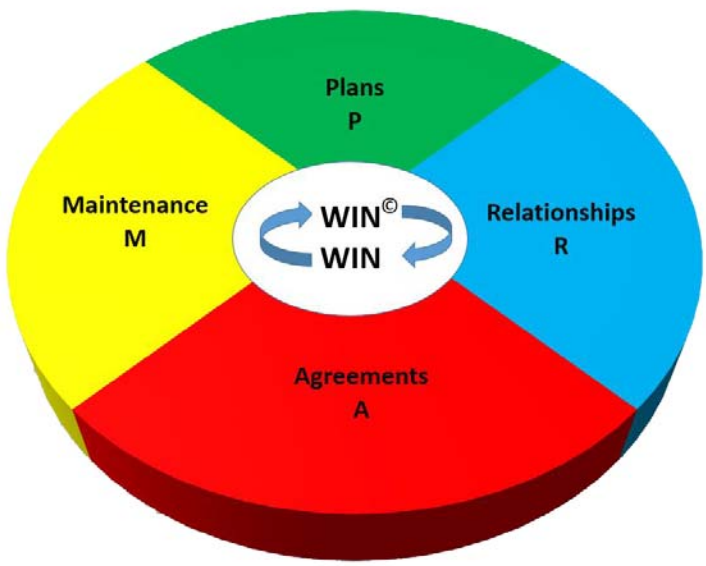
Turning Your Customers into Long-Term Friends



The Secret Sauce that ***Guarantees*** Repeat and Referral Sales

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Introduction

There's only one way to become an outstanding success as a salesperson. It's called repeat and referral sales. It doesn't matter if you're selling cars, real estate, insurance, pharmaceuticals, financial services or farm equipment. If you don't focus your efforts on generating repeat and referral sales, you're going nowhere as a salesperson. Furthermore, there's only one way in which you can get your customers to provide you with continuing repeat and referral sales and that's by turning them into long-term friends.

Let me give you an example: Joe Girard was a car salesperson for Merolis Chevrolet in Detroit. For 12 straight years Joe was listed in *The Guinness Book of World Records* for being the world's best new car salesperson. During his final year of selling cars, Joe sold 1,425 new Chevrolet cars and trucks! That's 1,425 new Chevrolet cars and trucks sold by a single salesperson during one calendar year!

How did Joe do it? The answer is simple. 65% of his sales were to repeat customers and the other 35% were to customers who were referred to him by his repeat customers. So, the year that Joe Girard got into *The Guinness Book of World Records* for selling 1,425 cars, how many cars did he actually sell? The answer is NONE! His customers sold them for him. Why? Because Joe took the time to turn each of his customers into a long-term friend. As Joe put it, “I stand in front of my product as well as behind it.” In other words, before you could buy a car from Joe, you first had to buy Joe. He wouldn’t let you buy a car from him until he turned you into a friend. Then, after you bought a car from Joe and you experienced a problem either with the car or someone at the dealership, Joe went to bat for you and personally saw to it that the problem was resolved to your satisfaction. Joe also made it a point to stay in touch with his customers after they bought a car from him; he didn’t forget about them and he made sure they they knew it.

Yes, Joe truly loved his customers and they loved him back by providing him with enough repeat and referral sales to make it possible for him to sell more than 13,000 cars in 12 years. As Joe said in his book, *How to Sell Anything to Anybody*, “All of my customers these days are people who ask for me by name. All of them.” You too can enjoy the same level of success as Joe Girard once you stop focusing on making sales and start focusing on turning your customers into long-term friends.

Table of Contents

Chapter One
Basic Elements of Securing Repeat and Referral Sales

Selling is All About People

Selling is all about people because that's what customers are. They're human beings who are sensitive, emotional and extremely concerned about feeling good about themselves. As such, they respond very favorably to salespeople who they like and trust and who truly care about them. On the other hand, they don't care to do business with salespeople they don't like or trust who are only out to take advantage of them. If you expect to succeed in sales, you have to be willing to love and embrace your customers as friends. The key to successful selling is to love your customers so much that they feel compelled to love you back. And, just like Joe Girard, one of the ways in which they'll love you back is to provide you with repeat and referral sales.

People Are All Motivated by the Same Thing

It's impossible to turn your customers into long-term friends until you understand what motivates them. Fortunately, everyone is motivated by the same thing—it's something called *self-interest* or "what's in it for me?" Self-interest is part of our human nature. Every single one of us comes into the world already programmed to pursue satisfaction of a set of inborn needs. This is how we're genetically wired—it's part of our DNA. From birth to death, our behavior is completely defined by our pursuing the satisfaction of those needs. In addition, each individual has a unique personal agenda concerning which needs are important at any point in time and the ways in which he or she prefers to satisfy those needs. This unique agenda is a person's self-interest.

When it comes to getting customers excited about providing you with repeat and referral sales, their self-interest is the *only* thing that matters. The reason is that people are in a constant almost desperate search for opportunities to further their own self-interest and when they come across these opportunities, they become very excited. Successful salespeople understand this and they harness this excitement on their behalf. They do this by first determining the self-interest of their customers and then connecting it with their own.

Let me use a cat example to illustrate. Most everyone understands that it's nearly impossible to herd cats. The reason is that cats are stubborn and extremely independent. Picture yourself in a bedroom at the far end of your house with three cats sleeping on the bed and your job is to herd them into the kitchen at the other end of your house. How successful would you be? The answer is: you'd be wasting your time.

Now, picture yourself standing in the kitchen holding a can of cat treats while the same three cats still sleeping in the far bedroom. When you shake the can of cat treats so the cats can hear it, what happens? They immediately come running into the kitchen meowing like crazy and start nuzzling your legs.

Let's examine these two methods of motivation. With the first method (herding), you focused only on your self-interest (getting the cats into the kitchen); there was nothing in it for the cats. You could have put in lots and lots of effort and still not achieved the desired result unless you picked them up and carried them into the kitchen one at a time.

With the second method (shaking the can of cat treats), you focused on the self-interest of the cats. As a result, you succeeded in connecting the self-interest of the cats (their getting a special treat) with your self-interest (getting the cats into the kitchen). Thus, through almost no effort on your part, you were able to get those same stubborn, independent cats to do exactly what you wanted them to do exactly when you wanted them to do it. And what was their attitude when they did exactly what you wanted them to? They were happy, they were excited, they were running and they loved you besides.

When it comes to motivation, customers are a lot like cats. They don't get all that excited about chasing after something that's important to a salesperson, but they get really excited about chasing after something that's important to them.

The Entire Selling Process must be Win-Win

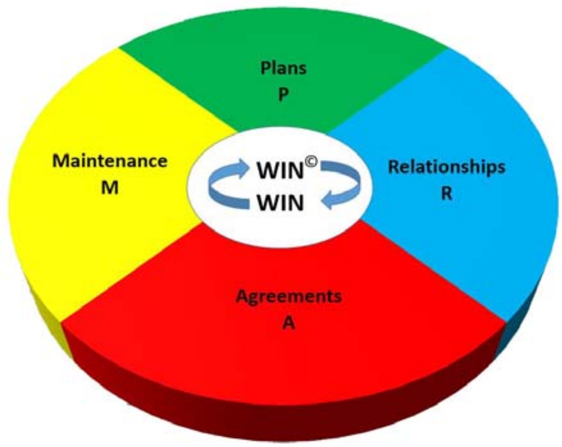
Customers don't provide a salesperson with repeat and referral sales out of the goodness of their heart, they do it because the salesperson met or exceeded their expectations when it came to taking care of their self-interest. Repeat and referral sales are a customer's way of thanking a salesperson for a job well done.

Let me provide you with an example. The management of a Mexican restaurant in my neighborhood called Mi Amigos realizes that children often have a strong influence on where the family is going to dine when it decides to eat out—especially during the week. Its management also understands that what really influences the children's decision (their self-interest) is not so much the food (although the food has to be acceptable), but special treatment that is directed specifically at them. For this reason, management takes some extra steps to make sure that the children remember their dining experience at Mi Amigos in a very positive way. First of all, the wait staff goes out of its way to engage the children in upbeat and fun conversation before, during and after the meal. In addition, when the server brings the check, he or she also brings a delicious foil-wrapped Andes chocolate mint for everyone at the table. This is the highlight of the children's evening so far and they are all smiles. But there's more to come. On the way out, the hostess is holding a large basket filled with Dum Dum Lollipops and each child is allowed to reach in and choose the lollipop he or she wants.

As inexpensive and mundane as these little gestures may seem to you, they are incredibly effective for connecting the self-interest of the children (special treatment) with the self-interest of the restaurant's management (repeat and referral business). Whenever Mom and Dad are too tired to cook dinner and the decision is made to eat out, the first thing out of the children's mouths is, "Let's go to Mi Amigos!" I can assure you these management gestures work on other families besides ours. Whenever you arrive at Mi Amigos after 6:00 PM, you can bet there will be a line, but it's a line most kids don't mind waiting in.

Use a Selling Model that Guarantees Repeat and Referral Sales

If you want to become an outstanding success as a salesperson, then you must use a selling model that guarantees repeat and referral sales. If you use a selling model that doesn't, all the effort in the world will not result in your becoming an outstanding success. The only selling model available that guarantees repeat and referral sales is presented below. It's called the PRAM Model. The reason this model is able to guarantee repeat and referral sales is that as you take your customers through the model's four steps, you *automatically* turn them into long-term friends. This model first appeared in a book titled *The Win-Win Negotiator* which was coauthored by myself and Brian G. Long.



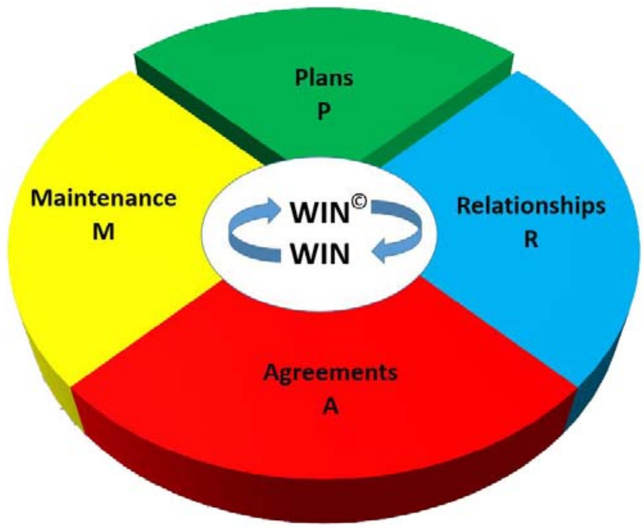
The PRAM Model

As you look at the PRAM Model, the first thing I want you notice is that it's circular. This communicates that successful selling is a continuous, on-going process. The reason is that customers are people and people don't like being treated like light switches—turn them on when you want them to buy something from you and then ignore them until you want them to buy something again. This is not the kind of behavior upon which long-term friendships are based. Treating customers like light switches sends them a very clear message that you are taking them for granted. Once they get this message, forget about any repeat or referral sales; they're already looking for someone else to do business with.

The second thing I want you notice about the PRAM Model is it has Win-Win in the center. Win-Win is all about friends taking care of friends. The minute your customers feel like you’re not looking out for their best interest, repeat or referral sales become a thing of the past.

The third thing I want you notice about the PRAM Model is that it has only four steps. PRAM is an acronym for the model’s four steps: Plans, Relationships, Agreements and Maintenance. Having only four steps means that the process of building long-term friendships with your customers that result in repeat and referral sales is simple, straightforward and easy. Each of these four steps will be discussed in detail in the chapters that follow.

Chapter Two
Win-Win Plans



Repeat and referral sales don't just happen, they result from the execution of a well-constructed plan. This plan must take into account that selling is all about people and that people are motivated by *their* self-interest. In other words, it must be a Win-Win Plan. There are four steps for constructing such a plan which are discussed in the pages that follow. After that, I will show you how to put together several complete Win-Win Plans using real-life case studies.

Determine Your Self-Interest

If you want to achieve outstanding success as a salesperson, then *your* self-interest must include three things. First, you want your customers to buy. There can be no repeat or referral sales unless you secure those initial sales. Second, you want your customers to keep buying again and again. Third, you want your customers to feel so good about their experiences with you that they feel compelled to sell new customers on the idea of doing business with you. The reality is that 25 percent of your success as a salesperson rests with your ability to secure the initial sale. The second 25 percent of your success is directly related to your ability to generate repeat business from those same customers. Most important, however, a full 50 percent of your success is tied to your ability to get your customers to refer new customers to you. One of the reasons there aren't more highly successful salespeople is that most salespeople focus only on securing initial sales and give little or no attention to securing repeat and referral sales.

Identify the People Who Stand Between You and Success or Failure

These are the people who either make or influence the decision to do business with you. As such, these are the people you need to take through all four steps of the PRAM Model, because these are the people who are in a position to generate repeat and referral sales for you. It's important to make sure that you don't overlook any key decision makers, stakeholders, gatekeepers or influencers in putting together your Win-Win Plan. Much of the time, it's pretty obvious who these people are. There are times, however, where it's not so obvious and key influencers or decision-makers can easily be overlooked.

Identify the People—Example One

I've done a fair amount of consulting for a large national accounting firm. On one occasion, I was dealing with a newly formed division that provided accounting services to growing businesses that were managed by the entrepreneurs who founded them. The management of this division was very proud of a study they had recently completed which contained a detailed profile of their target customers (i.e., entrepreneurs). They knew what these entrepreneurs were likely to eat for breakfast, what kind of cars they were likely to drive, the type of spouse they were likely to marry, and so forth. As one of this division's top executives said as he handed me a copy of their marketing plan, “We know our target customers inside out and here’s our plan for going after them.”

I must admit that this marketing plan was a very impressive document. It looked well researched, read logically, and contained some fascinating bells and whistles. For a few moments, I was somewhat dazzled.

I then asked the division manager where most of his new business was currently coming from. He informed me that much of it came as the result of *referrals* from bankers and attorneys. The reason was that an entrepreneur starting a business usually needed the services of a banker and an attorney long before he or she needed the services of a full-service accounting firm. Most entrepreneurs obtain their accounting services from local bookkeeping firms or independent accountants when their business is first starting out. However, as these businesses grow, they eventually reach a point where a local bookkeeping firm or independent accountant can no longer adequately supply the required accounting services. At this point, the entrepreneur realizes he or she needs to utilize the services of a full-blown accounting firm, and asks his or her banker or attorney (people whom he or she has come to trust) to recommend such a firm. “Fortunately,” the manager said, “some of these bankers and attorneys just happened to recommend our firm.” The conversation that followed between the division manager and me went something like this:

I asked, "What percentage of your new business comes to your firm as the result of such referrals?"

“At least 70 percent,” he replied.

“Then why don't I find bankers and attorneys in your marketing plan?” I inquired.

“Oh, they wouldn't be in our marketing plan,” he replied, “because they're not customers.”

I then asked, “Why don't you consider bankers and attorneys as customers?”

“Because they don't spend any money with our firm,” was the division manager's response.

I was somewhat surprised and with a great deal of enthusiasm I asked, “Are you telling me that the people who are currently driving more than 70 percent of your growth in this division don’t belong in your marketing plan?” I went on, “These people may not be customers in the traditional sense, but they definitely stand between you and success or failure. These are the people you need to turn into long-term friends by taking them through all four steps of the PRAM Model, because these are the very people whose continuing referrals are going to determine the success of your division!”

The division manager was shocked at what he had just learned and immediately made the decision to make bankers and attorneys the new focus of his division's marketing plan.

Identify the People—Example Two

I was consulting with a company that had education centers located all over North America where they taught technical courses to high school graduates. This company had a fair number of salespeople whose job it was to sell these technical courses, which sold for about $9,000 each at the time, to people who either had graduated from high school or who were about to graduate. Each year, the top five percent of this company's sales force (those who generated the most dollars) were rewarded with a week-long trip to Maui for them and their spouses. My job was to go to Maui and pump up these "five-percenters" and show them what they needed to do to be a five-percenter the following year.

About a month before the program, I was paid a visit by the vice-president of sales for this company. Several days prior to our meeting, he had watched a video of me making a similar type of presentation to another group. This vice-president kicked off the meeting by saying, "Ross, I watched your presentation and I have some real problems with it." Needless to say, I was stunned as well as crushed by his comment.

He went on, "In your presentation, you say that if salespersons do their job right, over time, 80 percent of their sales should come from repeat and referral sales."

"Absolutely," I said, "but only if they do their job right."

"Well, I beg to differ with you," he said, "because our situation is unique."

"In what way?" I asked.

The vice-president went on to say, "First of all, we have *no* repeat sales. The reason is that once someone takes our course, he or she is certainly not going to take it again. In other words, all our sales are one-time sales and we get very few referrals from our students. So, keep that in mind when you make your presentation." He also told me the major problem he wanted me to address was that very few of the salespeople who made their way into this elite top five percent group succeeded in attaining this achievement from year to year. He speculated that most of these people were so burned out as a result of the effort it took to achieve this lofty goal, that it took them a good part of the next year to recover. Consequently, their performance dropped off dramatically. He said that any tools I could give these people to help alleviate this problem would be greatly appreciated.

After we parted company, I was still somewhat in a state of shock. When he said his salespeople experienced no repeat sales and very little in the way of referrals, he had struck a heavy blow at the core of everything I stood for. I sat in the Phoenix airport for quite a while after he left, trying to figure out where my thinking had gone wrong. Then, all of a sudden, the light went on.

"Aha!" I thought to myself. "If the only people this vice-president considers to be his company's customers are the high school graduates who are qualified to take the technical courses his company offers; he's probably overlooking some key influencers. I'll just bet that his company's real customers are people like high school guidance counselors, principals, and other school officials who are in a position to refer these high school graduates to his salespeople. This is where the repeat and referral business comes from, not from the high school graduates themselves."

At this point, I remember smiling victoriously and thinking, "This guy has no clue on which side his bread is buttered and I can't wait to get to Maui." A month later, when the time for the program finally arrived, I was ready. There were about seventy to eighty people assembled. After some discussion about the PRAM Model and how it works, I finally got to the point in the program where I asked the question: "Who are the people who stand between you salespeople and success or failure?" In other words, I asked them to tell me specifically who their customers were.

Immediately several hands went up and the unanimous answer was, "High school seniors and graduates." I then asked the salespeople to redefine the question from meaning only those people who were qualified to take their courses. I asked them to expand it to also include those people who were in a position to *refer* qualified high school seniors and graduates to them. Then I asked the group, "Now tell me who your customers are."

At first the room fell silent and then the hands slowly started to go up. The first answer was, "High school guidance counselors and other school officials." The next person said that he got a number of referrals from people at the Veteran's Administration office. Another person said that he had gotten to know several people at the Unemployment Office and that this had been a good source of referrals. Someone else related a similar story regarding his experience in dealing with the Salvation Army. And so it went until we had listed more than twenty sources that could refer high school seniors and graduates to these salespeople.

At this point, one of the several people who made this top five percent group every year said that referrals from sources like this were the primary reason for her success. She went on to say, "If I had to sell all the courses by myself, I'd burn out long before I got to Maui. But by building and maintaining close personal relationships with people who are in a position to refer my customers to me, I start out the year with 80 percent of my quota already in the bag." She went on to say, "Once someone comes in with a strong referral from a high school or Veteran's Administration counselor, they're already sold. All I have to do is fill out the paperwork."

The vice president of sales, who had visited me a month earlier in Phoenix, was sitting in the back of the room listening very attentively as this woman made her comments. When she finished, the vice-president looked up at me, smiled, and gave me a very appreciative "thumbs up."

The lesson from the above examples is that when you try to identify those people who stand between you and success or failure, don't just look at the people who spend the money. Rather, take some time trying to find out who actually influences that decision. Often, these influencers are far more important to your success than the actual decision-makers. If you find this to be the case, it's critical to your success that you turn these people into long-term friends so they can actively start sending business your way.

Determine Their Self-Interest

Understanding the self-interest of your customers is extremely important because it's the *only* thing that motivates them. If you don't understand their self-interest, there is no way you can develop a plan to get them excited about providing you with repeat and referral sales. The question I often get asked is, "How do I go about the business of identifying my customers' self-interest?" The answer is by *listening* to them which involves the following sequence of behaviors:

1. Ask questions.

2. Listen to the customer's responses.
3. Summarize in your mind what the customer said.
4. Feed this summary back to the customer
5. Ask follow-up questions and repeat this process until you uncover the customer's self-interest.

If you keep this up long enough (and it won't take that long), the customer will tell you exactly what his or her self-interest is. My experience has shown time and again, that the customer is dying to tell you what's important to him or her. The problem is that most salespeople aren't listening.

Determine Their Self-Interest—Example One

Several years ago, I was involved in a consulting project with a pharmaceutical company that was coming out with a new product. The target customers for this new product were radiology administrators of hospitals. Before this product was launched, the company conducted 21 interviews with radiology administrators in three major cities across the United States. Each interview lasted 45 minutes and was conducted by a professional interviewer in a room where one of the walls consisted of one-way glass. I, along with the market research team, were on the other side of the one-way glass from the interviewer and radiology administrator. We could see them, but they couldn't see us.

The way in which the interviewer conducted each interview was that he asked the radiology administrator questions, listened attentively to the answers and every so often he would feed back to the radiology administrator a summary of what he or she said. He would then ask follow-up questions and go through the same process again.

For example, the interviewer might ask, "How do you go about the business of selecting a certain pharmaceutical product over its competitors?" The interviewer would then listen to what the radiology administrator had to say and, when he thought it was appropriate, he would feed back to the radiology administrator a summary of what he or she said (e.g., "What I hear you saying is that pharmacoeconomic value is a far more important criterion for deciding on what product to purchase than the actual price."). The interviewer would then ask follow-up questions (e.g., "Is this true? Are there any other important criteria for choosing which product to buy?) and then repeat the process.

What was the payoff for all this listening? In all 21 interviews, each radiology administrator told the professional interviewer (a total stranger) exactly what it would take (his or her self-interest) to get his or her business.

This example clearly illustrates that if you can discipline yourself to ask questions, listen and let the customer do most of the talking, it won't take you very long at all to figure out his or her self-interest.

Determine Their Self-Interest—Example Two

Several years ago, I was asked to bid on a very large training contract for a Fortune top 20 company. I *assumed*, as there were lots of excellent consultant/trainers available, that I was in a very competitive situation and therefore, the only thing that mattered to the customer (their self-interest) was my fee. Based on this assumption, I decided to lower my already low fee by 25 percent to make sure I'd have a fighting chance of landing this job. My first order of business was to go to the city where this company's corporate headquarters was located and meet with the five-person corporate staff that had the authority to hire me. They told me up-front that one of the things they wanted to discuss at this meeting was my fee.

When I arrived at the corporate headquarters, I was met in the lobby by one of the members of the corporate staff who informed me that the meeting would start half an hour later than originally scheduled because "the staff needed to get its act together." This individual apologized for inconveniencing me and took me to his office where he told me to make myself at home until the meeting started.

As it turned out, this staff person had an assistant who was very friendly and personable. After we had talked for a while, I felt comfortable enough to ask her some questions about the training program I was bidding on. When I asked if her company had ever conducted such a training program before, she told me they had conducted the same program during the previous year, but it had ended in disaster. She went on to say that the instructors had done such a poor job that the program participants got up and walked out before noon on the first day of the program. She informed me that the corporate staff had been totally embarrassed was really under the gun to find a quality instructor this time, because the same group of attendees who walked out during the previous year would be attending this program. Furthermore, the president of the company was going to attend the program to make sure things were done right this time. She also told me that one of the corporate staff members had attended one of my seminars during the previous year and absolutely loved it. As a result, I was the *only* consultant they were considering for the job!

As you can see, my initial assumptions could not have been more wrong. This staff's main concern (self-interest) was not getting a low fee; it was whether or not my presentation would impress the seminar attendees and the company president enough to restore their credibility. If I could convince them that I would do just that, the job would be mine and my fee would not be an issue (as long as it was within reason). I immediately raised my asking fee by 50 percent and quickly developed a strategy to convince the corporate staff that I was their guy. At the end of the meeting, I was given the job and my fee wasn't even questioned.

Determine Their Self-Interest—Example Three

Sometimes self-interest comes in the form of a big ego. During a recent seminar, I conducted for a major pharmaceutical company, I was confronted with a situation that involved an account manager who was trying to get a famous doctor to speak at a conference he was sponsoring. The problem was that this particular doctor charged \$5,000 for a speech and the account manager only had \$2,500 in the budget. Compounding the situation was that this doctor had a huge ego and his ego (self-interest) was tied to his fee. The account manager's question to me was, "How do I get this doctor to speak for \$2,500?"

I must admit, I didn't have a clue. Fortunately, one of the other account managers in the room had the answer. He said, "I got that same doctor to speak for *free* two years ago and his fee was \$5,000 then and his ego was tied to his fee just like it is now."

Of course, everyone in the room wanted to know how he did it. The account manager went on to say that the first thing he did was to stroke this doctor's ego by saying, "Obviously, you are worth your fee or you couldn't charge it. So, I don't blame you for turning me down." He further appealed to this doctor's ego by informing him that a very famous surgeon whom this doctor had studied under and deeply admired as a mentor was going to be attending this conference. He then informed this doctor that he had jumped the gun a bit by telling the surgeon that this doctor was going to be one of the featured speakers at the conference. When the surgeon heard this, he became very excited and told the account manager that he was really looking forward to hearing this doctor's talk.

When the doctor heard this, he immediately volunteered to speak at the conference for free. Why? Because the account manager had offered him something the doctor's ego (self-interest) was tied to even more strongly than his $5,000 speaking fee—a chance to show off in front of his mentor!

The lesson from the above examples is, once you figure out the actual self-interest of your customers, getting what you want from them is really easy.

Develop a Strategy to Connect the Customer's Self-Interest with Yours

As you develop your strategy, the most important thing to keep in mind is that your customers are motivated by *their* self-interest, not yours. In other words, they're very concerned about getting their problem solved (their self-interest), but they couldn't care less about your self-interest. To be effective, your strategy must take this into account. The way you do this is to make sure that when you meet with your customers either in person or on the phone, you talk to them about what they want *first*. Show them how you are going to solve their problem *before* you talk to them about what you want.

The reason is that getting their problem solved is all your customers care about; it's the only thing on their mind. As long as you talk to them about what they want (their self-interest), they're all ears. The minute you start talking to them about what you want, *before* you've solved their problem, they stop listening.

Once you've convinced your customers that you're going to solve their problem to their satisfaction (this is their win), now is the time you show them what they need to give you in return in order to get that win (this is your win.)

Dale Carnegie puts this very well in ***How to Win Friends and Influence People.*** "Thousands of salespeople are pounding the pavements today; tired, discouraged and underpaid. Why? Because they are always thinking only of what they want (their self-interest). They don't realize that neither you nor I want to buy anything. If we did, we would go out and buy it. But both of us are interested in solving our problems (our self-interest). And if salespeople can show us how their services or merchandise will help us solve our problems (connect our self-interest with theirs), they won't need to sell us. We'll buy."

Develop a Strategy—Example

A senior vice-president of a bank for whom I was doing some consulting came to me one day crying the blues. His concern was that some of his competing banks had decided to aggressively go after some of the wealthy depositors who did business with his branch banks located in and around several wealthy retirement communities. The way in which these competing banks were trying to lure these wealthy customers away was by offering to pay them significantly higher interest rates on their accounts if they would switch banks. The senior vice-president went on to say he that felt the only way he could hang onto these very important customers was to match or beat the higher rates being offered by his competitors. He was reluctant to do this, however, because it would be expensive and it would probably trigger a price war that would eventually result in none of the competitors making any money.

I suggested that if he didn't want to lose these valuable customers, he'd have to give them a reason to stay. I went on to tell him that matching the competition on interest was one way to do this, but it was probably not getting at the real reason (self-interest) these people were leaving. I pointed out that a very important need (self-interest) of elderly wealthy people was to be treated in special ways that singled them out as being wealthy. I further suggested that, given their ages, probably all of these people had more than enough money to last them for the rest of their lives, so a few dollars more was not likely to be a long-term motivator of their behavior.

I suggested that he focus his efforts on giving these wealthy depositors some very special attention and basically ignore the interest rate increases being offered by the competition. What we eventually came up was with a program to organize gala events for these wealthy depositors on a quarterly basis—elegant afternoon tea parties, for example. These parties were announced to the targeted customers using engraved invitations. The tea and hors d'oeuvres were served with fine china and silver. In addition, the president of the bank and a number of the bank's officers were on hand at each of these events to shake hands and mingle with the guests.

These events have been a smashing success. Instead of losing any of these elderly wealthy customers, the bank actually began to attract new customers as the result of referrals from people who had attended these parties. This was truly Win-Win in action: the customers got what they wanted—special treatment that appealed to their self-interest and the senior vice-president got what he wanted, in that he was able to hang onto these customers without having to match the interest rates being offered by the competition. Furthermore, the cost of the parties was insignificant compared to the cost of meeting the competition's higher interest rates.

Putting a Win-Win Plan Together

Now that you understand the four elements of constructing a Win-Win Plan, it's time to put these elements together into a full-blown Win-Win Plan using some actual case studies.

Putting a Win-Win Plan Together—Example One

Let's go back to Joe Girard. When people heard of his selling 1,425 new cars in one year, they all wanted to know, "Joe, how did you do it? What's your secret?"

Joe would always come back with something like, "There are no secrets, you just have to do certain things right. First of all, you've got to know your customers. I sell Chevrolets. Who buys Chevrolets?" In Joe's own words, it was your "average Joe," the person who goes to work every day.

He found that once you get to know your average Joe, you quickly find out that they don't want to pay the cheapest price for a car that they possibly can. Now, they do want to pay a fair price, they don't want to feel they've been taken advantage of. But Joe found that the most important concern to the "average Joe" when it came to buying a car was to buy it from a salesperson they could trust—a friend.

To accomplish this, Joe said, "I stand in front of my product as well as behind it." This meant that before you could buy one car from Joe, you first had to buy Joe. He would not let you out of his office until he turned you into a friend. Then, after you bought a car from Joe and you had a problem with the service department, Joe would fight on your behalf with the mechanics, the dealership and even the factory to make sure you were treated fairly.

As Joe put it, "If you think the sale ends when, as they say in the car business, you see the customer's taillights, you're going to lose more sales than you ever dreamed of. But if you understand how selling can be a continuous process that never ends, then you are going to make it to the big time." Joe's consistent execution of his Win-Win Plan resulted in thousands of customers waiting in line to buy a car from him. This not only put Joe in *the Guinness Book of World Records* for 12 straight years, it also made him a very wealthy man.

Let's take a look at Joe's Win-Win Plan:

1. What was Joe's self-interest? To get his customers to buy from him over and over again and refer new customers to him.
2. Who stood between him and success and failure? His customers.
3. What was the self-interest of his customers? To buy a car from a sales person they could trust?

4. What was Joe's strategy to connect his self-interest with the self-interest of his customers? Instead of concentrating on closing sales, Joe focused on creating and taking advantage of opportunities to convince his customers that they could trust him. As a result, he and his customers became long-term friends and the repeat and referral sales took care of themselves.

Putting a Win-Win Plan Together—Example Two

I have my cars fixed by an establishment called Don's Repair. Although this place was a little out of the way for me, Don's prices were good and when Don fixed something, it stayed fixed. So, I started referring some of my friends to Don. They were also impressed with the quality of Don's service and began referring their friends. As a result, Don's business began to grow rather nicely.

One day, I was driving around town when my car started making a chugging sound and began to lose power. Gently, I nursed my car over to Don's Repair. It was a very busy day and I could see when I arrived that he had a lot of work backed up. However, when Don saw me get out of my car, he immediately dropped what he was doing and came over to see what I needed. I raised the hood and started the car so Don could hear the chugging noise. After listening for about fifteen seconds, Don informed me that I had a disconnected hose and that my carburetor was sucking air. He reached down and reconnected the hose to the carburetor. Sure enough, the chugging noise went away. Don, however, burned his hand slightly on my hot engine during the process. Then he put a clamp on the hose so it wouldn't pull off again in the future.

The whole process took less than ten minutes of Don's time. As he slammed down my hood, I pulled out my checkbook and asked Don what the charge was. Don told me that since I was a regular customer, and it really hadn't taken him very long, there would be no charge. I argued that his time and inconvenience had to be worth something and reminded him that he did put one of his clamps m my hose. At this point Don looked up at me and said, “You don't understand, do you?” Being somewhat puzzled, I said, “Understand what?" Don answered, “You are the cheapest advertising I can buy. I know what you are going to do when you leave here—you're going to tell your friends, and *that* is what makes my business grow!”

Don was right. To this day, I carry around a stack of Don's business cards in my briefcase. And when anyone asks me if I know a good place where they can get their car repaired, the first thing I do is hand them one of Don's business cards. Then I spend a few minutes telling them how great it is to do business with Don. I am one of Don's best salespeople and I don't cost him one cent!

I get the feeling that I'm not the only unpaid salesperson working for Don. During the last three years, Don's business has grown 600 percent and he has never advertised. It's strictly word of mouth on the part of excited and satisfied customers whom Don has turned into long-term friends.

Let’s take a look at Don’s Win-Win Plan:

1. What was Don's self-interest? To get his customers to come back again and again and to refer new customers to him.
2. Who stood between him and success or failure? His customers.
3. What was the self-interest of his customers? Special treatment as a regular customer.
4. What was Don's strategy to connect his self-interest with the self-interest of his customers? He provided friendly, consistent *special* treatment for all his regular customers.

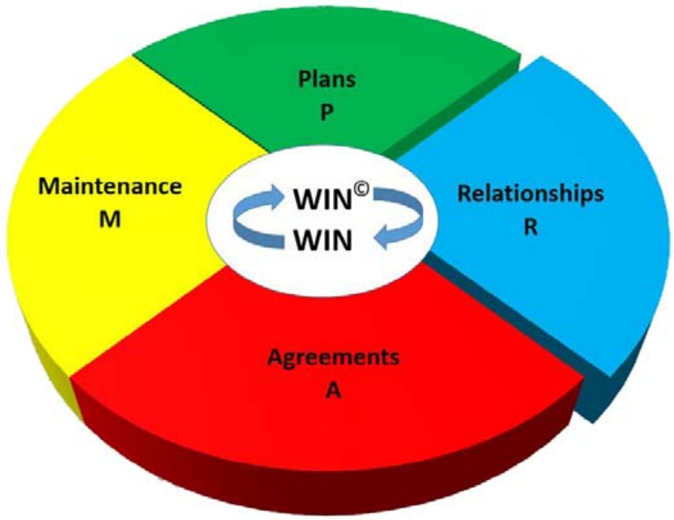
Putting together a Win-Win Plan is the first step in getting your customers to provide with repeat and referral sales. While the process takes a little time and requires some discipline on your part, as you can see from these previous examples, the payoff for doing so is amazing.

Win-Win Plans—Summary

As the previous examples have shown, if you carefully and correctly execute the four steps in the planning process, you are on your way to having your success as a salesperson become a self-fulfilling prophecy. Once again, these four very important steps are:

1. Determine your self-interest.
2. Identify the people who stand between you and success or failure.
3. Determine their self-interest.
4. Develop a strategy to connect the customer's self-interest with yours.

Chapter Three
Win-Win Relationships



Relationships are an extremely important part of the selling process, because as they develop, they naturally lead to trust which forms the basis for long-term friendships. Furthermore, once the trust is in place, your customers are now willing to listen to what you have to say because they know that you're looking out for their best interest rather than trying to take advantage of them. Building relationships with prospective customers does take a little time; it's like the dating that takes place before two people start to talk about getting married. Very few people talk seriously about getting married on their very first date with someone they hardly know. The same thing also holds true when it comes to your dealings with prospective customers. First time calls with prospective customers are known as "cold calls." The problem with cold calls is that there is no relationship which means that trust does not exist between you and the customer. If you push for a sale without trust being in place, you're sending a clear message to the customer that you're more interested in the customer's money than you are in the customer's welfare. Once the customer receives this message, you have very little chance of making a sale.

When making first-time calls, keep in mind that your objective is to eventually turn this new prospect into a friend—long-term source of repeat and referral sales. Thus, on a first-time call, your goal should not be to sell the customer anything, but rather to initiate a long-term relationship. Subsequent visits should be used as opportunities to cultivate the relationship and demonstrate that you are genuinely interested in the customer and his or her welfare. As Joe Gandolfo put it in his book, *How to Make Big Money Selling,* "Every super-successful salesperson that I've ever met comes across as a thoughtful, loving, caring individual who knows inner peace. It's a tough image to fake! . . . You've got to project sincerity and put the customer's interests first. Study successful salespeople. Their customers *always* come first. With this approach, the money automatically comes. But when the money is put first, success is usually a long way down the road."

I came across a study in the *San Francisco Chronicle* that dealt with salespeople making first-time calls on new customers. The study found that it took an average of five to seven sales calls over a six to nine-month period of time before a salesperson got anywhere with a new customer. Why does it take five to seven calls over a six to nine-month period? This is how long it takes on average for trust to develop between a salesperson and a customer. The lesson here when it comes to building new relationships is to relax, enjoy the ride and let the relationship evolve naturally—don't try to force it. The study went on to say that most salespeople quit after two sales calls because they felt that since they didn't make a sale during the first or second call, they were wasting their time. In reality, they were on their way to success, but since they didn't understand the important role relationships play in successful selling, they didn't realize it and moved on.

What made Joe Girard so successful was that he understood this. He made sure he sold himself to a prospective customer *before* he attempted to sell him a car. Joe realized that if a prospective customer bought him as a person, then selling a car was simply a matter of working out the details. Joe Girard didn't get into the *Guinness Book of World Records* for 12 straight years by selling cars; he got there by selling himself!

Let me give you one more example that drives home the important role relationships play in successful selling. A very large percentage of the people who go into the business of selling insurance leave the field within a year. Let's take a look at a typical beginning insurance salesperson: Becca, a college graduate who has just completed her company's training program at its corporate headquarters.

The first person Becca tries to sell an insurance policy is her father—*someone she has an already-established relationship.* Chances are, her father doesn't need any more insurance, but since he wants Becca to get her new career off to a good start, he buys some anyway. After the transaction has been completed and Becca has a check from her father, he looks at her and says, "I'll bet your brother could use some insurance." Of course, her brother, in the interest of maintaining peace in the family, will eventually buy some insurance as well. And finally, everybody like Becca has a few friends who would rather buy some insurance from her than risk losing her as a friend.

Eventually, however, Becca runs out of friends and relatives—people with whom she has already-existing relationships. When this happens, she tries the same techniques on total strangers that appeared to work so well on her family and friends and she begins to experience doors slamming in her face. Regardless of how strong a person's self-image is, there is a finite number of door slams a person like Becca can endure. When this occurs, Becca decides that maybe she isn't cut out to sell insurance after all and changes careers.

It's interesting to contrast the Beccas of this world with those people who go into the business of selling insurance, make a career out of it, get rich at it, and eventually turn the business over to their children. The only thing these people do differently is they *invest*, up front, in relationships and then spend the time and effort to maintain these relationships. After a certain amount of time, they no longer have to sell insurance. The reason: *Their customers, who are also their long-term friends, are selling it for them!*

There are three steps associated with building Win-Win Relationships which are presented in the pages that follow.

Plan Situations That Allow a Relationship to Develop

The way you develop Win-Win Relationships is by spending some time visiting with your customers prior to asking them for anything. This allows you to get to know them and them to get to know you. You can use opportunities like coffee, lunch, informal visits and so on to allow this to happen. Use this time to demonstrate that you are an honest and trustworthy individual. This step is critical, because if people don't trust you, they are not going to buy anything from you which means there is no potential for repeat and referral sales.

Plan Situations—Example One

If you are selling real estate, insurance or financial services in a particular neighborhood, you might consider coaching a Little League baseball team or a soccer team. This will enable you to get to know the parents of the kids you are coaching in a non-business context. If you do this, you'll be surprised at how many people will come up to you and say something like, "I hear you sell real estate. I'm thinking of selling my house and I was wondering if you would list it for me?" You see, they've come to trust you based upon their observations of how you interacted with their child and their casual conversations with you before and after practice.

Fred is a realtor in Phoenix who last year earned $450,000 in commissions. For the last decade, Fred has coached nearly every one of his children's recreational athletic teams, been very active in the PTA where his children have gone to school and been active in the neighborhood homeowner's association. Fred is always quick to tell you that the overwhelming majority of his business comes to him either directly or as the result of referrals from people he met while he was involved in these activities.

The key is to plan activities that allow for casual conversation. Trust is not initiated by intense discussions on sensitive business or political issues. Rather, it is initiated by casual conversation about things like the weather, places you've visited, movies, baseball scores, and so forth. The time to discuss more serious or sensitive issues is *after* you and the customer both feel comfortable with each other.

Plan Situations—Example Two

I was asked to speak at a top management meeting for a large construction firm. There were about twenty people in attendance. After I had spoken for about forty minutes, I couldn't help detecting a fair amount of tension within this group. At first, I couldn't put my finger on where this tension was coming from. Then I noticed that all the older managers were sitting on one side of the room while all the younger managers were sitting on the other side. Having been brought to this meeting to help identify and solve problems, I suggested that the two groups might be harboring a little animosity toward each other. When the room fell deadly silent, I knew I was onto something. Since no one was talking, I suggested that maybe the younger managers resented the fact that the older managers were reluctant to turn any of the control of the firm over to them, and the older managers resented the younger managers' attempting to take some of the control away from them. I went on to point out that the two groups of managers probably didn't feel comfortable with each other and hence didn't trust each other.

At this point, representatives from both groups acknowledged that this was true and that the problem had been brewing for some time. To make matters worse, when the older managers had parties, they didn't invite the younger managers and vice versa. The only time members of the two groups interacted was during the conduct of their jobs. This wasn't the proper environment to get these relationships back on track.

Since we were all at a very nice resort for a three-day period, I suggested that they engage in some sort of activity where the members of the two groups could spend some time with each other on a one-on-one basis, such as golf. I suggested that this be organized so that each golf cart contained one person from the older group and one person from the younger group.

At this point, one of the older managers expressed his dissatisfaction with my idea. He emphatically pointed out that the younger managers were better golfers and would make the older managers look sick! I assured this older manager that I appreciated his point, but I was only suggesting that these two groups of people go golfing together in an attempt to get to know each other better. I never suggested that they keep score. I then suggested that pairing up in the golf carts and riding around town for three or four hours might be an alternative, since the purpose of this activity was merely to provide an opportunity for the members of the two groups to engage in casual conversation and get to know each other better.

The next day these two groups of managers played golf. At a cocktail party that evening, I could already notice a change in the atmosphere. That was several years ago. Today these two groups still play golf together on a regular basis. The animosity between them has disappeared and has been replaced by teamwork.

This example points out several things about relationship-building activities. First, these activities have to be noncompetitive. Competition is not conducive to fostering trust. Second, relationship building activities should provide ample opportunities for casual conversation—conversation where the person can be himself or herself, talk about whatever comes up, and not be rushed. Finally, relationship-building activities should be enjoyable or even fun. This brings out the best in people, which is conducive to fostering long-term friendships.

Plan Situations—Example Three

I did some consulting with a bank that, at the time, had several hundred branches located throughout the state of Arizona. I was working with a staff department that was supposed to provide problem solving support to the bank's branch managers. As we began to discuss the idea of building relationships, one of the members of this staff asked the question, "How do you pursue a relationship with someone you can't stand?"

My response was, "Can you give me an example?"

This woman responded with, "You bet! Take one of our branch managers in Yuma. Nobody likes this woman. Every time she calls us at the corporate office, she's nasty. Furthermore, every time we visit her at her branch in Yuma, she's nasty. How can you build a relationship with someone like this?"

I then asked, "Do you know this person?"

Her reply was, "Yes, we do, thank you. All too well!"

"Do you ever visit this person at her branch in Yuma?" I asked.

"We have no choice," she responded. "At least one of us has to go once a month. And since no one wants to go, we draw straws."

Clearly, there appeared to be no love lost between the members of this staff and this branch manager in Yuma. I then asked this staff member to describe her visits to this woman's branch.

"The company plane drops us off at the Yuma airport at 10:30 in the morning and picks us back up at 2:30 in the afternoon," she replied.

At this point, I started to suspect that the reason this branch manager was so difficult to deal with was that this staff department was spending very little quality time helping her solve problems. It was probably at least a half-hour to forty-five minutes after the plane landed before these people arrived at this woman's branch. After a restroom break and a few preliminary activities, it was time to go to lunch if they wanted to beat the crowd. This gave them a half-hour after lunch for helping this branch manager solve problems before they had to leave for the airport to make sure they caught the return flight back to Phoenix. This is not exactly a strong showing of support from the corporate office.

My next comment was, "I'll bet this branch manager is a very nice person. What I think you are experiencing when you are on the receiving end of her nasty behavior are the manifestations of her frustration. She probably feels that since she's located in an outlying area like Yuma, she's not going to get the level of support that the branch managers located in the population centers like Phoenix and Tucson are getting."

The staff member's next comment was, "OK, so how do we fix this situation?"

My reply was, "The next time you go to Yuma," which was going to be the following Wednesday, "I want several of you to go to show this branch manager a sign of support. Furthermore, I want you to get off the company plane at 10:30 in the morning and at the *earliest* I want you to get back on is the next morning, but only if everything has been resolved to this woman's satisfaction."

I went on to say, “I don’t care if you stay at this woman’s branch until midnight, but you stay until she is finished talking. Then, if there is still time, I want you to take this person to dinner and when you get back to the corporate office, I want you to call me and tell me what happened.”

The following Friday, I received a phone call from this staff member. She proceeded to tell me that they had done everything I suggested. As it turned out, they stayed at this person’s branch helping her solve problems until 7:00 that evening and then they took her to dinner. When dinner was over, the branch manager leaned across the table and said, “I’ll bet you folks at corporate think I’m a real witch, don’t you?” She then went on to explain how this was the first time since she had become branch manager that this staff department had spent some quality time helping her solve some problems that were very important to her. She went on to let them know that she was very appreciative.

The staff member who had originally raised the issue of how to pursue a relationship with a nasty branch manager went on to say, “Once you get to know this woman, she is *really* nice!” There’s an Abe Lincoln quote that applies to situations like this: “I don’t like this person; I think I need to get to know him better.”

Cultivate the Relationship

Fortunately, cultivating personal relationships is something at which all of us have at least some experience. Most of us have developed relationships with childhood friends, schoolmates, and co-workers, as well as our neighbors, spouses, and children. Some people seem to enjoy developing relationships with new people, while others have a hard time developing them and avoid such opportunities whenever possible.

Unfortunately, a desire to avoid developing relationships does not change the critical role that relationships play in your success as a salesperson. The reality is you have to develop them, *lots of them*, if you expect to generate large amounts of repeat and referral sales.

In his book, *How to Win Friends and Influence People*, Dale Carnegie offers some very sound advice for cultivating Win-Win Relationships. Some of this valuable advice is excerpted below:

- Realize you are dealing with sensitive human beings who have delicate egos and are concerned with feeling good about themselves.
- Become genuinely interested in the people you deal with.
- Talk in terms of the other person's interests rather than your own.
- Be a good listener and encourage others to talk about themselves.
- Try to see things from the other person's point of view.
- Show honest and sincere appreciation for anything the other person does for you.

What Dale Carnegie is telling us is that cultivating Win-Win Relationships with customers requires nothing more than our showing a sincere interest in them and then listening to what they have to say. This sends a very clear message that you care about them which lays the foundation for long-term friendships. The rule of thumb for cultivating Win-Win Relationships is to relax, be yourself and let the real you shine through.

Cultivate the Relationship—Example One

Dick and Lucy own and manage a hardware store in a small town in Michigan. The store they own is part of a chain of hardware stores that specializes in serving smaller communities. When Dick and Lucy moved to this community twenty years ago, they became part of it. They lived there, their kids went to school there, and they went to church there. When they opened their store, as customers came in, they welcomed them warmly, eventually got to know them, and each time they came back, treated them as friends. Dick and Lucy *never* tried to sell them anything. As a result of this honest, sincere and friendly treatment, these customers came back time and again, and Dick and Lucy's business blossomed.

About eight years ago, a competing hardware store chain built a new and much larger hardware store about a half-mile south of town by the freeway. Needless to say, Dick and Lucy were very concerned that they would lose many of their customers to this new and much larger store.

As it turned out, many of their regular customers did go to that new store—but all they did was look. Yes, the store was larger and much more modern than Dick and Lucy's store and the prices on some items were a little lower. But there was no warm and friendly greeting as these customers walked into this new store. There was no old friend to chew the fat with while he was custom-cutting a piece of plastic pipe for you. And there was no resident expert whom you could ask what the fish were biting on that week. In other words, this new store may have had any piece of hardware or appliance you could possibly want, but it didn't have Dick and Lucy.

None of Dick and Lucy's regular customers switched their allegiance to this new store and several years later it closed. On the other hand, Dick and Lucy's business is better than ever. What killed this new store is that the people who ran it assumed that people went to a hardware store to buy hardware, and that they would go where they could get the best possible deal, even if it were a matter of only a few cents in price. At Dick and Lucy's store, however, customers came in to visit with Dick and Lucy; and while they were there, they picked up any hardware items they happened to need. What this shows is that if you take the time to build long-term friendships with your customers, *you literally lock out your competition!*

Cultivate the Relationship—Example Two

The landmark book, *In Search of Excellence* contains the story of a sales executive who was reflecting on his first job. He said, "I spent forever getting to know a small handful of customers really well. It paid off handsomely. I came in at 195 percent of my quota; tops in my division. A fellow at corporate called me and said, 'Good job, to be sure, but you averaged only 1.2 sales calls a day and the company averages 4.6. Just think of what you could sell if you could get your average up to par!' You can guess my response after I came down off the ceiling; I said, "Just think what the rest could sell if they could get their average *down* to 1.2.'"

The reason this salesperson was so successful was that he was taking the time to cultivate relationships with his customers before he tried to sell them anything. He used this time to ask questions and learn what each customer's self-interest was and then used this information to make sure his product or service was tailored to take care of each customer's self-interest.

Don’t Get Down to Business Too Quickly

The name of the game as far as building Win-Win Relationships is concerned is *don’t try to rush the process.* If you get down to business too quickly, you send a strong signal to the customer that you are more interested in what he or she can do for you than you are in him or her as a person. In doing so, you are likely to come across as a hustler and *nobody* wants to do business with a hustler. Therefore, if you push for a sale too quickly the customer may:

- Question your motives.
- Decide he or she can’t trust you.
- Look to do business with someone else.

The development of Win-Win Relationships must occur naturally and at the customer’s comfort level. Therefore, any attempts to rush the process will only slow it down. The important thing to keep in mind is that any time you demonstrate that your interests are more important than the other customer’s, you run the risk of violating the trust that already exists or preventing it from developing in the first place. On the other hand, by showing those you deal with that you really do care about them, you are laying the groundwork for a long-term friendship.

Don’t Get Down Too Quickly—Example

I had a financial planner call on me several years ago. His first comment as he walked into my office was, "Ross, I'm not here to sell you anything."

I remember thinking to myself at the time, "What a refreshing approach."

The gentleman went on to say that what he really wanted to do was to get a feel for some of my personal financial goals. Then at our next meeting, he would present me with some options regarding things I could do to make sure I achieved those financial goals.

When this person returned for our second meeting, we spent a great deal of time getting to know each other better. As it turned out, we had some mutual friends and some common interests. I was starting to really like this person. He then showed me the results of his analysis of my financial goals, which, among other things, revealed a gaping hole in my financial provisions for my family if I were to die suddenly. He pointed out that the situation could be remedied, at least temporarily, with a $250,000 term insurance policy. He then went on to tell me about a number of other products that were of interest to me.

Well, I felt so good about this person and what he was telling me that I suggested we meet again the following week when my partner was coming to town, because I knew my partner would be every bit as interested what he was saying as I was. Notice here who is asking for the appointment—not the salesperson, but an excited prospective buyer. This man wasn't trying to sell me; he was simply letting me buy.

At this point, I was happily saying to myself, "I have finally met an insurance salesperson I can trust; a salesperson who really has my best interests at heart." Then, as this person was packing up his briefcase, he said to me, “By the way, I've already got the paperwork filled out for this $250,000 term insurance policy. Why don't you just sign it, and we'll get the ball rolling."

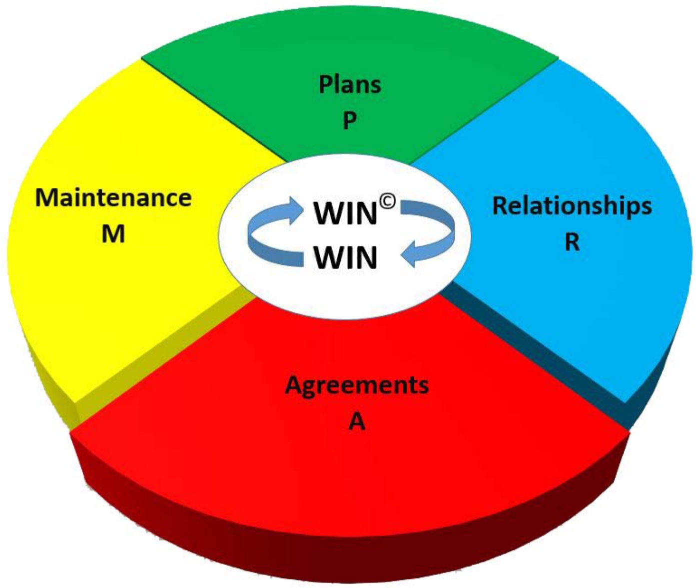
When I heard that statement I was stunned. This person had spent the better part of two rather lengthy meetings doing a very good job of convincing me that I could trust him and with one sentence, he told me he was more interested in my money than he was in me. The bottom line was, I no longer felt I could trust him. After he left, I called his office and canceled our next appointment and I never saw this person again. Had he stayed focused on our relationship and not tried to sell me before I was ready, both my partner and I would have spent a fair amount of money with him.

Win-Win Relationships—Summary

Developing relationships is easy, even for shy or timid people, once you appreciate their importance and understand the process of cultivating them. Once again, the steps involved in developing relationships are:

1. Plan Situations that allow a relationship to develop.
2. Cultivate the Relationship.
3. Don’t get down to business too quickly.

Chapter Four
Win-Win Agreements



This is the step of the PRAM Model where you actually implement your strategy to connect the customer's self-interest with yours. The four-step process used to form Win-Win Agreements is presented in the pages which follow.

Verify the Customer’s Self-Interest

You verify a customer’s self-interest in the same way that you figured it out in the first place. That is, you:

1. Ask questions.
2. Listen to what the customer’s response.
3. Summarize in your mind what the customer said.
4. Feed this summary back to the customer
5. Ask follow-up questions and repeat this process until you verify the customer’s self-interest.

As I mentioned in earlier, if you listen long enough (and it won’t take that long), the customer will tell you exactly what his or her self-interest is. Once the customer’s self-interest is verified, and only then, are you in a position to judge the appropriateness of your strategy to connect the customer’s self-interest with yours. At this point you can decide if you should stay with your original strategy, modify it somewhat or go back to the drawing board.

Verify Self-interest—Example

I ran into a situation where she thought I had the self-interest or one of my customer's nailed down and then it changed. I was competing for a contract to develop and present a two-day sales training program for a Health Maintenance Organization.

This company had sent me a detailed set of specifications explaining the items I was to include in the program and my written proposal was to thoroughly address each of them.

This project was assigned to a staff person who reported directly to the vice-president of sales. While preparing my proposal, I visited this staff person several times in person and spoke with her many times over the phone. Several weeks after receiving my proposal, the staff person informed me that my proposal clearly stood out as the best and she was going to recommend it for approval to the vice-president.

A week later, the staff person called and told me that we needed to discuss my fee—it was too high. This surprised me, because when the staff person essentially told me the job was mine and my fee was never mentioned. As this seemed to be a sensitive issue, I decided to set up an appointment to discuss the issue with the staff person in person rather than over the phone. When we got together several days later, I noticed that the staff person tried to keep the discussion at arm's length, which was in stark contrast to the laid back and even fun discussions we'd had in the past.

This told me that this staff person wasn't comfortable with what she was doing and that I had better do some listening if I expected to find out why. So, I suggested we go to the cafeteria for a cup of coffee. During the walk to and from the cafeteria, we talked about some non-business-related things such as our families and what we had done over the weekend. When we finally returned to her office, the staff person seemed much more relaxed and no longer attempted to keep the discussion at arm's length.

After confirming that the staff person still liked the technical aspects of my proposal, I asked why my fee had suddenly become a problem. Since the staff person now felt comfortable, she decided to level with me. She went on to tell me that although my fee was on the high side, it was still very acceptable, given the results I had promised to deliver. However, the vice-president, to whom the staff person reported, was one of those people who assumed that consultants usually padded their fees, and expected to be chiseled down a bit by their customers. She said that if she didn't get me to lower my fee at least a bit, her boss would consider her an ineffective negotiator.

After listening to her for a while longer, I concluded that the staff person’s true self-interest was not necessarily getting me to lower my fee, but to impress her boss with her negotiating ability. I then told the staff person that I couldn't lower my fee because it was the same fee I charged everyone else. I also told her, however, that I had noticed that while her organization's salespeople were going to attend the seminar, none of the sales managers were scheduled to attend. The staff person informed me that they were to stay in the office to handle any emergencies that came up while their salespeople were in training.

I pointed out that if the managers were to be successful in coaching these salespeople to do the things I was going to teach them, they ought to know what those things are. This staff person agreed, but reiterated the need to take care of any possible emergencies. I then suggested that this staff person organize a dinner for the sales managers at the end of the first day of the program. At that dinner I would present an executive summary of what I covered in the program and would pass on some managerial advice on how to encourage the salespeople to do the things I was going to teach them. I told her that since I had nothing else to do that evening, there would be no extra charge.

This staff person was elated with the idea. This gave her something to take back to her boss. As a result, I got the job and my fee. Had I not taken the time to ask questions and verify this staff person's true self-interest, there was no way I would ever have gotten the job.

Implement Your Strategy to Connect the Customer's Self-Interest with Yours

Once you've verified the customer's self-interest and made any necessary adjustments in your original strategy, now it's time to put your strategy into action. In order to do this effectively, you must remember that your customers are motivated by *their* self-interest, not yours. This being the case, the key to getting your customers excited about working with you to put together a Win-Win Agreement is to talk to them about what they want first. Show them how you're going to solve their problem *before* you talk to them about what you want. Remember, getting their problem solved is all your customers care about; it's the only thing motivating them. As long as you talk to them about what they want (their self-interest), they're all ears. The minute you start talking to them about what you want, *before* you've solved their problem, they stop listening. After you've convinced your customers that you are going to solve their problem to their satisfaction (this is their win), now is the time to explain to them what they need to give you in return in to get that win (this is your win.)

Implement Your Strategy—Example

One of my long-term consulting clients was the sales organization of a large pharmaceutical company. These people were very concerned with the fact that one of their new products wasn't selling very well. The product was a timed-release patch for managing pain that was used by chemotherapy patients. This product was an alternative to morphine and their clinical trials showed that it was a superior product because it was far less addictive and had fewer side effects. The problem was that the doctors weren't prescribing it and these people wanted me to help them figure out why.

In an attempt to find the answer, the first question I asked was, "What is your self-interest?"

Their answer was, "Getting doctors to prescribe their product."

Next, I asked, "Who stands between you and success or failure?"

Their answer was, "oncologists", doctors who specialize in the treatment of cancer.

I then asked, "What do these oncologists want from you (their self-interest)?"

"A pain management system that's less addictive and has fewer side-effects than morphine," was their answer.

"How do you try to sell this product to the oncologists?"

"We pull out the results of our clinical trials and try to show them how our product is a superior pain management system to morphine," they answered.

"Do these oncologists appear interested in what you have to say about your product?" I asked.

Their answer was, “Not at all! It’s like they’re not even listening to what we are saying.”

At this point, I said, “The very fact that these oncologists aren’t listening strongly indicates that they aren’t as interested in pain management as you initially thought they were.”

I then asked, “Is pain management the primary concern (self-interest) of an oncologist?”

These group thought for a moment and then answered, “Not really. The primary concern of an oncologist is *curing the patient*.”

“There’s your problem,” I said. “You have a group of physicians (oncologists) who are extremely busy and primarily concerned with one thing only (curing their patients) and you want them to take valuable time out of their day to listen to what you have to say about pain management? It’s no wonder they’re not listening.”

I then went on to say, “If you want these oncologists to listen to what you have to say about your product, you have to present it as either part of the cure itself or as an enhancement to the cure.” In other words, they needed to connect the oncologist’s true self-interest (curing the patient) with their own (getting the oncologist to prescribe their product).

I pointed out that with this approach they could take the busiest, most important oncologist in the world who has absolutely no time for pharmaceutical sales reps and stop this person in his or her tracks with a presentation like, “Doctor, I know you are busy, but I’ve got something here that will significantly extend the lives of your patients and do it in a way that won't cause them any discomfort or expose them to any risk of addiction." When the salespeople used this approach to connect the self-interest of the oncologists with their self-interest, sales of this product took off like a rocket.

Work *Together* to Resolve Any Problems

No matter how well researched and thought out your strategy is, it may still take you only part of the way to where you want to go. For example, a customer might say, "I love your proposal and I would enjoy doing business with you, but your price is a bit high," or "Your price is fair enough, but the level of service you are proposing still falls short of my actual needs," or "I'm sold on your product, but the labor situation at your plant gives me grave concern about your ability to deliver over time." In Sales, these are referred to as *objections*. When objections occur, the customer is telling you that he or she is not comfortable giving you the sale just yet. This is not the time for you to get argumentative by trying to show the customer that his or her objections are invalid. Rather, this is the time for you to back off, stop selling and start listening. The first thing you need to do in order to handle an objection is to hear it out completely. Keep in mind that listening reaffirms trust even with objections. Once you completely understand the customer's objection, now it's time to get down to some serious Win-Win problem solving. That is where you and your customer work *together* as friends to come up with a solution that satisfies you both—a Win-Win solution.

Work *Together*—Example

An author friend of mine was attempting to negotiate a contract with a large publishing house to publish and distribute a book he had recently completed. The discussion between the two parties was relatively routine until the issue of the author's royalty came up. The author wanted 15 percent of the $24.95 retail price of the book. The publisher wanted to pay the author 20 percent of the net price it received from sales to bookstores (which usually reflected a 40 to 50 percent discount from the retail price). The author felt that at a royalty of 20 percent of the net sales to bookstores, he was not making enough money to compensate him for all his hard work. The publisher's position was that at a royalty of 15 percent of the retail price, the publisher was absorbing too much risk. The two parties argued back and forth on the relative merits of each other's position, but this got them nowhere.

Eventually, a representative from the publisher suggested that they stop their arguing and channel their energies toward finding a mutually acceptable (Win-Win) solution to this royalty issue. The publisher's representative then asked if there was anything that the publisher could offer on some of the other areas of the contract that would allow the author to feel he was getting an acceptable deal on the royalty of 20 percent of net sales to bookstores. As it turned out, the author was also a widely known speaker and spoke to large audiences all over the world more than a hundred times a year. Furthermore, he planned to sell the book at these programs as soon as it was published. Some quick mental arithmetic told him that his potential sales from this venture would probably be around 50,000 to 60,000 copies per year.

The publisher's normal price for books bought by the author for sales at programs was already in the contract at a 40 percent discount or a price of $14.98 per copy. Having completed his mental analysis of the matter, the author proposed that he could live with a royalty of 20 percent of net sales to bookstores if the publisher would agree to negotiate a significantly lower purchase price for the author. The publisher agreed and the price they mutually established was actual cost to the publisher plus 50 percent, or a net price to the author of $3.00 per copy. This agreement not only left both parties feeling very good about the outcome but it enabled the author to increase the revenue he brought in from his speaking engagements by nearly $600,000 per year. This turned out to be much more than he would have made from the higher royalty rate and the standard author purchase price.

Finalize the Agreement

All that remains to be done at this point is to make sure that there are no misunderstandings regarding the agreement. The best way to avoid misunderstandings is to spend some time talking about the agreement with the customer after it has been reached. The reason for this discussion is to make sure that both you and the customer understand what you've agreed to, feel good about what you've agreed to and are excited about following through.

At this point, you and the other customer might want to ask yourselves this question: "If anything is going to go wrong, where is it likely to occur and, if it does occur, how are we going to resolve it?" In this manner, you're putting in place a system to resolve these potential problems before they occur. In the event something does go wrong, you and the customer can get on with the business of resolving the problem rather than spending your time arguing over whose fault it is.

Finalize the Agreement—Example One

Let's assume that you are a manufacturer's representative and represent a number of different firms. Once the customer places the order with you, then you turn it over to the appropriate company to fill the order. The question that the customer might have is whom should he or she call in the event the order doesn't arrive on time. Should he or she call the factory directly or should they call you? Such issues can become very sticky after a problem occurs, and can undermine a long-term friendship. The best time to deal with such issues is right now, while you're still in each other's presence and the agreement is still fresh in your mind.

Finalize the Agreement—Example Two

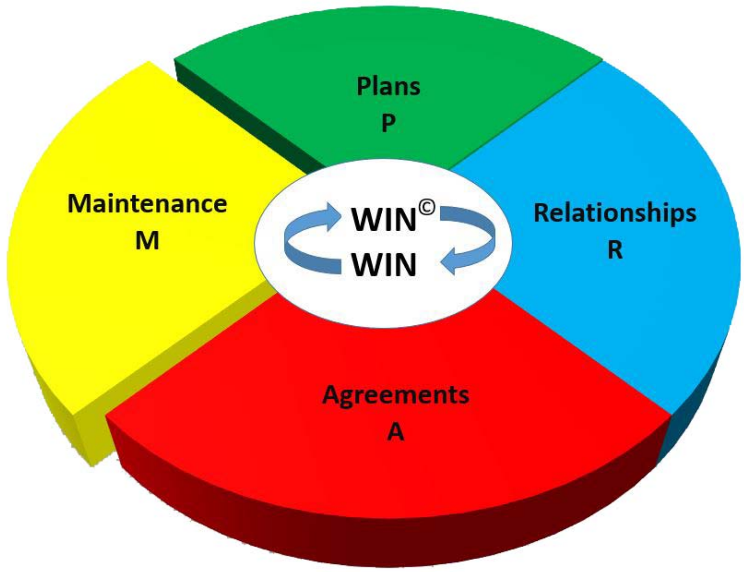
Let's assume you've taken your car to a dealership to get the transmission replaced. If I'm the service manager, the question I want to ask you before you leave is, "If, during the process of removing and replacing your transmission, I find something else that needs fixing, what do I do? Do I fix it? Do I ignore it? Or, do I call you and tell you about it?" If I fix the additional problem without notifying you and, when you come to pick up your car, you learn that the bill is $800.00 more than you expected, chances are that you are not going to be happy. If I ignore the additional problem and, as a result, you have to bring your car back in less than a month to get it taken care of and now the price is $1,500.00 because I have to remove the transmission before I can get to the problem, you're probably going to say something like, "Why didn't you fix it before you installed the new transmission?" On the other hand, if we agree that I should call you if I uncover any additional problems, then you get to make the decision and there is little or no potential of your becoming unhappy.

Win-Win Agreements—Summary

Reaching a Win-Win Agreement is a pretty straightforward process when you execute the following four steps.

1. Verify the customer's self-interest.
2. Implement your strategy to connect the customer's self-interest with yours.
3. Work *together* to resolve any problems.
4. Finalize the agreement.

Chapter Five
Win-Win Maintenance



The Maintenance step of the PRAM Model is the easiest step to execute and the one that requires the least amount of effort. It's also the step with the biggest payoff associated with it because it's the step that gets customers excited about providing you with repeat and referral sales. This is why any highly successful salesperson will tell you that the sale really begins *after* the sale. It's what you do for your customers after the sale that determines whether or not they become excited about providing you with repeat and referral sales. As I mentioned earlier, repeat and referral sales are a customer's way of saying "thank you" for a job well done. This means that repeat and referral sales are things that have to be continually earned and you earn them by doing a superb job of performing the Win-Win Maintenance activities presented in this chapter. The three steps associated with performing Win-Win Maintenance are presented in the pages which follow.

Maintaining the Agreement

Maintaining your agreements is the most immediate of the three maintenance activities because it has a direct impact on a customer's level of commitment to you and to the agreement. This is critical because highly committed customers not only follow through on their promises but they feel compelled to tell others about their experience with you as well. There are three aspects to maintaining your agreements, all of which require action on your part. Each of these three aspects is described below.

Prevent Buyer's Remorse

"Buyer's remorse" is that feeling you sometimes experience after you've bought something and then you start thinking, "What have I got myself into?" Preventing buyer's remorse is especially important when you're dealing with someone for the first time and they aren't totally convinced you're going to follow through as you have promised. Over time, as trust builds between you and your customers, buyer's remorse becomes a non-issue.

Preventing buyer's remorse requires that you take whatever action is necessary to assure your customers that you are going to follow through on your promises. In other words, do whatever it takes to keep your customers from feeling stuck.

Prevent Buyer's Remorse—Example One

A number of years ago, I purchased a swimming pool from Shasta Pool Company in Phoenix, Arizona. The price of the pool was about $15,000, which, at the time, was a significant amount of money for me. Given that I had never bought a pool before, this transaction harbored a lot of potential for buyer's remorse.

The pool company knew this, however, and took direct and deliberate action to prevent it. A representative from the company held my hand throughout every phase of the construction process. Then, after the pool was installed, a representative from Shasta came out and explained how to correctly operate all the equipment. A week later, another representative came out to re-explain everything. A month later, yet another representative came out to answer any questions I had, and that representative came out again three months later. I also received several letters in the mail during that first year suggesting that if I was experiencing any problems or if I had any questions to please call them.

Each visit I received reinforced the idea that I had bought from the right pool company. At no time during the transaction did I ever feel stuck. As a result, today a lot of my friends have Shasta pools because I referred Shasta to them. Shasta saw to it that I felt good about the pool I bought and about myself for having bought it. They did not take me for granted after I bought my pool.

Prevent Buyer's Remorse—Example Two

A territory sales rep for Upjohn got her foot in the door with a new customer by demonstrating that there would be no buyer's remorse if this customer did business with her. She was making a joint sales call with her boss, the district manager, and they were calling on a doctor who worked at a medical clinic that was located on the twelfth floor of a high-rise office building in downtown Los Angeles.

When they arrived at this clinic, the doctor they wanted to see made it very clear through his receptionist that he had no intention of seeing them. As they stood there trying to figure out what to do next, the very doctor they wanted to see came out of the examining area and said, “I have a woman patient in one of my examining rooms who would like a video on Rogaine (a hair restoring drug). Do you have a video with you that I could give her right now?”

Since they didn’t have one in their immediate possession, the doctor immediately went back into the examining room without even listening to what they had to say. As it turned out, the sales rep did have video on Rogaine in the trunk of her car. But that was down twelve floors across the street, down the street two blocks and down four floors into a parking garage.

This sales rep immediately set off to retrieve that video. When she returned, her boss was standing outside the entrance to the building. The woman who wanted the video had already left, but the sales rep’s boss knew what she was wearing and which direction she was walking. They ran this woman down on the sidewalk and handed her the video; a gesture for which she was very grateful. They then went back to the medical clinic where this sales rep wrote a detailed memo to the doctor concerning what she had done. She then stapled her business card to the memo and left it with the receptionist while smiling and telling her to have a nice day.

Two days later, this sales rep's cell phone rang. Guess who it was? It was the very doctor who just two days prior would not agree to meet with her. And guess what he wanted her to do? He wanted her to make an appointment to come in and meet with him. Why? Because with that single gesture on her part, she convinced this doctor that if he did business with her, there would be no buyer's remorse. That's the kind of sales rep every doctor wants to work with.

Hold Up Your End of the Agreement

The goal here is to meet or preferably, exceed the expectations of your customers. Most customers aren't used to receiving outstanding service from the salespeople they deal with. What this means is if you do anything at all in this area, you'll stand out like a sore thumb. It's helpful to keep in mind that if you meet your customers' expectations, you'll surprise them; if you exceed their expectations, you'll shock them. It's this feeling of being pleasantly surprised or shocked that gets customers excited about providing you with repeat and referral sales.

Hold Up Your End—Example One

A friend of mine named Joyce used to work for American Express. As she was returning from a business trip, she found herself seated on a plane next to a company president who was upset with the run-around he was getting from the people at American Express who were trying to resolve a problem with his account. He also told Joyce that until this incident, he had been a big fan of American Express, but now he was planning to cancel his corporate card when he got back to his office. As Joyce listened to this man talk about his problem, she agreed that he was not getting proper treatment. She then asked for his business card and said she'd personally look into his problem on the very next day. No doubt, this company president thought, "I've heard that one before." At any rate, probably the last thing he expected was a phone call from a director at American Express before noon on the following day. The director apologized to him for what had happened and told him that the problem had been resolved—which it had been. Needless to say, the company president was shocked, not only at the promptness of the action, but also at the fact that a director took it upon herself to make the phone call. These prompt actions resulted in this man's once again becoming a big fan of American Express.

Hold Up Your End—Example Two

Nothing will diminish commitment faster, on the part of the customer, than his or her expectations not being met. Several years ago, I was at the Las Vegas airport awaiting the departure of a flight to South Bend, Indiana. I was a frequent flyer with the airline and at the time preferred it over most others. To make a long story short, my flight was canceled and there were no other flights that could get me into South Bend that evening.

The agent for the airline apologized profusely and told us all not to fret. She said the airline would pick up the bill for putting us up the extra night and she assured us of a seat on the first flight out the next morning. The situation, however, was compounded by the fact that it was Saturday night and nearly all the hotel rooms in Las Vegas were booked. The only room available that evening was in a "flea bag" motel strategically located on the outskirts of town between a topless restaurant and a massage parlor. Even though I was not happy with the accommodations, I didn't blame the airline because they couldn't help that it was Saturday night.

When dinnertime arrived, I decided to pass on the topless restaurant and took a cab back to town, which cost me $10.00 each way. I had dinner at a moderately priced restaurant and the bill came to **$**19.95**,** including the tip.

The next morning, I went back to the airport to turn in my receipts, expecting to get reimbursed for my out-of-pocket expenses without a hassle. Was I in for a shock—the agent said she would not pay the $20.00 in cab fares. She said it was company policy not to do so. She also said she would allow me only $10.00 of the $19.95 that my dinner cost. She then proceeded to interrogate me on the rest of my expenses.

At this point, I asked to see the manager as I was beginning to become angry. It wasn't the money, because we were talking about only $39.95. Rather, it was the treatment. As a frequent flyer, I expected to be treated with at least a modicum of dignity, especially given what I had just endured because of the airline. My expectations were nowhere near being met.

When the manager arrived, I assured him that I was not at all angry with him and that I realized his hands were tied by the ridiculous set of company policies he had to enforce. He asked me why I thought they were ridiculous. I answered, “For the $39.95, these policies are going to motivate me to bad-mouth your airline and that can’t be good for business.” Out of frustration this manager said, "What should we do when a flight cancels, give each passenger a blank check?" My answer was “Absolutely!” I went on, “These passengers who endured this cancelled flight have just involuntarily gone the extra mile for your airline. Your company's policies ought to make these passengers feel so good about their flight having been cancelled that they look forward to their next cancelled flight." I further pointed out that this was how his company could get its customers to brag about the treatment they received, but for a lousy $39.95 these passengers going to do just the opposite.

The manager must have seen the logic in my argument because he proceeded to pay me the $39.95 and he also upgraded me to first class. Although these gestures were nice, the airline could have had a far better impact on me had these considerations been granted without a hassle. To this day, this airline is no longer high on my list and every time I think of this airline, I am reminded of my hassle in Las Vegas.

Provide Meaningful Expressions of Appreciation to Customers Who Go the Extra Mile for You

This is absolutely essential if you want to keep your customers excited about providing you with repeat and referral sales. For example, if a customer refers another customer to you, don't let that behavior go unnoticed. Make sure you take the time to express your appreciation to this customer in a way that is meaningful to them. The idea is to make that customer feel so good for having providing you with that referral that he or she can't wait for the opportunity to do it again.

Provide Meaningful Expressions—Example One

On a flight from Phoenix to Chicago, I found myself sitting next to a banquet manager for a large resort in the Phoenix area. This gentleman asked what I did for a living and I told him that one of the things I did was speak at sales meetings. He then gave me his card and asked me to send him some information about myself, as he occasionally was asked by meeting planners if he knew of any good speakers for a sales or management meeting. I thanked this person for his interest and when I returned to my office, I had an information packet sent to him.

About a month later, I received a phone call from a meeting planner who had been referred to me by this banquet manager. It turned out that she needed a quality speaker for a sales meeting and was willing to pay a sizable fee. I agreed to speak at that meeting, and it turned out to be a rousing success, which enhanced the banquet manager's credibility with that particular meeting planner. After the program, I took some time to tell the banquet manager how much I appreciated his referring me to this new client. His response was, "It's all part of my job."

As I walked to the parking lot of the resort, it occurred to me that this guy had just stuck his neck out for me and had put a large chunk of money in my pocket. He probably had a number of opportunities during the course of a year to recommend speakers for meetings and probably knew of a number of different speakers. I asked myself, "Did my thanking this person in the customary manner with a handshake, excite him enough to cause him to recommend me ahead of all the other quality speakers he knew, or was there something more that I needed to do?"

After giving the matter some thought, I concluded that my personal thank you, even followed up with a handwritten note, probably wasn't enough to turn him into a long-term source of referral sales. So, I walked back into the resort and spoke with one of the person's coworkers. I found out this banquet manager had a fondness for quality single malt Scotch whiskey and he loved to eat out at fine restaurants. This gave me some ideas.

Several days later, I made an appointment to meet with the banquet manager. Upon meeting him, I again personally thanked him for having recommended me. I presented him with a bottle of quality single malt Scotch whiskey as a token of my appreciation, which caught him completely by surprise. Then I handed him a $100 gift card for dinner at a famous five-star restaurant. At this point the banquet manager had to sit down. He said that he was shocked, that no one had ever done something like that for him before, and that he was very appreciative of the gesture.

Please keep in mind that the amount of money involved was insignificant compared to his salary and the fee I received. What is important is that I demonstrated to this person that I sincerely appreciated his having provided me with that referral. Since then, this banquet manager has become one of my best salespeople and has recommended me to numerous other meetings and conferences. Each time he does so, I let him know, in a meaningful way, that his extra efforts on my behalf were sincerely appreciated.

Provide Meaning Expressions—Example Two

Nordstrom has long been known for the way it takes care of its customers. I live in Phoenix, Arizona and it wasn't all that long ago that the Phoenix area had no Nordstrom stores. The closest ones were in San Diego; some 300 miles away or one hour by air. So how did Nordstrom get people from Phoenix to shop in large numbers at one of their stores in San Diego? The answer is that they took incredibly good care of the people who did and they spread the word.

Each May and November, in conjunction with their major sales, a Nordstrom store in San Diego scheduled its "Sky Trip" from Phoenix. They flew in several hundred shoppers on Friday afternoon for an all-day Saturday and Sunday shopping trip. Each shopper paid $225 to be part of this group.

Why would anyone pay $225 to fly to San Diego and spend the majority of their time shopping at a store that isn't known for its low prices? Let’s look at what these people got for that $225 price tag. First, the trip included round-trip-air fare, deluxe accommodations at the Hilton Hotel near the Fashion Valley store that was sponsoring the trip, free shuttle service to and from the airport, and a champagne welcome when the Sky Trip shoppers arrived. But that is not all. On Saturday morning, a shuttle took the shoppers to the store, where they were issued a pin that identified them as a "Sky Trip" participant. This pin entitled the wearer to some very preferential treatment. You received faster service because certain employees had been assigned to stand in the check-out line for you so you could continue to shop uninterrupted. These same employees had also been assigned to maintain a fitting room for you while you shopped. They followed you around and carried the things you were interested in trying on to the fitting room while you continued to browse. Once you decided that it was time to actually try on some of these articles of clothing, these helpers were at your beck and call to search the store over for that special blouse or accessory that would make a certain outfit complete.

There was still more. A special room in the store had been set aside for these shoppers from Phoenix where they could get a continental breakfast in the morning and coffee, tea, and so on throughout the day, as well as a box lunch. These shoppers were encouraged to use the room if they needed to take an occasional break. They could also leave their paid-for packages in this room, as people were assigned to make sure this room was secure. Also, on Sunday morning the store was open exclusively to the Sky Trip shoppers and the store was fully staffed. The Nordstrom employees pampered these shoppers to death and the shoppers loved every bit of it.

So, what was the payoff to Nordstrom for all this pampering? Most of the customers did buy a fair amount of merchandise. More important, however, these shoppers got on their return flights to Phoenix very excited about their experience. So excited, that many of them made plans for their next “Sky Trip” six months down the road. Even more important, however, for the next six weeks, these people never stopped talking about their wonderful experience at this particular Nordstrom store in San Diego; and Phoenicians go to San Diego a lot. It used to be there were three highlights to one of these excursions: the ocean, the San Diego Zoo, and Sea World. Once Sky Trip started, there was a fourth: Nordstrom.

What this all boils down to is that you have to remember to take care of the people who are taking care of you. As long as you continue to meaningfully reinforce customers’ going the extra mile for you, they'll continue to do so. The minute you take your customers for granted and ignore their extra efforts, you’re repeat and referral sales will dry up quickly.

Maintain Your Relationships

If you want to keep your customers actively sending business your way, you must see to it that the relationship between you and each one of them is properly maintained. The key is to spend time regularly visiting with your customers when you don't ask them for anything. If the only time you visit with your customers is when you want something from them, you quickly become known as a user or a taker, which turns customers off. In addition, if you come across a problem during one of these visits where your customer is not happy, fix it. Even if it's not your problem, seize the initiative, fix the problem, fix it right and fix it now! If you do this, you'll find that your relationship with that customer will be stronger than it was before the problem occurred because now that customer has seen you in action and knows that you truly care about him or her. As business guru Tom Peters once said, "A well-handled problem usually breeds more loyalty than you had before the negative incident."

Maintain Your Relationships—Example One

Joe Girard, the world's greatest new car salesperson, provides us with some classic examples of how to maintain relationships. Joe saw to it that his customers never forgot him once they bought a car from him. Joe's customers were hardly out of the door before a thank-you note had been made up for them. They received a post card once a month thereafter. (His mailing list contained more than 13,000 names.) Each card carried a simple message appropriate to the month such as "Happy New Year" or "Happy Valentine's Day," and it was signed: "Joe Girard, Merollis Chevrolet. P.S. I like you." These letters contained absolutely no sales pitch; they simply communicated the fact that

Joe hadn't forgotten about them. Finally, whenever a customer came in to get his car repaired or serviced, Joe made sure he used this opportunity to personally visit with this customer and reinforce the fact that he still cared. Furthermore, if a customer was experiencing a problem, Joe would go to bat for that customer to make sure the problem was resolved to that customer's satisfaction. Joe truly cared about each customer and every one of them knew it. This is why he was able to sell more cars during a 12-year period than any other salesperson ever.

Maintain Your Relationships—Example Two

An account manager for Coca Cola had been trying for several years to land the soft drink syrup account for one of the larger convenience store chains in Phoenix, Arizona. The problem, however, was that even though she was the low bidder, the competition had a "lock" on the business. Rather than give up, this woman continued to make calls to this convenience store chain on a regular basis in order to maintain her relationships its management while she patiently waited for her window of opportunity to open.

One day her window of opportunity finally opened. On a very hot Saturday afternoon during the Memorial Day holiday weekend, her competition's soft drink dispensing machine broke down in one of the chain's larger stores. One of the managers immediately phoned Coca Cola's competition and asked them to come out and fix their machine. The competition's response was, "We'll have someone out there on Tuesday" which was the next business day. This store stood to lose a lot of sales if this machine wasn't fixed right away. Since both Coca Cola and its competition used the same dispensing machine and because the woman from Coca Cola had taken the time to maintain her relationships with the local management of this chain, this manager felt comfortable enough to call this woman at her home and ask if she would come in and fix her competition's dispensing machine.

Seizing the opportunity, this woman was on the scene in very quick order to fix that machine. When finished, she walked around the store, shook hands with each of the employees and told them to have a great weekend. Several months later, when the current soft drink contract expired, she was awarded the business and was not the lowest price. The reason she got the business is that she had shown the local management of this convenience store chain that they could count on her. The lesson here is had she not maintained her relationships with the local management of this chain when it looked like she had no chance of landing their business, she would never have gotten this opportunity.

Maintain Your Relationships—Example Three

A friend of mine is a podiatrist and a partner in his practice. He was telling me about one of his newer patients who he had diagnosed with plantar fasciitis or heal pain syndrome. One of the most common treatments for this diagnosis is a custom foot orthotic. My friend and his medical assistant informed this patient, as they do with all patients, that they would check her insurance benefits for orthotic coverage. They then gave her a couple of different options regarding getting her orthotics. Option 1: They would check her insurance benefits and if there was coverage, they would do custom impressions of her feet, send them to the lab to have the orthotic devices made and dispense them to her once they were paid for by her insurance company. This process can take between 4-8 weeks, depending on how quickly the insurance company pays for the devices. Option 2: If she preferred to get the orthotic devices in 1-2 weeks, she could pay for the orthotics in cash and the practice would give her the claim form to file with her insurance company to get reimbursed for the cost of the orthotics which included a $140 casting charge. While this woman's insurance company paid for casting charges, the problem was that it applied this $140 charge to her deductible (she had a high deductible insurance plan). When she found out that she was responsible for this casting charge, she became angry and accused the practice of not being transparent in disclosing the costs for orthotics. She then posted a rude and very negative review on the practice's Facebook page with only a one-star rating (one star being poor and five stars being excellent) and angrily demanded a meeting with the office manager.

Several days later, the patient and the office manager met. As told by the office manager, "The first thing I did was apologize to her for the incident. I told her because of her, as a new office manager, I changed our existing protocol so that we were consistent with what we told our patients who needed orthotics (we actually created a new form). I also told her because of the run around we put her through she would not be responsible for the casting charge. She went from a 10 (heated) to a 1(relaxed) in about two seconds. I walked her up to the front desk and we made an appointment for her next visit. I also told her that I appreciated her coming by and that our best referral source for new patients is her current patient experience. At this point she asked if she could order a second pair of orthotics and what the process was for doing so. She then looked at me on her way out and said she would reverse the bad review on Facebook."

The next day, this patient posted the following review on Facebook and gave the practice a five-star rating. "My experience has changed from the last time I had been in the office. I had been told a price for the orthotics and then when I went to the casting appointment two more charges were being told. I was not pleased. Had a meeting with the office manager after the casting appointment. They resolved the issue very quickly plus, to ensure future patients would not experience this, they incorporated a new policy on pricing to keep their patients aware with no surprises. The doctor today apologized and thanked me for coming up with a new plan for all future patients. I would highly recommend the doctor and staff."

As my podiatrist friend put it after the fact, "I guess the moral to the story is people want their voice to be heard, complaints validated, and have their day in court. Once you give it to them, they will do most anything for you including changing a Facebook review from one to five stars and ordering a second pair of orthotics." The Tom Peters quote mentioned earlier bears repeating, "A well-handled problem usually breeds more loyalty than you had before the negative incident."

Maintain Your Plans

None of the steps of the PRAM Model are difficult to understand and none of them are difficult to execute. Furthermore, the payoff associated with executing these steps is phenomenal in terms of generating repeat and referral sales. So, what's the catch? Why aren't their more highly successful salespeople? The answer is: none of the behaviors associated with executing the PRAM Model are reflex behaviors. This means they don't happen *automatically* when the situation calls for them; you have to remember to do them. For example, think of how easy it would be to forget to sincerely thank a customer who has recently referred a new customer to you. Or, how easy it would be to stop making Relationships calls on a customer when the competition seems to have a lock on the business. Or, how easy it would be to open a sales call by talking about what you want first instead of what the customer wants. The only way to guarantee that you'll actually do the things necessary to properly execute the PRAM Model is to figure out a way to remind yourself to do them.

Maintain Your Plans—Example One

Several years ago, I had the pleasure of visiting the number one Buick dealer in the country in terms of his Customer Service Index score. After spending a few minutes getting to know each other, I finally asked him, "What do you do that makes your dealership so great in terms of customer service?"

His response was, "we don't do anything that any other dealerships couldn't do if they wanted to, the only difference is, *we do it*!"

"I responded by saying something like, "Good for you," as I tried to change the subject.

At this point, the dealer said to me, "Hold on. I can tell you don't get it!"

"'What don't I get?' I asked."

He went on to say, "Every single one of my employees knows that the customer is king and that service is our top priority. They have all received numerous hours of training on how to give world-class customer service. If you ask my employees any questions about customer service, you'd quickly find out that they know all the answers. If you gave each one of my employees a lie detector test and asked them if they were actually doing all those things that are necessary to provide outstanding customer service, I guarantee they would all pass with flying colors."

I remember commenting at this point, "I see now why your Customer Service Index score is the best in the country."

"I can see you still don't get it," he said. "All I have told you so far is that my people know what to do in order to provide outstanding customer service and that they have good intentions when it comes to doing those things. That, by itself, will not result in the highest Customer Service Index score in the nation."

"What does?" I asked.

"Making sure my employees actually *do* those things that are necessary to provide outstanding customer service. Even though my employees are well-trained and have very good intentions, I still have to meet with each one of my departments a minimum of once a week to remind them to do these things. If I don't remind my employees at least once a week, without realizing it, they start to drift into a behavior pattern where they do more and more of the things that please themselves and less and less of the things that please our customers. As a result, our Customer Service Index score begins to slip and so does the number of cars we sell. What's even more interesting is that while this is going on, these same people could pass a lie detector test that says they're actually doing all the necessary things to provide outstanding customer service because they truly believe they still are!"

Maintain Your Plans—Example Two

Ritz-Carlton Hotels uses daily meetings to make sure employees do the things necessary to provide their customers with world class service. Ritz-Carlton has a list of 20 principles for delivering world-class customer service. Each day, at the beginning of each shift, every location has a ten-minute stand-up meeting for all employees which they refer to as the "daily lineup." During each meeting, they discuss one of their 20 principles along with "thought of the week." After they've gone through all twenty principles, they start over and go through them again and again to constantly remind every employee what must be done in order to continually provide impeccable customer service."

Maintain Your Plans—Example Three

Shannon Roney, vice president of a company called EMDS, found meeting three times a day to be a useful way to keep her sales staff on track. As Shannon put it, "For several years, sales at EMDS were steady but flat. The last two years showed a dramatic decline due to competitive pressures. We were losing our customers and not bringing new ones on board. We tried numerous approaches to increase our sales, but nothing worked. It was then I learned about the importance of 'Reminder" meetings. I immediately began holding brief sales meetings three times a day to discuss our strategy and relationship management. After two years of holding the meetings, our sales have gone up 203 percent. To this day, we continue to hold these meetings and our sales curve continues to point upward. It's truly amazing how well these "Reminder" meetings work."

Maintain Your Plans—Example Four

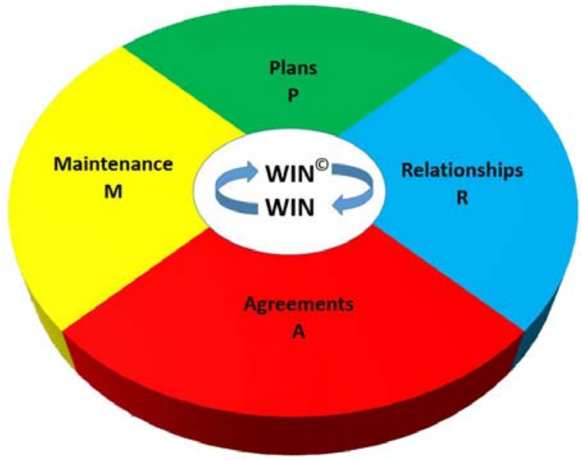
One very smart car dealer in Madison, Wisconsin used a different method to remind him and his employees to do the right things when it came to delivering first-class service to his customers. This dealer offered free cab service to and from work for customers who would drop their cars off to get serviced or repaired. Offering such a service was a gesture that, in and of itself, caused him to get noticed by his customers, but the dealer's motives went well beyond this. Several times a year this dealer would sponsor dinner parties for the cab drivers involved. At these dinners, he would ask them what his customers were saying about him, his employees and the way he ran his business. These cab drivers also had the dealer's cell phone number and were asked to call him immediately if any of his customers were angry or upset. As the dealer remarked in the article written about him in *The Wall Street Journal,* "If they won't tell a cab driver what's bothering them, who will they tell?" He went on to say that gathering this important information allowed him to stay in touch with his customers and one step ahead of his competition.

Win-Win Maintenance—Summary

The Maintenance step of the PRAM Model is all about getting your customers excited about providing you with repeat and referral sales and keeping them that way. By properly executing this step, you're on your way to becoming the highly successful salesperson that you want to be. The three steps necessary to turn your customers into your own personal salesforce are presented below for your review:

1. Maintain your Agreements.
2. Maintain your Relationships.
3. Maintain your Plans.

Chapter Six
Using the PRAM Model as a Diagnostic Tool



One of the important advantages of the PRAM Model is that it is incredibly useful as a diagnostic and problem-solving tool. I haven't found a sales problem yet where I couldn't pinpoint the cause of the problem within one or more of the four steps of the PRAM Model. A problem can either be a Planning problem, a Relationship problem, an Agreement problem, or a Maintenance problem. Normally sales problems reside in only one step of the PRAM Model. On some occasions they will be located in more than one step and, on rare occasions, they will abide in all four steps. Once you pinpoint the true cause of a problem, the solution is usually obvious. In the sections that follow, the PRAM Model will be used to identify the true cause of problems in some actual case studies.

Diagnosing Problems—Example One

I have a friend who is a telemarketer and schedules speaking engagements for me. One day she called to ask me tentatively to hold a date for a program in Tucson. After we had finished our business, I asked her how things were going. She told me things had been going fine until that afternoon when the school principal called to tell her they were sending her teenage son home because of a behavioral problem. She went on to say that the problem had been brewing for quite a while and she was very frustrated because her son was capable of becoming a Straight-A student, but he refused to apply himself.

Although it was none of my business, I asked her how she planned to deal with the situation. She told me she planned to sit down at the kitchen table that evening with her husband and her son and they were going to work out a solution to the problem once and for all. Then she asked me what I thought. Since she had attended several of my seminars, she was very familiar with the PRAM Model, so I used it in structuring my response. I pointed out that although the method by which she planned to resolve the problem seemed very logical to her, it probably wasn't going to work because she was going to try to work out an Agreement with her son when the actual problem was a damaged Relationship. I went on to tell her that although I didn't want to be the one to deliver the bad news, it was my assessment that her son no longer trusted her or her husband. I explained that this was a Maintenance problem because at onetime her son did trust her and her husband, but somewhere along the way the trust had been damaged and now it needed to be repaired. I further explained that whenever a relationship has been damaged, you can't start over and build a new relationship with that person, you have to fix the relationship that's already there.

At first this woman became rather defensive at the notion that her son didn't trust her and pointed out that the three members of her family had lived together for fourteen years. How could they not trust each other? I asked if she ever visited her son in his room. She responded that she did so at least a half-dozen times a week. I asked if most of the visits were pleasant and relaxed, or confrontational in nature. For example, did she ask him things like, “How come your room is such a mess?” Or, “You promised you’d mow the lawn yesterday, why isn't it done?” Or, “When are you going to get your act together at school?”

She quickly admitted that almost all her visits to her son's room were confrontational in nature. I pointed out that if this were the case, her son didn't like seeing her walk into his room because he knew it would be an unpleasant experience. She asked me what she should do. My response was that until the trust level was restored and her son once again felt comfortable with her and her husband, there would be no progress with his behavior at school. So, I recommended that she and her husband work on the trust first. I suggested she and her husband each spend fifteen minutes alone with their son every night for the following two weeks, talking about whatever their son wanted to talk about, without nagging him about anything. I asked them not to bring up the school problem until after these two weeks were over and to avoid any other types of confrontations with him during that period. In addition, I also asked them to do a few things during that time that would make their son feel special.

Ten days later, I received a phone call from this woman to confirm my speaking date in Tucson. When we had finished talking business, I asked her how the family situation was going. She told me that both she and her husband had done exactly what I had recommended. She did admit, however, it had taken her a few evenings to get used to going into her son's room and not nagging him. They also had gone out of their way to make him feel special by taking him to an electronics show that he was very interested in. She went on to say that as a result of all this, the problem at school had taken care of itself; it was never even brought up. She also told me that on the previous day, her son had come home from school very upbeat and said to her, “Guess what happened in school today, Mom?” She said that he hadn't said anything like that since the first grade!

Diagnosing Problems—Example Two

I once did some consulting work for a major manufacturer of scientific glassware (flasks, petri dishes, test tubes, etc.). This company had one major competitor with whom they went head-to-head on nearly every one of their products. The products of these two competitors looked the same and worked the same and were sold through the same distributor network, so they were basically interchangeable. The only differences were the color of the lettering on the products and the logo. The problem this company wanted me to solve was why they had lost 25 percent of their market share during the past two years to their only competitor.

When I heard this, the first question I asked was whether their quality had slipped relative to their competitor’s. The answer I got was "Not at all!" The next question I asked was whether their level of customer service had fallen off. Again, the answer was an emphatic “no.” When I asked about their pricing, I was told that it was competitive. I went on to ask a series of additional questions and received similar answers. Finally, I asked if they had experienced any turnover in their field sales force recently. As it turned out, this company had 40 field salespeople who covered the entire United States and they had lost nine of these 40 salespeople during the past two years due to retirement.

Hearing that they had lost nearly 25 percent of their sales force during the same two-year period that they had lost 25 percent of their market share, I sensed there might be a connection. The rest of the conversation went as follows:

"How long had these salespeople been in the field representing your company before they retired?" I asked.

The vice-president of sales answered, "Between fifteen and twenty-five years."

"Who did you replace these people with?" I asked.

"New college hires," answered one of the regional managers.

"What are the career aspirations of these new college hires—do they want a career in sales or something else?"

The vice-president of sales was beginning to sense the real cause of the problem when he answered, "They want to gut it out in the field for a year and a half to two years, then get into corporate marketing."

Then I asked, "Was there an overlap between the time when the new hires were brought on board and the retirees left the company so that the new hires could learn the ropes of their new job and build their own relationships with the distributors?"

The answer was an emphatic no and I was told that every one of the nine territories was without a salesperson for at least a month before a new salesperson was brought on board.

"There's the problem," I said. "Those salespeople who had been in the field for fifteen to twenty-five years had built very solid relationships with their distributors and kept them maintained. As a result, these distributors were very loyal to your salespeople.

Since both your and your competition's products are virtually the same, those distributors bought from the salesperson who they had the strongest relationship with, who just happened to be your salesperson.

When those nine salespeople retired, their relationships did not automatically carry over to their replacements. Because these territories were without a salesperson for a month or more and because the new hires had no interest in staying in the field, they saw no reason to invest time and energy into building their own relationships with their distributors. As a result, these distributors shifted their loyalty to the competitor's salespeople, each of whom had been working on their own distributor relationships for quite some time."

I then looked at the vice-president of sales and said, "You've been thinking all along that these distributors were buying your products because these products had your brand name on them. The reality is that years ago they bought these respective salespeople who, coincidentally, just happened to be carrying your product line!"

What had happened over the years was that top management had gotten carried away with managing products and had totally forgotten about managing their relationships with their distributors. In just two years, this misplaced emphasis had cost them 25 percent of their market share! The vice-president of sales was especially upset because he knew these distributors would be very difficult to win back. He had now come to realize that customer loyalty is not just a matter of advertising and promotion, it's a matter of building and maintaining long-term friendships.

Diagnosing Problems—Example Three

I once conducted a training program about the PRAM Model to the merchandise managers of a large national hardware store chain. This was a one-day program where I spent the first five hours teaching the participants about the PRAM Model and how to use it. The rest of the day was to be spent using the PRAM Model to diagnose and solve problems that this company was currently experiencing.

When I asked the participants to share one of their problems with me, the sporting goods merchandise manager said, “I’ve got a problem that there’s no way your PRAM Model can solve. The reason I say this is we’ve been trying to solve it for two years and haven’t made a dent in it.”

Being the type of person that appreciates a challenge, I said, “Tell me about your problem.”

He responded with, “Until two years ago, we were able to go to one of our firearms manufacturers direct for purchases of rifles, pistols and shotguns. This enabled us to enjoy very favorable pricing and we were able to price these firearms very competitively in our retail outlets. Two years ago, however, the owner of the company, who is also the president, said, ‘no more buying direct, you must go through my distributors like everyone else.’ The problem is when we purchase from these distributors, we have to pay a much higher price for these firearms which means we can’t price them nearly as competitively in our retails stores and it’s costing us a bundle.” He then looked at me and said, “What do think the problem is?”

I said, "Let's take a look at the PRAM Model and see what it can tell us." I then said, "Could it be a Planning problem? For example, have you considered consolidating all of your purchases from this manufacturer into a single annual purchase and maybe time this purchase so that it coincides with a time when sales are traditionally slow through this man's plant thereby enabling him to level out his production and warranting you a discount?"

His response was, "We ran this very idea by the owner and he said, 'If you can work it out with my distributors, go for it.'"

I then suggested that maybe it was a Relationship problem. I asked, "Do you know this owner who is forcing you to buy through his distributors?"

The answer was, "Yes, he and the CEO of our company have been friends for more than 20 years."

I then said, "Maybe it's an Agreement problem." I went on to ask, "What's in it for the owner of this firearms manufacturing company to even be doing business with you?"

The answer was, "$10,000,000 worth of firearms year in and year out which is a pretty good chunk of business for this guy."

I kept asking questions and kept getting nowhere. This went on for about half an hour now the participants were starting to suggest that maybe the PRAM Model wasn't up to the challenge.

One of the things I have learned over the years is that when, with the information I have been given, I can't find the cause of a problem in one or more steps of the PRAM Model, I don't have all the necessary information. Either I haven't asked the right question yet or they're holding something back. So, I looked at the group of participants and confidently said, "You're holding something back, aren't you?"

At this point, the room became deadly silent. As a consultant, this tells you that you're on to something. I then said, "It's something embarrassing, isn't it?"

The room became even more silent before the sporting goods merchandise manager said, "You might as well know Ross, because you're the only one in the room who doesn't."

I came back with, "What don't I know?"

He said, "Two years ago, my predecessor got caught taking kick-backs on this account. We immediately fired this person, but we avoided telling the owner about the incident. He eventually found out through the grapevine what happened and when he did, he came unglued because we weren't upfront when it came to informing him about the incident. That's when he made us buy through his distributors."

The problem here is a 20-year old relationship that has become damaged. Whenever this kind of situation occurs, you have a Maintenance problem on your hands and the first item of business is to repair that relationship. Furthermore, the first step in repairing the relationship is to apologize to the owner for not being forthright with him. So, I said, "Has anyone apologized to this man?"

The answer was, "No."

I asked, "Why not, it's been two years?"

The sporting goods merchandise manager responded by saying, "No one wants to because it's embarrassing."

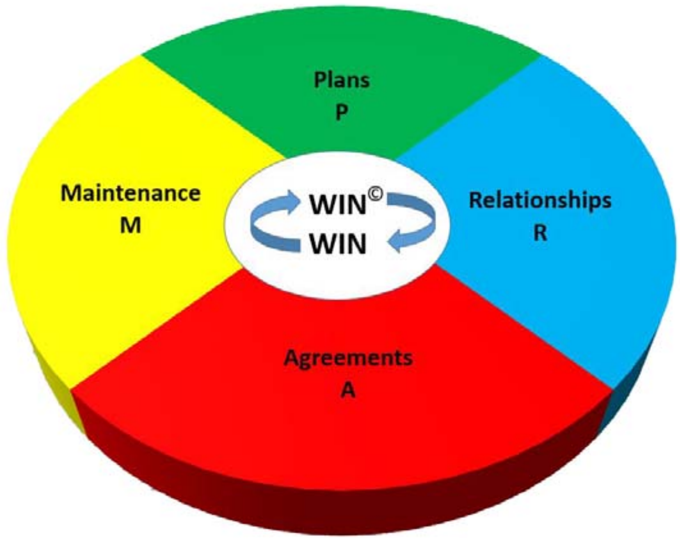
I then said, “You’ll never get back to a meaningful discussion of buying direct from this manufacturer until you and the CEO of this company fly to the city where this man lives and apologize to him.” I went on to say, “After you apologize, don’t ask this man right then and there if you can go back to buying direct. When you get done with your apology, I want you to fly back home and wait for the phone to ring. I guarantee it will ring, I just can’t tell you when.”

This merchandising manager’s response was, “We’ll take your suggestion under advisement.”

This told me he didn’t like what he just heard. He was looking for some magical path around this messy human stuff and there isn’t one. You have to deal with it if you want to be successful. Two months later, the sporting goods merchandising manager and the CEO finally decided to act on my advice. They flew to the city where the owner lived, had dinner with him, apologized to him and flew back home. Three weeks later, the CEO’s cell phone rang and guess who it was? It was the owner of the firearms company. And guess what he wanted to tell him? That his company could once again purchase its firearms direct from the manufacturer.

Amazing results can be achieved in solving problems when you apply an appropriate solution to the true problem. The key to realizing such results is to correctly diagnose the true cause of the problem *before* you attempt to apply a solution. Furthermore, it's the PRAM Model that holds the key to an accurate problem diagnosis.

Chapter Seven
Becoming a Highly Successful Salesperson



If you want the PRAM Model to deliver everything that's promised in this book, you must execute it within the context of three very important factors. These are *Balance, Integrity,* and *Patience.*

Balance

As you look at the PRAM Model, one of the things you will notice is that each of the four steps is equal in size. This means that each of the four steps is of equal importance. This doesn't mean that each of the four steps will take the same amount of time, but it does mean that you can't afford to ignore or skip any of these steps if you expect to achieve a high level of success as a salesperson. Think of the PRAM Model as a baseball diamond. If you want to make a score, two things are essential. First, you must touch all four bases, and second, *you must touch them in the correct order*.

Probably the most common sales problem today is going from Step One (Planning) directly to Step Three (Agreement Formation) without going through Step Two (Relationship Development). This is one of the primary reasons there aren't more highly successful salespeople. All too often salespeople try to sell their product or service *before* they successfully sell themselves.

Balance—Example

A number of years ago, I gave a talk to the minor league scouting staff of the Chicago Cubs major league baseball team. When I had concluded my talk, I asked these people to share some of the problems they encountered in trying to sign high school recruits. These scouts told me that the biggest problem they faced was the increased competition they were getting from colleges and universities trying to recruit the same players. They made it very clear that they did not want to lure away young men who would benefit from attending a college or university. They were concerned with those who were not ready for college and who would be better off going directly from high school to a minor league baseball team.

They did admit they had relatively little problem signing a first-, second-, or third-round draft choice because, at the time, they could pay these people anywhere from $60,000 to $150,000 per year. The problem was with the lower-round draft choices. For example, a twelfth-round draft choice received only $700 per month and $12 per day for meal money. On the other hand, a college scholarship could be worth as much as $15,000 per year, depending on the institution, and colleges and universities paid $15 per day for meal money.

The scouts went on and on about how more money would solve the problem. After listening to them for a while, I said it seemed to me that the colleges and universities weren't winning the recruiting war against them with more money. Rather, they were doing a better job of building relationships with the players. I pointed out that these college coaches probably came across as a big brother or father figure, while the players on these college teams probably came across as a great bunch of guys to hang around with. If this were the case, making more money available for minor league salaries was not going to solve their problem.

As I finished my statement, three senior scouts stood up and enthusiastically confirmed my assessment. They went on to say that in years past they had made it a point to build relationships with every young man they were even remotely interested in because it was an open market and a high school graduate could sign with any team. Under such circumstances, it was very important to develop relationships—a high school recruit generally signed with the team whose scouting staff he felt most comfortable with. Recently, however, high school recruiting had become subject to a draft and the player could only sign with the team that drafted him. Most scouting personnel no longer saw a need to develop relationships with all the players that they might be interested in because there is only a one-in-thirty chance that they will be able to draft any one of them. In other words, relationship building was no longer a high priority for most scouts.

One of these senior scouts, however, said that his recruiting plan (Win-Win Plan) still included relationship-building activities despite the draft. As a result, he rarely lost a player that he was recruiting to a college or university. He then went on to explain his method of building relationships with high school baseball players. He held baseball clinics on Saturdays throughout his territory during the warm-weather months. He enlisted the support of some former major league players and invited approximately thirty to forty boys to participate in each clinic. At these clinics, this scout provided instruction on some of the finer points of hitting and playing defense. These players were then given a chance to try out these new ideas in a game between two teams made up of the players attending the clinic.

In addition to assessing each boy's potential, the goal of this scout was to make sure that he or one of his assistants interacted with each young man individually in a very special and positive way. For example, he told of one young man who, while batting, popped the ball straight up in the air for an out. At this point the scout halted the game and told the boy that the reason he popped the ball up was because he dipped his shoulder when he swung at the ball. He asked this boy to come back and take a few more swings while concentrating on keeping his shoulders square. After a couple of pitches, this boy was hitting the ball squarely and was very impressed that this man had taken the time to correct the problem. The scout then went over to the sideline where a pitcher was warming up. He asked the pitcher if he would like to learn how to throw a split-fingered fast ball. The young man nodded yes and the scout proceeded to show him the finer points of how to throw the pitch. This boy, too, was very impressed that a scout for a major league team would take the time to give him some special attention. Because of all this warm, positive attention, at the end of the clinic, the enthusiastic consensus among these young men was "We sure hope the Cubs draft us, because we want to play baseball for the Cubs!"

This scout did not view his job as ending once he got a recruit to say yes to the Cubs. He went on to point out that there was still more a scout could do to make his job easier. He kept very close track of all the players in his territory who had been drafted and signed and he periodically followed up with them to make sure things were going well and that the Cubs were honoring all the promises he had made to them. By effectively performing this maintenance activity, he was able to turn these former recruits into long-term friends who, without being asked, went to work on his behalf. The word got back to the high schools in his territory that the Cubs were a good team to play for and that this scout was a good person to deal with. This made his future recruiting efforts even easier.

Without realizing it, this scout took each of his recruits through all four steps of the PRAM Model which, in turn, made him an extremely successful scout.

Integrity

In order for the PRAM Model to deliver the results that I have promised, it has to be applied with genuine integrity. Trying to use the PRAM Model to manipulate people will eventually expose you as a fraud which means no repeat or referral sales.

Integrity—Example

During my last year as a Professor of Management at Arizona State University, the Faculty Development Office at the university undertook a project to assist faculty members who were less-effective teachers to improve their teaching. The project involved, first, identifying the seventy-five best teachers on the ASU campus. Next, a representative from the faculty development office administered a 20-question questionnaire to the students in each of these seventy-five "best teachers'" classes. The instructions asked the students to evaluate their professor on a number of items such as level of preparation, enthusiasm for the subject they were teaching, concern for students, and so forth.

After the questionnaires had been administered, they were collected and the data on them was entered into a computer in order to find out which items each of these "best teachers" received high scores. Once this was known, a representative from the Faculty Development Office interviewed each of these "best teachers" in an attempt to find out what he or she did in the class room that resulted in him or her achieving these high scores. The idea was to put the results from these interviews into the form of a handbook that would serve as a guide to help less-effective teachers improve themselves.

I was fortunate enough to be included among those seventy-five best teachers at ASU. Six weeks after the questionnaires were administered, a person from the Faculty Development Office showed up at my office to go over the results with me. This turned out to be a very pleasant experience for me as she pointed out that I had scored very high score on all the items. What she said next, however, really caught my attention because it revealed to me the ultimate secret to being successful at any people-oriented profession or activity.

She said there was one item that stood out from all the rest. This was that my students felt that I genuinely cared about them. As she told me this, she looked at me and said, “Now I want to know how you pulled that off!”

Since the question caught me off guard, I really didn't have an answer. I did, however, inform her of some of the things I did for my students such as helping those who wanted to improve their grades, helping them find high-paying jobs after they graduated, and treating them like friends instead of second-class citizens. After she thought for a moment, she looked up and said, “What you’re telling me is you really do care and it shows.” I must admit, this comment hit me like a ton of bricks because it had never occurred to me before. Yes, I did care, but caring was something I did as a matter of course with everyone. I had been taught to do so by my parents and I didn't know any other way to operate.

Reflecting back on my ten years as a professor at ASU, I remember receiving a lot of good-natured kidding from some of my colleagues. Some of them told me I spent far too much time with my students. Others told me that my salary level didn't warrant my giving those students the level of service that I did. I would acknowledge their comments and point out that it was the one aspect of my job that I really enjoyed. Interestingly enough, when I resigned my position and went into business for myself, my income immediately tripled, and 80 percent of my business during the first ten years I was out on my own came from my former students. Until recently, I had never associated the idea of caring about people as having any sort of payoff, but it really does. What goes around definitely does come around. When you really care, what comes back is always more than what you gave away in the first place. Caring still pays off for me today, in that nearly 100 percent of my consulting, speaking, and training business is the result of repeat business and referrals.

When the woman from the faculty development office pointed out that caring was the secret to my classroom success, I'm sure she had no idea that she had discovered the ultimate secret to personal and professional success. You have to care and if you do, it will show. This is what the PRAM Model is all about.

Patience

Whenever we apply any new selling process, most of us would like to see instant results. The beauty of the PRAM Model is it *does* produce some instant results but, more importantly, it also produces phenomenal results over the long term in the form of repeat and referral sales.

Patience—Example

A customer will only provide you with repeat and referral sales *after* you have taken him or her through all four steps of the PRAM Model. Furthermore, you must take each customer through the PRAM Model one step at a time over a period of time. You can't expect all this to happen in one or two quick sales calls any more than you can expect to make a serious marriage commitment after one or two half-hour dates. That's not the way people work. Developing trust takes time and has to occur at a natural and comfortable pace.

When it comes to turning customers into long-term friends, patience truly is a virtue. Shortly after I returned from Vietnam many years ago, I entered the doctoral program in business at Michigan State University. As the money I received from the G.I. Bill only covered a fraction of the cost of going to school, I joined an Army Reserve unit in order to make up some of the difference. I was then given command of the unit, which meant that I was responsible for everything regarding that unit, including recruiting.

The unit I took over was supposed to have 104 people in it. After I performed a personnel audit, I found that it only had 54 people on its rolls. In addition, 26 of these remaining 54 were getting out of the Army Reserve within six months. Furthermore, the draft had just ended, which was the biggest reason people joined reserve units during the Vietnam era. Just when I thought things couldn't get any worse, the next day a general from Indianapolis came up and informed me that if I didn't bring my unit up to full strength in six months, I would be relieved of my command.

At this point, I really wanted to tell this insensitive general what he could do with his reserve unit, but my reputation was important to me and I didn't want a black mark on my service record. So, I decided to give it a go and try to recruit the necessary 76 people. Talk about a tough sell! Just try to get someone to sign up to be hassled at least one weekend a month and two weeks each summer for six years, when there is no draft, in the relatively small city of Lansing, Michigan, just as the Vietnam war is winding down and anti-military sentiment was high. Even if someone were to take you up on such a deal, you'd have to question their sanity!

However, I decided to take recruiting these 76 people on as a personal challenge. I started by ensuring that I was taking very good care of the people who were already in my unit in the hopes that some of them would reenlist or bring in some of their friends.

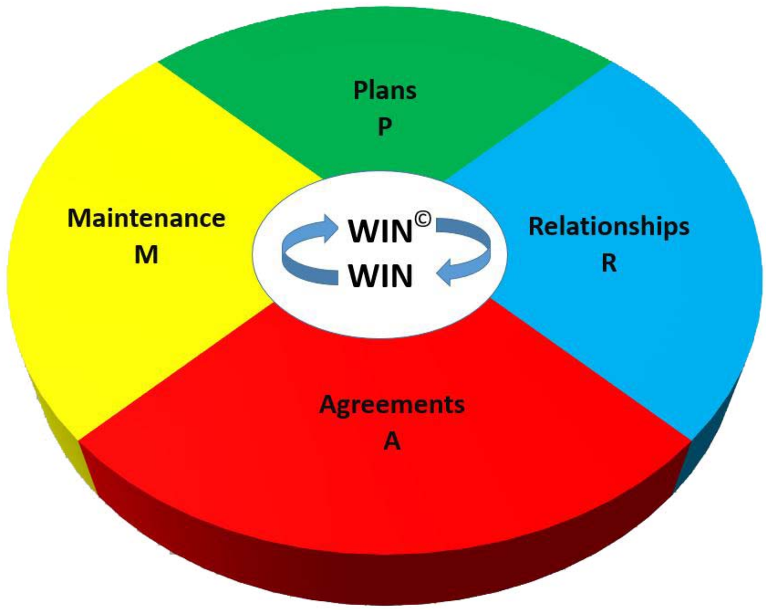
This meant straightening out any pay problems without delay, making sure we had warm tents and hot food when we went to the field, seeing to it that people were promoted on time or even ahead of time if they deserved it, and in general, going to bat for them when they encountered problems. I also took an interest in each individual personally. We spent a lot of time after meetings talking about careers and what the future might hold in store for each of us.

I took a similar approach with potential new recruits. Instead of trying to sign them up immediately, I got to know them first. I also made it a point to go to their homes and get to know members of their families. In a number of cases, these potential recruits would have a friend or two at their homes when I made these visits. We would talk about the future, about the army or anything these people were interested in, but I never tried to sell people on signing up for the Army Reserve while I was on one of these visits. All of this visiting did consume a large amount of time, but I enjoyed getting to know all these people. I wasn't sure if there was going to be a payoff because during the first four-and-a-half months, I recruited only 11 people. But during the next six weeks, 71 people signed up! It was amazing. One person walked into my office with 13 of his friends, all of whom wanted to enlist in my unit. A dozen others brought at least one friend with them when they signed up.

If you only observed what went on during those last six weeks, it looked like I had a natural gift for attracting and selling people. They came in from all directions almost begging for a chance to become part of my unit. What wouldn't have been apparent, however, was that during the preceding four-and-a-half months, I took nearly every one of those people through all four steps of the PRAM Model, one step at a time. Yes, it was a lot of work and took a lot of time, but the payoff was amazing.

These same kinds of results can be yours, but only if you apply the PRAM Model to your customers with the patience required to allow the process to occur naturally and comfortably. When you apply the PRAM Model in this manner, you're no longer selling; rather, you're making it easy for your customers to buy.

Chapter Eight
Making it Happen



If you want to turn your customers into long-term friends who enthusiastically provide you with repeat and referral sales, you only need to remember to do four things. First, discipline yourself to take the time to do some Planning. Whenever you come into contact with a current or potential customer, always ask yourself, "What can I do for this person that will get him or her excited about providing me with repeat and referral sales?"

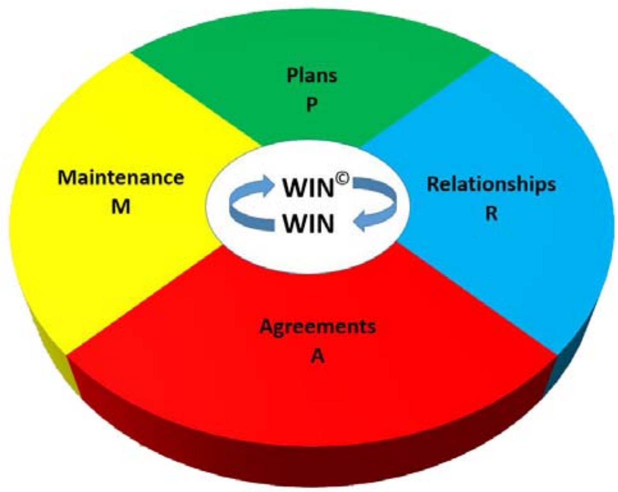
Second, recognize that customers are people and they are very willing to provide repeat and referral sales for salespeople they like and trust. Thus, it's important that you spend the necessary time building Relationships with your customers *before* you try to sell them anything.

Third, make sure the Agreements you reach with your customers are truly Win-Win. That is, your customers get what they want by helping you get what you want.

Finally, don't overlook the all-important Maintenance aspect of the PRAM Model. This is the step that produces the repeat and referral sales. When a customer sends some repeat business your way or refers a potential customer to you, make sure you express your gratitude in a way that shows you care. Also, continually reinforce the idea that you aren't taking your customers for granted; that you are there for them and not the other way around. In addition, develop some sort of reminder system that ensures that you'll continue to execute the PRAM Model in a way that *keeps* your customers excited about sending repeat and referral sales your way.

If you follow these four steps within the context of Balance, Integrity, and Patience, you'll find that your job as a salesperson will be transformed from one of spending all your time and energy chasing individual sales to one of managing your relationships with long-term friends. When this occurs, your success as a salesperson will thrive like never before. Furthermore, you'll accomplish all this with less effort and less stress than you've ever imagined, because you have your customers willingly doing much of the work for you. When this happens, selling becomes fun and life becomes good. All the best to you!

PRAM Model Summary
The PRAM Model



There's only one selling system that guarantees repeat and referral sales. It's called the **PRAM Model**. A summary of each of the model's four steps is presented below.

Win-Win Plans

1. Determine your self-interest.
2. Identify those people who stand between you and success or failure.
3. Determine their self-interest.
4. Develop a strategy to connect the customer's self-interest with yours.

Win-Win Relationships

1. Plan situations which allow a relationship to develop.
2. Cultivate the relationship.
3. Don't get down to business too quickly.

Win-Win Agreements

1. Verify the customer's self-interest.
2. Implement your strategy to connect the customer's self-interest with yours.
3. Work *together* to resolve any problems.
4. Finalize the agreement.

Win-Win Maintenance

1. Maintain the Agreement.
2. Maintain the Relationship.
3. Maintain the Plan.

BECOMING A HIGHLY SUCCESSFUL SALESPERSON

There are three very important factors that you must apply each and every time you put the PRAM Model to use:

1. Balance.
2. Integrity.
3. Patience.

Sales Planning Guidelines

I. Describe your sales situation.

II. Using the following outline, develop a plan to effectively deal with this situation.

A. Determine your self-interest.

B. Identify the people in your customer's organization who stand between you and success or failure.

C. Determine their self-interest

D. Develop a strategy to connect the customer's self-interest with yours.

E. Assess the status of your relationship with these people.

--If you have no relationship, how do you plan to develop one?
--If your relationship is negative, how do you plan to repair it?

F. Develop a strategy to make sure that when you open the discussion with a customer, you *talk to the customer about what he or she wants* ***first*** *and then show him or her how to get it*.

G. How do you plan to:

--Get this customer to follow through?
--Reinforce the customer's behavior when they do follow through?

H. How do you plan to maintain a close working relationship with this customer?

I. Develop a way to remind yourself to effectively execute the PRAM Model on a continual and consistent basis.

About the Author

Ross is president of Ross Reck & Associates. He is also the author of the recently released *100% Employee Engagement—Guaranteed!*, *The X-Factor* and his very popular newsletter: *Ross Reck's Weekly Reminder*. He is also coauthor of the best-selling *The Win-Win Negotiator*, *REVVED!* and *Instant Turnaround!*

A compelling and dynamic speaker, Ross has been featured at hundreds of meetings, conferences and conventions throughout the United States, Canada, Latin America, Europe and Asia. His consulting clients include Hewlett-Packard, John Deere, American Express, Janssen-Ortho, Inc., Shire Pharmaceuticals, Philip Morris International, the Chicago Cubs, Rolls-Royce and Xerox.

Ross received his Ph.D. from Michigan State University in 1977. From 1975 to 1985 he served a Professor of Management at Arizona State University. During his career at ASU he was the only two-time recipient of the prestigious "Teaching Excellence in Continuing Education" award and was identified by the university as an "Outstanding Teacher." Since 1985 he has dedicated his full-time efforts to improving the way that the world conducts business.

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