Trend Professionals.*

3. Visual Incarnation. *Visual positioning* ensures that the proper interpretation of a trend storyline is infused into the brand essence. This step collapses the senses into a primal experience, evoking touch, taste, smell, and sounds to enhance the brand experience. For example, the visual vocabulary of the '80s was masculine, boxy, structural and hard-edged. In the late '90s, a feminine biomorphic aesthetic became in vogue and design responded with colored iMacs, Bilbao, the redesign of the VW beetle, for instance. This step requires a *visual sweep of the trend* but aids in creative translation.

4. Name it. Define the trend. This

helps you *own it* and *explain it* to others; i.e., Connectivity, Kidult, Green, S/he, Authenticity, Time Famine.

5. Identify/name consumer groups that embody the trend. Trends need an audience. *Consumer interest either sustains or kills a trend.* This also adds an emotional element that might have eluded you. Demographic groups are too broad, so define their lifestyles and needs; i.e., Dinks, Global Nomads, and Millennial Hippies.

6. Look outside your industry. In London, restaurateurs co-opted the retail pop-up shop concept to refresh the dining experience, thus providing emerging chefs market exposure.

7. Define category trends. This is where most research resides. We recommend using a "birds eye view" to track category trends to remain true to your brand equities.

MANAGEMENT/CULTURE

Change Culture

Be a role model for change.



by Betsy Jordyn

IS YOUR TEAM OR ORGANIZATION at a crossroads—requiring a major change? I find that *leaders must first change themselves* if they want to change the culture of their team or organization. Only one thing will make the difference between the success and failure of a change effort—that is *the quality of the change leader* at the top. In fact, message points that are delivered to an organization that are inconsistent with the actions of the leadership actually do irreparable damage to the project's credibility.

Being a change leader is one of the most important roles you can play. But real change is possible for an organization under one condition—the quality of the change leadership. If you don't have both vision and commitment, don't start it. Not only will you not be successful, you will *inadvertently make worse the issues you face*. You'll be stirring the pot on the normal human fear of the unknown. On the other hand, if you have vision and commitment, you have the ability to change the world.

In my consulting practice, I offer four tips on how managers and leaders can become *bona fide change leaders*.

1. Increase your think time before embarking on a change effort. Look at

8. Don't chase. With everyone vying to be *first on the scene*, there's a *desperation* to trend hunting. By *not chasing others*, you keep your brand *front and center*.

9. Go against the grain. Being a game changer is scary business. U by Kotex positioned the brand as a fashion accessory and changed the feminine care conversation. Market share ballooned from 5 percent to 8 percent in six months.

10. Apply the trend to your brand's living space. You must know *your brand's essence* and *visual positioning* in the consumers' mind, or risk *translating trends* rather than *adapting them in a compelling manner*.

This process can help you apply the right trend to a brand's living space. **SSE**

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ACTION: Apply relevant trends to your brands.

more stuff and think about it harder. Find out how your team or organization really does need to change and contemplate the better future. If you can't see it, feel it, imagine you and your team living there, go back to the drawing board.

2. Find other people who care about what you care about. A good change leader doesn't go it alone but finds a coalition of like-minded people who share the same vision and the same commitment. You need to cultivate internal champions who can shape the thinking of the project in basic ways and influence other executives to get on board.

3. Develop authentic, repeatable message points that engage the hearts, not just the minds of employees. I was the consultant on a change project that merged two lines of business into one and eliminated the senior leadership of one business line. I had to work hard to help the leaders understand that *simply telling employees over and over again about productivity goals wasn't going to get them on board*—they needed to develop authentic, repeatable message points that engaged the hearts, not just the minds of their people.

4. Stick with the change even when it gets hard. The issue isn't *if* your change effort will get hard but *when*. Change is hard. You have to paint a picture of a better future and you have to have the tenacity to stay with it. **SSE**

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ACTION: Become a bona fide change leader.

Do You Trust Your Customers?

Their insights will guide you in these tough times.



by Ernan Roman

IN RECENT MONTHS, THE ECONOMIC landscape turned scary. As a result, consumers expect more for every dollar spent. And, they are empowered by online and social media information. So, make sure your marketing strategies and messaging are in-sync with customer-driven insights defining their expectations for relationships versus transactions.

Consumers now control the agenda. They are firmly in control of the marketing equation. Yet many marketers act as if they still drive the market, and waste budgets on traditional *Spray and Pray* blasts of mail, email, and phone calls. These don't work. Traditional measures of success—a 1 or 2 percent response rate—reflects great waste. *In what other part of a company is a 99 percent waste rate tolerated, let alone considered success?* Marketing must engage customers on their terms and per their voice of customer (VOC) expectations. The new marketing seeks to understand the needs of customers, as individuals, and deliver on those expectations—by gaining an in-depth understanding of what customers and prospects expect from your company, brand, and service in this new economy and world of social and online media.

By doing right by the customer, using VOC strategies, you can achieve double-digit increases in response and revenue.

Five Steps to Help You Succeed

I share *five steps* to help you re-think how you market your products and services:

Step 1: How to use VOC research to drive relationship strategies. VOC research provides objective, in-depth wisdom of the customer to understand your customer's preferences and expectations and drive relationship strategies and action plans.

Think about using the VOC to: understand the value customers expect from your company during their cycle of experience with you; identify gaps between the customer's brand expectations and their actual experience; maintain relevance across your multiple channels and points of contact; determine the effectiveness of your media mix; identify how you can better personalize the customer experience—whether online, in person, or over the phone.

Step 2: Create VOC-driven opt-in relationship strategies. Opt-in engagement invites customers and prospects to opt-in and self-profile their preferences, thus creating uniquely accurate opt-in databases. Opt-in is about engaging customers to take an active role in defining the relationship per their needs. This enables you to see how you can be relevant to them individually: right message, right offer, sent to the right people, at the right time, and via the media mix of their choice. This information will then form your uniquely powerful and accurate opt-in preference database. Ensure the value of opting in to a relationship with you is obvious and differentiated. Personalize the experience according to the self-profiling information of the customer. Remind the user how you are customizing his or her experience. Don't promise value in the opt-in process you can't deliver.

Step 3: Create a VOC-driven multichannel mix. Preference-driven multichannel marketing is the VOC-driven process for deploying the social and traditional multichannel media mix, per individual media preferences. Gathering opt-in media preferences is vital, as people tend to opt-out of receiving unwanted emails and calls.

Implement these *five multi-channel requirements*: 1) optimal deployment of media should be driven by VOC learning to ensure relevance and effectiveness. 2) Key elements of the multi-channel mix must be deployed per the opt-in preferences of customers and prospects. 3) The multi-channel mix must provide customers/prospects with choices so they can communicate with the marketer via the media mix of their choice. 4) The channel mix must perform according to the timing and frequency determined by opt-in preferences. 5) The channel mix must offer an integrated experience. All elements must support each other, and send coordinated messages.

Step 4: Create a VOC-driven social media experience. Create and support conversations with engaged members, not just sell prospects your products. Build loyalty through engagement. People who participate in an effective online community return to a site 9

times as often and 5 times as long. Forget about the hard sell. Focus instead on connection and conversation.

Use VOC research to learn how customers and prospects define a deeper, ongoing relationship with your company and how that should be experienced via social media. Find out where they discuss your company. Listen, learn, and participate in the dialogue. Personalize your message, and keep it authentic. Make it easy for people to leave their mark. Weed out the impersonal, transactional, or generic customer experiences so they don't make it hard for people to connect with you, express preferences, and enjoy the promised brand experience. Tell a story. Personalize: provide information and resources that are relevant to their lives. Synchronize PR and social media. Send the same core message through all channels. Demonstrate transparency, accountability, and mission commitment to your critical stake-

holders—and everyone else.

Step 5: Invest in an excellent customer service experience. The way customers feel they have been treated is the test of whether you've committed to the VOC. Don't think of Customer Service as an expense item or the responsibility of operations. Service is critical to customer retention and should be seen as a

marketing responsibility and revenue contributor. Be responsive when customers have a service need! Quality service is vital to marketing success.

Create end-to-end customer scorecard metrics that tie call centers, Internet, mobile, distribution centers, quality assurance, and merchandising together with the accountability for improving product ratings and reviews, product satisfaction and quality. Prove that excellent service correlates to repeat business. The goal is not to close a sale but to win an ongoing relationship with the customer.

Here are *three major takeaways*: 1. Customers are at the center of your universe. Earn the right to remain in their orbit of relevance. 2. You can't know how customers define relevance and value until and unless you ask them! If assumptions about what you think you know about customers were sufficient, you'd already be achieving double-digit response rates.

Learn, trust, and follow the five-step VOC-driven process. Trust your customer to show you the way. **SSE**

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ACTION: Take these five steps in your marketing.

Raised Engagement

Five secrets for real managers.



by Dick Axelrod

IF EMPLOYEE ENGAGEMENT IS not a *plug-and-play* activity, what is it? I puzzled this query with Harvey Horenstein, professor emeritus, Columbia University. Harvey, a gourmet chef, proclaimed, "It's baking bread!"

Baking bread is transformative. The ingredients start out *looking one way* and come out *looking totally different*. When you transform an organization, it goes from *looking and feeling one way to looking and feeling entirely different*—you transform it from *disconnected ingredients to something wonderful*. You can't just throw in a bunch of ingredients and expect an *engaged organization* to emerge. There is *science and art* to baking bread—and creating engagement.

Here are *five secrets* for building an engaged organization.

1. Find a good recipe and follow it. Choose the recipe that fits your taste, the taste of those who will eat your bread, and your own skills as a baker. If you try baking bread by mixing eggs, flour, yeast, sugar, water, and salt all at once, you get mush. You must *combine the ingredients in the prescribed order*. If you leave ingredients out, you change the outcome. If you change the order in which you combine the ingredients, you change the taste and texture.

Find the recipe that fits what you are trying to do. My favorite engagement recipe involves *widening the circle of involvement, connecting people to each other, creating communities for action, and promoting fairness*. It includes engaging in care conversations, where people talk about *what is important to them at work and why*. All the while, honesty, transparency, and trust must be practiced.

2. Tweak the recipe. The recipe is *insufficient* to create *great bread*. What's missing is *judgment*. It's where *art* comes in. The dough must have a *particular look and feel* to it. If it's too sticky, add flour. If not sticky enough, add liquid. If not sweet enough, add sugar.

To create an engaged team, sometimes you need to widen involvement; other times, shrink it. Some situations build more connection; others, less. You may need a strong community, or loose community. *Fairness is the secret sauce*. You can't have too much of it.

3. Don't rush the process. Rising

takes time. You need to set the dough aside for an hour or until it doubles in bulk. Room temperature, light, and water temperature all factor in.

Likewise, *context impacts an engagement approach*. What's *the temperature* of your team? What has preceded your attempts? Do people have a bad taste from *flavor of the month* change efforts. You can't rush the process. Sometimes you just have to wait for your dough to rise before taking the next step.

4. Build in time for reflection. At one point, Harvey said, "Rising is like inhaling and exhaling; it is a time for reflection." Bread baking has a built-in reflective process: rising, punching down, rising, and shaping the dough.

Building *engagement* requires *reflection*—observing what is going on: take a deep breath, slow down, and *think before you act*. Observe if engagement is

rising or falling, and *make necessary adjustments*. You might *talk with others* about what to do next—or simply *take a walk*.

5. Pay attention. Check to see how things are going. To know if the bread is done, the baker *puts a straw in the dough*. If it comes out clean, the bread is ready. If it comes out with dough on it, the bread requires more time. *At its golden brown moment, the baker removes the bread*.

In creating an engaged team, avoid overcooking or undercooking. Periodically check your progress, deciding if your dough needs more time or a higher temperature before taking it out.

Use these five secrets to build an engaged team or organization. **SSE**

Richard Axelrod is a speaker, consultant, and author of Terms Engagement: New Ways of Leading and Changing Organizations. Call 847-251-7361, email Dick@axelrodgroup.com, visit www.axelrodgroup.com.

ACTION: Engage your team members.

MARKETING/ATTRACTION

Be Noticed Today

Get people to walk in your door.



by Denise Baril

NEVER BEFORE HAS THERE been such a *dramatic shift* in how people do business. People are busier, and harder to reach. People are irritated by the non-stop, in your face marketing strategies that waste their most valuable commodity—time.

Marketing today is known as a form of interruption. If you're going to *interrupt people* through marketing, it better be good. How do you *speak to your audience* to get noticed in a good way? Are you using tools that serve *your clients' needs*? What value do you offer your clients? If you are not getting the traffic you want, try a new approach.

Think their needs, not yours! When I grew up (baby boomer), I was targeted with *traditional marketing mediums*, such as TV and newspaper ads. The message was generic to reach a mass audience. Today, if you use traditional mediums, with a generic pitch, the chances of getting noticed are slim.

To be heard, shift your mindset from mass market reach to segmented client markets. *Knowledge is power*. Identify *who your clients are and how you speak to them*. If you haven't asked your target market *what they need and want*, invest in client research to target your clients. It will save you *time and money*.



Be different! What makes your business unique? Does *everyone* know what sets you apart? Take time to *brand your message* and *share it with everyone*. The more people *know*, the more you'll *grow*. Get people to talk about your business: *word of mouth marketing matters*.

Stay in touch! Do you send *meaningful information* to clients regularly? Does it *communicate your unique voice* or is it a *generic automated system of communication*? Stay in touch, and ensure your message speaks to who you are and your unique qualities. Your goal

should be to make people fall in love with your business and want to become part of your business family.

Recipe for success! When I bake cookies, I *follow a recipe* so I can duplicate my *sweet success*. Do you have a recipe for duplicating results? Make it easy for people to be your customer, stay your customer, and refer others to you.

Be consistent! Marketing is more about the message you send than the money you spend. Align your marketing messaging inside and out to generate consistent results. *The more consistent you are with internal and external messaging, the better outcomes you'll have*.

Break down marketing plans into three-month segments and do quarterly reviews. You can tweak your goals more often, and get you back on track if you fall off the rails. *Quarterly reviews* enable you to *stay on top of it all*. **SSE**

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ACTION: Get noticed, and then stay in touch.

Future Growth

Determine your opportunities.



by Ray Traylor

TWO PRIMARY STRATEGIES get results in growing business. Both have been played out for centuries and work in any culture, technology, time or language.

1. Satisfy a long-term need of a large population. Provide goods, services, expertise or an experience that will appeal to a vast portion of the population for a long time. I was introduced to this principle many times, but it never gelled until years ago when I visited Disney World and viewed a biographical film of Walt Disney's life. The interviewer asked Disney how he'd raised money to fund such an expensive theme park. In showmanship fashion, Disney took the interviewer outside and gestured, "This is the empire that the mouse built!" With that simple statement, Disney alluded to the fact that the consistent revenue stream delivered by Mickey Mouse movies, TV cartoons and all the products associated with Mickey, provide the funds to capitalize the core of Disney's business plans. Once that simple principle became clear to me, I began to draw parallels to many other huge business successes I already knew. Here are some other examples:

- **Henry Ford—Cars.** At a time when everyone had a horse and buggy, Henry Ford realized that, in the future, everyone would want a car, so he went to work producing them.

- **Cyrus McCormick—Farm Equipment.** In his day, harvesting grain was a slow and arduous process. Cyrus McCormick knew that making that job faster would be very appealing.

- **Andrew Carnegie—Steel Industry.** Andrew Carnegie realized that America was quickly becoming an industrialized nation. He bet heavily that steel would become a primary building component, and it did.

- **Ray Krock—McDonalds.** Ray Krock saw Americans in a hurry and developed a way for them to get their food quickly and affordably.

- **Fred Smith—Federal Express.** Fred Smith anticipated that Americans' obsession with speed and reliability would pay off big for the first company to develop an overnight delivery

service. He was certainly right.

- **Jeff Bezos—Amazon.com.** Jeff Bezos, the founder of Amazon.com, realized that the world-wide-web was here to stay. Amazon.com developed an electronic ordering and delivery system for people who wanted convenience, reliability and affordability.

Shifting paradigms are usually a huge business opportunity. Great opportunities occur when change becomes widespread. Before 1950, most real estate was sold from individual to individual or through local independent realty companies. By the mid-60s, real estate brokers had organized and the shifting paradigm of real estate professionals dominating the market emerged. By 1971, the real estate industry again made a conceptual change and began to duplicate its effort through the first big franchise arrangement by Century 21. Today there are thousands of real estate franchise affiliates. Over four decades, the real estate franchise marketing model became a mature industry.

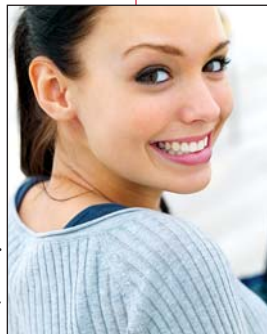
2. Maximize your expertise and changes in technology. In the mid-80s, real estate values collapsed—caused by deregulation of the Savings and Loan industry. With the S&L fiasco, came the formation of a government agency called *Resolution Trust Corporation*. The RTC became the disposal unit for the foreclosed homes of the S&L era. The crushing volume of foreclosures and bankruptcies brought an *incredible financial opportunity* for investors poised with capital and know-how. Although this opportunity was short lived it provided a launching pad for many savvy business people to capitalize their own *Money Making Mouse*.

In today's troubled financial times, opportunities abound for business people who have acquired knowledge and wisdom to maximize their opportunities. Both of these strategies are born out of a basic knowledge and experience of whatever skills you have. The real estate market is merely one example of this concept.

Look for opportunities in your field of expertise and changes in technology.

Opportunities are all around. CDs, DVDs and iPods are examples of past short-term opportunities. Although these technologies are all still viable, technology will soon change the way we store and deliver music, video, and other information.

There are always lucrative business opportunities related to financial and environmental distress. Environmental distress like the back-to-back hurricanes, Katrina and Rita, which hit the Gulf coast in 2005, spelled huge business opportunities for many industries poised to move quickly. Insurance companies spent over \$60 billion simply in insurance claims to property damage. This disaster provided business opportunities for various industries, including construction, trash removal, engineering, food-service, lodging, temporary housing including mobile homes and FEMA trailers, as well as utility repairs and construction. If you're in an industry



that could profit from environmental distresses, having a plan for mobilizing your business to service the next big natural disaster should be a high priority.

A Rising Tide

All boats docked during a low tide will automatically rise when the tide comes in. *You can't fight against the*

tide. Its force can't be ignored. If you land your boat on the beach at high tide, at low tide *you're not going anywhere* because you are stuck. Likewise, *you must understand the business tides* to take full advantage of opportunities.

Your horizons for opportunities are expanded when you understand *four inevitable demographic mega-trends*:

- Medical-related products and services tied to the *aging baby-boomer population*
- Marketing products and services to the growing ethnic populations
- Internet-related business and marketing opportunities
- Businesses related to the *growing burden of compliance* with government regulation.

Understand the economic times, know your company's skill sets and formulate a long-term strategy with an enduring nature. In addition, identify short-term opportunities that can fund your long-term strategies and take advantage of mega trends that will give you success in the marketplace. **SSE**

Ray Traylor CPA, is a Business Strategist who helps clients strategically grow their businesses. He is a speaker, writer and consultant on this subject and may be reached at ray@raytraylorcpa.com.

ACTION: Grow your business this year.

Sales Coaching

Follow this simple guide.



by Nick Miller

MOST EMPLOYEES FEEL THEY are not coached enough, that they are not clear enough about expectations, and get too little feedback. Managers are often told to dedicate more time to coaching. Yet neither managers nor their direct reports can reliably tell you when coaching is occurring and whether anyone has been coached.

Why? There is no shared definition. We need a new definition of sales coaching.

Define the coaching context. Coaching is a process, not an event, not a single discussion. The coaching process serves a purpose—you coach to reach a goal. Answer three questions: *Why am I coaching*—what's the goal? *What are the circumstances*—how much damage is done if we don't achieve the goal? *Who am I coaching*—what do they need from me to fulfill the purpose? Your answers help you set priorities in terms of your commitment of time to coaching, the frequency and extent of coaching conversations, and your coaching focus.

Specify your system. Successful sales coaches have systems that work; they teach people the system to reach goals. The primary responsibility of sales managers is to define (or have others define) the success path or system that enables their reps to succeed. The system enables ordinary people to produce extraordinary results, repeatedly. The system defines performance in detail: the correct activities, done at the correct time, at correct frequency, in the correct manner. People who are serious about reaching a goal flock to good coaches because they have systems to get the job done; and if they use the system, they'll succeed.

Have a pilot's manual that describes how your company and team do business and documents your business development and sales management process in detail—the correct activities, correct timing, proper frequency, and specific methods. For example: When do you meet with your sales reps for coaching? What topics do you cover? What does an acceptable proposal look like, and how many should be sent each month? If you can't define the optimal performance system for your sales team, you're not well positioned to coach.

When developing and implementing systems, coaches work on three levels:

- **Strategic—the game plan.** In sales, this includes: creating a team mission, profiling target customers, choosing products or services to emphasize, and deploying sales resources to customers.

- **Statistical—relationships between activities and results.** This means connecting data about sales process (steps, activities) to sales results so you can prioritize activities and predict results.

- **Behavioral—what people do and how.** This includes sales call behaviors, internal and external communications, and personal management.

Senior sales executives should pay more attention to the strategic and statistical aspects of the system and implementation of sales team strategies.

When sales managers meet with their team managers and members, they

should observe performance at the strategic, statistical, behavioral levels. Note gaps between *what you see* and *what your system says you should see*. Communicate observations. Where necessary, instruct them *what to do, when to do, or how to do it*.

As a coach, you need to connect with your team members to communicate. Enroll them in your vision of what's possible. Remember: *They want to know you can help them succeed*. If you can show that your system works, you'll attract people who want to work for you—and the people who work for you will adapt their styles to yours because *they know they'll reach their goals if they follow your coaching*. SSE

Nick Miller is president of Clarity Advantage, a firm that helps banks generate more profitable relationships faster. Email nickmiller@clarityadvantage.com.

ACTION: Become an effective sales coach.

MANAGEMENT/CULTURE

Recession Hangover

Residual negativity costs you.



by Jon Gordon

THE WORST OF THE RECESSION may be over, but the effects still linger. Call it a *Recession Hangover*. The recession has left its mark on your people and culture—and all that negativity could be costing you and your company big bucks.

Many people are feeling *overworked and under-appreciated*. And despite the hopeful talk of recovery, they remain anxious, distrustful, and disengaged. So, this year, seek to rebuild engaged relationships, revitalize your culture, and reclaim up to one-third of your payroll!

For years, managers focused on the numbers, and the numbers were good. Morale was up; everyone was happy. When the recession hit, the numbers went down—and morale, engagement, and performance—and it impacts cash flow.

The new focus should be on culture, purpose, morale, and loyalty—engaged relationships that are interactive, collaborative, and meaningful. To effectively lead, coach, or work with someone, you must know them and bond with them. *You can't afford to be so busy that you fail to create these bonds*. To build engaged relationships, note three insights:

- **Busyness and stress sabotage your efforts to build engaged relationships.** With projects to complete, to-do lists to accomplish, goals to hit, and outcomes to achieve, you may feel that you are

on a runaway bus. And instead of taking time to get people on your bus, you run them over. *You become so focused on creating success that you don't develop the relationships that lead to success*. In survival mode, you stop thinking about serving other people, mentoring them, and helping them thrive. Just when you need to be the *most engaging*, you become the *least engaging*. What your people need most, you deliver least.

- **Negativity fills voids in communication.** In uncertain times, people wonder *what will happen next, will my job will be impacted, and what action to take*. Uncertainty creates a void. Unless you fill the void with *clear and positive communication*, people assume the worst. Fear and negativity dominate their thoughts, behaviors, and actions. So, communicate with transparency, authenticity, and clarity. *When communicating bad news, tell the truth, give them a plan, and help them believe, we can turn this around*.

Optimism is a competitive advantage—convey it in all you say and do.

- **Employees need nourishment to thrive.** Every employee wonders: *Do you care about me; can I trust you?* If your answer is *yes*, your people will likely stay and work with you. People who feel *cared for, honored, and nourished* are more productive. Your employees deserve your trust and love. *Be someone they can trust; take the actions necessary to earn trust*.

Numbers don't drive people—people and relationships drive numbers. To build a winning team, you need great relationships. SSE

Numbers don't drive people—people and relationships drive numbers. To build a winning team, you need great relationships. SSE

Jon Gordon is a consultant, speaker, and author of *Soup, The Energy Bus, The No Complaining Rule, and Training Camp* (Wiley). Visit www.JonGordon.com.

ACTION: Create a sense of optimism.



Unlock the Game

Achieve sales breakthroughs.



by Ari Galper

HOW CAN YOU GROW YOUR sales in the *new economy* and transform your financial future? How can you fearlessly take on difficult sales prospects and win?

My *unique method for selling* encourages salespeople to adopt an honest approach to selling—a trust-based method for communicating value, triggering personal sales breakthroughs and closing long sought-after deals.

The fears most people feel with regard to selling comes from their old sales belief system. *Unlock the Game* eliminates the need for sales scripts and outdated sales methods completely. It is no longer *what you are selling*, it's about *how you sell* that matters.

Many people are more nervous than I am once I start contacting their most difficult sales prospects. But the secret is to not get nervous and remain centered in the mindset of overcoming rejection and realizing it can be eliminated.

Dispelling Three Myths

If selling is painful to you, it's not your fault—and *there is a better way*. Old tried-and-true cold calling and sales techniques that were *once successful* have lost their effectiveness. I developed a new sales mindset and cold-calling approach that will put you ahead of the game and dispels three old sales myths:

Myth 1: Cold calling is a numbers game. Sales is only a numbers game *when all you know is traditional selling*. Yes, you can call people over and over, chase them until they listen to you so that you just go away. But there's a better way to build trust and get your product or service message across. Simply by changing your sales approach, you'll make fewer calls and more sales.

Myth 2: Use a sales script to cold call. People can tell when you're reading from a script, even if you think they can't. There's nothing personal about it, and people pick that up. *Being artificial* just puts you into the typical *Salesperson category*. If you can learn to get your message across in a different way, you'll eliminate the negative triggers that can lose your sale within seconds.

Myth 3: Focus on closing the sale. Are you *going for the kill* with your clos-

ing sale technique? If so, you could *kill your deal* instead. Old sales techniques do nothing more than pressure the client or prospect, and as a result they naturally want to retreat away from that pressure—and that pressure is you. By learning to avoid the *push and pull dynamic* between you and your prospect, you'll move the sales process forward to get the result you want.

Unlock the Game

Unlock the Game is a *radically honest* sales approach based on integrity and common sense. It's a new *mindset and language* that converts *selling* into a *natural conversation between you and your prospect*. It offers you a new way of thinking about selling, from cold call-



ing—the most dreaded selling experience—to the end of the sales process. You don't have to abandon the selling skills you already know—*Unlock The Game* gives you a *new approach and new tools* to help you let go of old behaviors that bring you negative results. It's incredibly effective and easy to learn.

We wear psychological armor when we go to work. We sometimes feel as if we're preparing for battle—a battle of conflicts with prospects, staff and our own customers. Imagine if you didn't have to wear that armor anymore. Imagine if you could start your day each morning never having to prepare for battle, but instead, be your natural self with everyone around you. That is the best feeling in the world—and it brings incredible fortune into your life.

When we're under attack, the armor protects us. But it also prevents us from developing mutually nourishing relationships. There are people in the world for whom we still need the suit of armor, so it may not be appropriate to completely give up our old skills. However, if our objective is to find those people with whom we can devel-

op mutually nourishing relationships, the first thing we have to do is put down our own suit of armor. And recognize when it's not appropriate because it's getting in the way.

The more we practice letting go of our defensiveness—letting go of the formality to enable us to communicate in the initial stage—there's a point when the formality becomes a barrier and we need to develop a new style of communicating that is potentially more vulnerable, but also potentially more constructive and creative.

We should talk with potential clients the way we would with a friend. Why do we think that we need to be a different person at work than in a different context or with our family? If we have to be different, something isn't working. Just because a person puts on a suit and carries business cards, he's not able to leave at home what makes him human, which is the need to be respectful, the need to be able to trust, and the need to avoid being hurt by what other people do and say.

If you get that, then there's no difference between *the workplace* and *anywhere else*. If you call a prospect, he may have a grand title and be acting out a role, but if you can connect with him as a person, you can create a far closer relationship. And a closer relationship usually means benefit to both sides. And that means financially and commercially, as well as other benefits.

To treat people the way you would treat them socially is good advice. And maybe you need to examine the way you treat people socially—maybe both sides of your life will benefit. *Develop a style that's authentic to you* and doesn't have to change when you socialize.

Unlock The Game is about, "If I stop being defensive, maybe the other person will stop putting up their defenses." They may keep the suit of armor on, but maybe they'll lift up the visor so that we can see each other's eyes.

All of us carry this *armor* to protect ourselves from others who have their own armor. If we can use the *Mindset* to allow other people to lower their guard by lowering ours, then we can create a *deeper connection* with people. Once that happens, we can have clearer, more truthful communication.

If you understand the power of that, you can *immediately apply this thinking* to your business and personal life and the people you interact with daily. **SSE**

Ari Galper, the trust-based sales expert, is creator of the new sales approach and mindset Unlock The Game. Visit www.unlockthegame.com.

ACTION: Unlock the sales game this year.

Price Increase?

Should you boost prices?



by Stuart Morley

IMAGINE BEING ASKED TO BID on major contract worth millions of dollars—when you’ve never done an assignment larger than a few hundred thousand dollars.

This is a situation many companies encounter when they take on their first mega-contract. Growing your company is your goal, but *under-pricing the first mega project* is one big mistake to avoid. As you brainstorm the approach with your team, you realize that this move would be dangerous for your company unless you develop a better understanding of what is involved in undertaking larger projects. You call your buddy Tom, a master pricing strategist. Tom gives you this advice:

1. List the services your company offers now; in a parallel column list the price you charge for each service. You spent some time listing your services and what you charge for them. You also list several add-on services.

2. Create a second column to list the bare-bones price for each service. Go through your *list of services* to calculate the bare-bones service and price you could offer in each case. This exercise is hard; it takes a few iterations to come up with *bare-bones prices* for each service.

3. Create a third column that lists prices that are 10 times the bare-bones price. Large mandates are more expensive to provide. You need to build in ways to cater to greater variability in audiences, needs, and demands that add to your costs to deliver these services. The way to do this is to match the different value needs to different pricing. For example, your first module was listed as \$70 for bare bones; and on Tom’s advice, you listed the deluxe version at \$700.

4. In a fourth column, list the extra value you can provide, so that as people pay more, they get more value. You now look at the \$70 and the \$700 versions of *module one* and challenge your team to think what they could add to the \$70 module to make it worth \$700.

5. Take these new service offerings and wrap them into different ways to make it easy for clients to select. You and your team realize they could offer the services per person, per group, or with different delivery channels

(Webinars, onsite training, etc.).

6. Do not quote a total price. You provide a *schedule of modules* (from basic price to 10 times that price for deluxe versions) for the client to select. This would be profitable for your company, and your client could secure *customized product/service* in a *flexible way*. They’re purchasing modules that could be *customized for their needs* at price points per module that don’t require senior management or board approval. You hope the client gives the go-ahead for the first few modules without delay and pay for each module in advance.

7. Get first-line supervisors to apply the training to performance measures. Present *Recognition Certificates* to managers who apply your service in ways that result in better performance. You hope they *value the recognition* and *align it with their performance measures*.

Ensure that *if a large multi-year contract is suddenly cancelled*, you are not out of pocket or do not have to face years of legal battles to get paid. Find ways to get paid as you go, and provide incentives to get your services accepted and supported at all levels.

Many managers think they have a *pricing problem*—especially when tackling a larger contract. Often *the real problem is surfacing the value the client is looking for*, dividing it into modules or bite-sized chunks, and pricing each chunk so it can be delivered in a range of ways, from bare bones to deluxe. Using these steps can help you jump to the big leagues. **SSE**

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ACTION: Add more value to raise prices.

PERFORMANCE/RESPECT

Respect & Recognition

Six ways to get more this year.



by Meryl Runion

YOU MAY BE THINKING about going back to college for a degree. You may be thinking it’s time to change jobs or strike out on your own. No matter what changes you are contemplating in your life, your biggest obstacle won’t come from within—it will be the naysayers in your life. They stand to *undermine you* and *talk you out of achieving your dreams* before you begin.

Can you do something about this? Absolutely!

This year, be prepared for the wet blankets, gloom and doomers, and buzz killers. Preparation makes the difference. Get armed and ready to get the respect and recognition you deserve. Resolve to develop and grow. Build support for your plans to progress to the next level.

You can *do six things* to gain respect and recognition for your personal and professional makeover action plans.

• Create a clear vision. Picture *what you and your life will be like* once you’ve implemented your resolution. Make your vision detailed and concrete. This will both *fuel your resolve* and prepare you to *paint compelling pictures* for others. Imagine a scene with the new you in it. Describe what you’re seeing and saying, whom you’re talking to—make it concrete. Put the coffee on the stove



and boots by the door in your vision.

• Commit to action. Before you tell anyone what you intend to do, *decide what steps you will take to achieve it*. Then, measure your resolve. How committed are you? If you’re uncertain, the cynics in your life will pick your plan apart. If you question whether you will do what it takes to succeed, adapt your resolutions until every cell in your body says “This year I will . . .”

• Identify your reasons. Make a list of benefits that motivate you to change. This is the “why.” Say, “I will do this because . . .” List at least five reasons that inspire you.

• Anticipate objections. Anticipate the protests, belly-aching and doubts. *Prepare to explain how your changes will benefit your associates*. Fill in the phrase, “I understand you’re concerned that (*concern.*) I (or others) share that concern. I know I will succeed because (*reasons*). Use the word *because* liberally.

• Share your plans with prepared phrases. Have the phrases ready to use, and adapt as needed. If you lose your focus, just say what you mean and mean what you say without being mean when you say it.

• Ask for support. Say, “I’d really like you to help me succeed here. Can I count on you for support?” It’s great to have support, but *the only person you really need to convince is yourself*.

These tips will help you convince both yourself and others. **SSE**

Meryl Runion is author of Speak Strong and Power Phrases. Visit www.speakstrong.com or call 719-684-2633.

ACTION: Do these six things to gain respect.

Building Trust

Start using three keys.



by Marvin Marshall

ANY POSITIVE RELATIONSHIP is based on trust. A culture of trust assumes that both parties will be safe, and it carries with it an implicit message that you have each other's best interests in mind. That is why employees can accept criticism and even anger from a boss they trust. The employees know deep down that the boss really means to help.

Once trust is lost, it is hard to recapture. Many relationships gasped their last breath with the words *I just don't trust you anymore*. Therefore, to have optimum working relationships, all parties must feel a sense of trust.

The question then is, How do you develop trust between people in the workplace? After all, when you have people from various backgrounds coming to work together, they usually don't have a history with each other, and there's no base of trust to begin with and grow upon. That is the reason managers need to be proactive and create an environment of trust apparent to all. Following are ways to do that.

Limit lecturing. To ensure employees make good decisions, managers often begin to lecture. Lecturing and telling people what to do implies that you lack faith in their decision-making abilities. This can result in their becoming defensive. In addition, the employees can *lose faith in their own confidence* to make decisions. If people do not have faith in themselves, then the manager's faith in them decreases even more, and the lecturing begins again.

Even *well-intentioned* lectures convey the subtle, negative message that what the employee has done is wrong or not good enough. This often results in defensiveness and resistance. All people are sensitive about *being told what to do*, and often want to prove themselves in the workplace. Telling robs workers of the satisfaction of their using initiative. So rather than lecture employees, ask reflective questions, such as, *What do you think about . . . ? Have you thought of . . . ? and Would you consider . . . ?*

Listen to learn. Epictetus is credited with the statement: "Man has one tongue but two ears that we may hear from others twice as much as we speak."

Listening to learn and valuing people's feelings and ideas enables managers to effectively communicate with and influence people. *Listen to learn* means *not inserting your opinion and not judging what the person says while he or she is speaking*. For most managers, their first reaction is to evaluate the employee from their own point of view and then approve or disapprove of what the person says. This is listening autobiographically. It shuts down the employee's self-confidence, initiative, and open communication. An easy strategy for replacing this tendency of listening autobiographically is to cultivate the habit of listening to learn.

Listening is a skill that can be improved. It starts by taking the position of a good listener. It's *getting ready to hear what is about to be said*. It is *refraining from the common practice of hearing a few words and then jumping in with a response or finishing the sentence yourself*. When you interrupt a person who is trying to communicate, you prompt a negative emotion. No one enjoys being interrupted when trying to make a point.

Listening in anticipation of what a person will say is another habit to break. Listening in anticipation encourages interruptions. All people want to be acknowledged and don't wish to feel that you know what is about to be said. *Interrupting is an indication that you don't care about hearing the other person's viewpoint as much as your own*.

A manager who *listens well* acknowledges their employees' feelings and opinions. Yes, *zipping the lip* is difficult, but it is the surest way to improve communication and build trust. *No great insight ever enters the mind through an open mouth*. Let people know that *you are willing to listen*, even though it may not result in agreement. A simple *Talk to me about it* is an effective start. Just use the effective sales principle: *Inquiry precedes advocacy*. In other words, listen before you talk. When you feel a temptation to interrupt, redirect that impulse by thinking of the following question: *Will I be more effective if I listen first?*



Work Smarter. You may say, "If I want something done right, I have to do it myself." Yet effective managers know that delegation of tasks is essential for building trust. When you hold onto tasks and don't delegate, you deprive your employees of an opportunity to advance their skills. Accept the fact that growth comes through struggle. Babying people hinders their professional development and implies that you don't have faith in them. Focus on *treating your staff as if they are who, how, and what you would like them to be*. Treating people as if they're responsible and empowered increases their chances of becoming so.

Once the person completes a task, focus on *progress* rather than on *perfection*. If the person's result does not meet your expectations, you can still find something positive to comment on while helping them understand what the initial expectations are. This is far more effective than comments that foster guilt or a sense of failure. *A positive approach prompts an incentive for the task*. *Criticizing provides a disincentive*.

Remember: *no empowerment is more effective than self-empowerment*. Because being positive is so enabling, it is best to displace thoughts and communications that are destructive. Continually ask yourself how what you want to communicate can be put in a positive way. For example, saying, "You are bad tempered," has the same meaning as, "You need to work on controlling your temper." However, the first *labels* the person; the second *enables* the person.

People change more by building on their strengths and aptitudes than by working on their weaknesses. This does not mean that an area of weakness should not be worked on, but it does mean that a manager's emphasis should be on what the employee can do, rather than on what the employee cannot do. The simple belief that *something can be done* is the spark that ignites the brain to act.

Without trust, communication and teamwork will erode. Also, morale will decrease, and turnover rise. However, *by using these three strategies, you can build trust in management, making the workplace filled with innovation, creativity, and ultimately higher profits for all.* **SSE**

Dr. Marvin Marshall is an educator, writer, and lecturer known for his programs on discipline and learning. Visit www.marvinmarshall.com.

ACTION: Use these keys to build trust.

Authentic Interaction

It beats transaction every time.



by Marty Stanley

WHEN YOU TALK TO PEOPLE, are you focused on *transaction* or *interaction*? In a *transactional* encounter, you go through the motions to get the task or the discourse done. Maybe you are texting, talking on the phone, or just dazed and confused, but you're not engaged with the person or process. *Interaction* occurs when two people are engaged in a dialogue or actively participating in the process.

Such *interaction* is noticeably different from a *transaction*. As a consumer, it is refreshing to be engaged in *interaction* and on the receiving end of good service! Businesses who have employees focused on the *interaction* also seem to have owners who hire and train people to focus on the *transaction*.

Effective interaction affects the outcome, as loyal customers tell others.

Ask yourself: What are you talking about? Are your conversations focused on the *transaction* or *interaction*? When you are talking to people, are you clear about the purpose of the conversation? Are your thoughts, words and actions aligned with that purpose and the outcomes that you hope to achieve?

If you focus on the *transaction*, you tend to treat the conversation in a matter-of-fact way. The conversation is like a flowchart—cover all the bases and move on. The message can be interpreted as “I don’t have time for you or what is important to you.” Common after-effects include employee fatigue, increased absenteeism, low morale, low productivity, and poor quality of work. These impact the end user or consumer of your products or services.

There’s much talk about *employee engagement*. But are you walking the walk or is it just another form of *transactional communication* with a fancy label? If you want to utilize *real employee engagement*, examine the quality of conversations you’re having. Are they *transactional*, or are you *really interacting* with them?

Turning the Tide

How can you go from *transaction* to *interaction*? It’s all about the *level of participation* in the conversation. How are you participating? How are you listening? Are you an *active participant* as a listener? Or are you thinking about what to say next, envisioning the other

person as a *Loser*, or saying to yourself, “How many times have we heard this before?” “Here she goes again . . .”

Conversations require participation. When you speak to colleagues, employees, customers or suppliers, you are conveying multiple messages: 1) *content* of the message: is it clear and consistent with the policies and practices? 2) *delivery* of the message: is it consistent with the core values, such as *respect, integrity* or *good communication*; and 3) *quality* of interaction: are you listening? Is it participative? If you are looking for *higher employee engagement* or *increased customer retention*, an easy, cost-effective place to start is to examine your conversations. Are you talking about things that are relevant and important to the other person? Are your interactions focused on

MANAGEMENT/FAILURE

Business Failure

It happens in seven ways.



by George Hedley

THE NEW REALITY IS TOO much competition and too little profit. Avoid these seven sure-fire ways to fail:

1. **Stay busy (no written plan).** Trying to *stay busy* or *keep your crews working* is not a plan for success. Neither is jumping from one strategy to another. Moving forward without a written plan is like building a house without blueprints. What’s your plan to make a profit over the next three years? No plans? You might as well burn your cash to keep warm.

2. **Compete on price (nothing differentiates us).** When you try *do anything and everything for every available customer*, you spread yourself too thin and can’t make any money. You are in the Yes business, “Yes, we can do that!” Would you go to any doctor for heart surgery? *When you claim to be good at everything, you’ll never get the good projects unless you are the lowest bidder by a large margin.* Customers pay more for expertise or specialists. What are you known for? Why should customers pay more for your product or service?

3. **Hire cheap (we can’t find any good people).** It is tempting to hire cheap people. But when you hire less experienced, less qualified, low-paid employees, you are kidding yourself. *Cheap people make more mistakes and require more supervision.* This takes you away from making



the person, their work, or their purchase?

Authentic interaction is *heartfelt*; it comes from a place of *caring* and *wanting to be of service* or *making a difference*. It’s about *leaving the other person feeling glad they had the interaction*. Even difficult conversations can be authentic, caring and leave a person feeling respected.

Are you approaching your conversations as *transactions* or *authentic interactions*? Do you *care enough* about yourself, your organization, and others to have *authentic interactions*? If not, you may miss out on *opportunities to make a difference*. It’s a choice—and you can choose with your next conversation. **SSE**

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ACTION: Have more authentic interactions.

your business profitable. When you spend all your time helping junior people learn, you’re not spending your time where the money is made: with customers, looking for opportunities, inspiring and motivating your crews, and on the bottom-line. Better people require *little or no supervision* and enable you to make more money!

4. **Do it yourself (no systems—it is all in my head).** It’s easier to *do everything myself* than *teach employees how to do it for you*. But this style requires you to be *everywhere* to ensure everything gets done perfectly. This also holds your company and people back. *Replace yourself with checklists and systems* to

improve productivity—focus on your top priorities.

5. **Let someone else manage your money (too busy to mind the store).** You need to know the numbers and set financial targets. When you focus on getting work done, *you don’t make a profit*. Focus on *sales revenue, overhead, costs, profits*.

6. **Too big, too fast, with no cash (not enough working capital).** Don’t outgrow your cash reserves. Before you take on more work than you can handle, get the resources to do the work.

7. **Go with the flow (no marketing or sales plans).** Have a *specific, written marketing and sales plan* and *systemic approach to sales* and *methodically contact the markets and customers you want*. Identify your *top customer targets* and *make them a priority*. The choice is yours—*strive to thrive or fail and bail!* **SSE**

George Hedley is a speaker, coach, president of Hardhat Presentations, and author of Get Your Business to Work! Email gh@hardhatpresentations.com, call 800-851-8553 or www.hardhatpresentations.com.

ACTION: Strive to thrive this year.



Bootstrap Leadership

50 WAYS

to break out, take charge, and move up

STEVE ARNESON

Foreword by Dave Ulrich



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