

## **RELATIONSHIPS: THE 21<sup>ST</sup> CENTURY ASSET**

**By Jerry Acuff and Lori Champion**

It is no surprise that when executives are asked, “How important are relationships to the success of your business,” the answer is almost always, “relationships are everything,” or “they are very, very important,” or “we would not be in business without relationships.” If this is, indeed, the truth that relationships are everything, what are companies doing to protect and grow those important business assets (customer relationships)?

Ask financial controllers in most organizations about the most valuable assets of the company, and you will likely hear: fixed assets, employee assets, customer assets, and brand assets. Many corporations have asset managers to watch over physical and financial assets. Human Resources and Department Heads watch over employee assets, and the position of Brand Manager is responsible for growing and protecting the company brand.

It is interesting that the most important asset—the customer—does not appear to hold the same value; although, none of the others exist without it. Organizations are people dealing with people. In most situations, there is minimal control over your company’s relationships because there is usually only one person responsible for managing them—the sales person. Think about it, if there is only one key contact with your client, what kind of value are you really placing on that relationship?

This article provides methods on how to look at the value of company’s relationships and secure them as an asset. It outlines what is necessary to be successful in managing relationships and building a culture to support it.

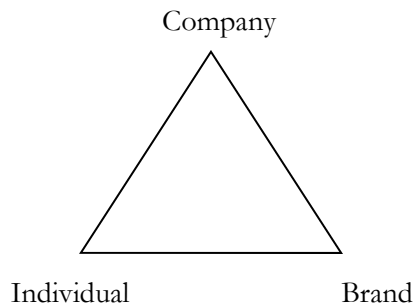
Ask financial controllers in most organizations about the most valuable assets of the company and you will likely hear that there are four major asset categories: fixed assets, employee assets, customer assets, and brand assets. Many corporations have asset managers to watch over physical and financial assets. Human Resources and Department Heads watch over employee assets and the position of Brand Manager is responsible for growing and protecting the company brand.

It is interesting that the most important asset—the customer, does not appear to hold the same value, although, none of the others exist without it. People influence business and people are what truly make up an organization. Organizations are people dealing with people. In most situations, there is minimal control over your company relationships because there is usually only one person responsible for managing them—the sales person. Think about it, if there is only one key contact with your client, what kind of value are you really placing on that relationship?

It is no surprise that when we ask executives, “how important are relationships to the success of your business,” that the answer is almost always, “relationships are everything,” or “they are very, very important,” or “we would not be in business without relationships.” If this is indeed the truth, that relationships are everything, what are companies doing to protect and grow those important business relationships (customer assets)?

The answer is that relationships which are crucial to your business’ success need to be managed and protected as an organizational asset. Jerry Acuff, CEO of DELTA POINT- THE SALES AGENCY and author of *The Relationship Edge in Business* says that in order to build relationships as organizational assets your must consider the three ways in which people have relationships with your company. Look at the diagram below and you will see the three kinds of relationships people develop with a company—individual, brand, company.

Diagram 1.



The question a company must ask is what level of relationship do our key clients have with us? Is it mostly with our brand or mostly with an individual representative? The goal is for key accounts to have relationships at the top--with the company. This is the only way companies will be able to secure their growth with critical business partners.

First and most importantly Relationships as Organizational Assets must be seen as a high-level, cross-functional initiative that is driven from the top and throughout the infrastructure of a company. The process becomes part of a company's culture, so without alignment at a senior management level it is a futile effort.

There are four key components to building your relationships as assets:

1. Data – The information a team has on every relationship that is imperative to their company.
2. Expectation- As a company, expectations for relationships must be very clear in terms of communication team members responsible, and tracking of relationship building process.
3. Accountability – Implement a system for tracking progress with company relationships and holding people responsible for the activities that will move the relationship forward.
4. Skill Development – Relationship building is a skill. Companies who want to include relationships as part of their corporate culture must identify the skill gaps and provide appropriate training and practice so that people become accomplished at forming valuable business relationships.

Component one is collecting data-- identify the relationships that are critical to maintain for the company and compile their information in one location. Most companies have a CRM system for tracking this kind of client information. Find out as much as possible about each key client identified and update the files frequently. Once team members have captured all the pertinent information, share it! Accessibility of information is key for the process to work. As a team, determine everyone within your organization who will be responsible for "touching" this particular client and develop a method for accurately sharing data. In some cases the team may involve the Sales Rep, the Director of Sales and perhaps a pertinent operations manager. In others, the company will have senior executives as part of a relationship management team.

Companies as a whole must set expectations (component two) for client interactions. There needs to be complete clarity about how each person will communicate with every client and each other. Be very specific about the quantity and quality of interactions. This means designating the number of "touches" and by whom on a weekly and monthly basis. What is the desired quality or nature of the interface- e-mail, phone call, coffee, dinner, etc.? Think about the client for a minute. What we are proposing will make regular follow-up part of everyday life for team members. It is important that while these types of actions are a normal part of business for your team, the client view each and every one as special. Planning is essential with every action teams take. Planning insures that you meet or exceed your quality of interaction expectations.

Communication is critical so, once a "touch" is complete; the information is then entered into a data base and shared with the relationship team responsible for the client. You can see that while managing relationship assets may not be difficult, the process could become complicated without clear expectations and communication both from the executive level as well as among

the team of people responsible for maintaining and growing a particular relationship.

We have said that in order to effectively adopt the process of relationships as organizational assets into your company, there must be complete top down alignment. The key to all of it, as with any new process, is accountability (component three). Systems are in place and there are multiple people engaging with every imperative relationship. How does one know that progress is moving forward and relationships are becoming more secure for the company versus an individual or brand? Make it part of culture by holding people accountable. Decide whether relationship management is a regular agenda item where team members give weekly updates on key account progress or perhaps each team submits a monthly report around three target customers. There are multitudes of ways to hold people accountable for responsibilities. Figure out what works best for the company and track progress regularly.

The fourth component, skill development is perhaps the most essential. The program structure is complete and everyone from the top executive to the intern is on board with securing relationships as organizational assets, so how well are people going to perform? Measuring current skills and increasing them to expectation levels requires some analysis and most definitely training.

Building a strong business relationship is a process. It is not magic, it's not chemistry, it's not luck...it is a process. The skills necessary to grow a relationship involve understanding the process for building relationships and being able to correctly assess where you stand in the relationship at any given time. The Relationship Edge in Business states, "Building business relationships that last is a skill virtually anyone can learn. It requires a process you can master since you already know instinctively what the process requires. If you master the simple steps your business (and personal) relationships will improve."

Building relationships requires three-steps:

1. Have the right mindset—what you think. What you think about the client and yourself has equal impact. You must think that relationships are important. You must believe that you are someone with whom other people would want to have a relationship. Why would they want to? Because you have experience, training, skills, abilities, knowledge (or all five) they value. You must also think well of others and learn to think as much as you can from the other person's point of view.

2. Gather information- what you ask. You must also ask the right questions. The goal through asking is to discover common ground—mutual friends, interests or concerns. Or if there is no obvious common ground and the other person cares passionately for something about which you know little, your goal should be to learn from him or her.

3. Demonstrate your professionalism, integrity, caring, and knowledge, and when appropriate, do unexpected, inexpensive, thoughtful acts based on what you have learned about the other person—what you do. Knowledge is only as useful as the actions you take. Once you learn about the client, do something with the information that demonstrates you care.

The relationship process will not work on everyone—but it will work on most people if you follow the steps.

You can use the steps in the process to assess progress or lack of progress in any given relationship. As a group of managers responsible for a given relationship, ask these questions:

Do we have the right mindset about the client and about ourselves?

Have we asked the right questions or have we asked enough questions? What questions will we ask the next time we encounter this person?

What have we done based on what we know?

Taking steps unknowingly, the way most people

build relationships is the difference between unconscious competence and conscious competence. Most of us are unconsciously competent at building good relationships, meaning we do it naturally, without having to really think about it. Understanding the process, however, puts you at a level of conscious competence, where you can and do think about how you go about building the relationship. The process does not merely happen. You know how to do it and you can do it when it counts.

The second skill is to be able to assess the strength of dialogue. Solid relationships reflect strong trust and rapport. And where trust and rapport are present, people can have meaningful dialogue. Meaningful dialogue is defined as an adult conversation rooted in the truth. Relationships and companies are too often ruined because people cannot get at the truth. If clients will not tell you what they honestly think about your company, products and services, what is the likelihood you can do business with them?

Too many salespeople do not address this issue. They don't make it a priority to build personal relationships or to establish dialogue. So, the goal is to strive for a better business relationship because it encourages meaningful dialogue. When you have a strong relationship, the other person listens differently and shares more openly. Similarly, you expect colleagues with whom you have a positive relationship to listen to you because they know they can trust what you say.

Assess your dialogue skills with your team mates. There are six rules of "Meaningful Dialogue." Use them as a report card to determine how well team members accomplish these points:

- Without meaningful dialogue, there is no selling--did you have dialogue that enabled you to sell?
- There may be buying or purchasing, but there is no selling--how complex is the sale? Did your client purchase or did you sell?

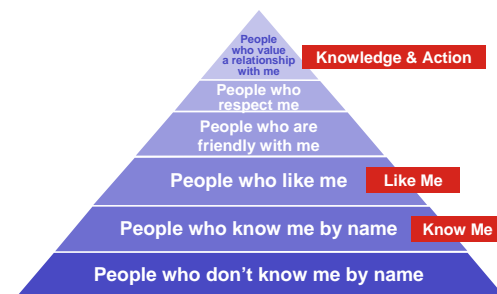
- The ideal listen/talk ratio is as close to 50/50 as you can make it-- how much did they talk and how much did you talk?
- Conversations are voluntary- you must manage the content and condition of the call – how safe did your client feel? Did they open up and have an honest conversation?

Meaningful dialogue begins with your intent-- what was your intent and was it in the client's best interest?

Meaningful dialogue should end with your assessment of the exchange – did you take the time to assess your conversation and plan the next conversation?

Use the relationship building process and meaningful dialogue to climb the Relationship Pyramid (Diagram 2). The Relationship Pyramid reflects the five positive relationship levels one can have with another human being. They form a pyramid because a great many people, literally billions, form the base—people who do not know you by name—and relatively few are at the peak—the people who value a relationship with you.

Diagram 2- The Relationship Pyramid



It is relatively easy to move up from the base to the first level where people know you by name. The best way to get people to remember your name is to remember and use theirs. The next level includes people who know you by name and who like you. By "like you," we mean they don't mind having you around. They are not offended when you visit. You are not close (yet), but the door is open to becoming closer.

The third level covers those who are friendly with you. "Friendly" means they will talk about more than the immediate business at hand. They will chat about the football game or what you did last weekend or where they went on vacation. At this level, you are establishing and sharing common interests and concerns, and you now routinely talk about those concerns.

Level four consists of people who respect you. Respect is defined as: "esteem for or a sense of the worth or excellence of a person, a personal quality, or ability." Someone who has a high opinion of your integrity, your knowledge, your courage, or all three respects you by definition.

The last level contains people who value a relationship with you because they believe it is in their best interest to have one. They trust you, think you can help them, and are confident you will not abuse their trust. Even better, the feeling is mutual; just as you help people at the top of the pyramid, they will help you.

Most business relationships hover at level three—people who are friendly with me. These relationships are about likeability which is the driver for achieving levels four and five. Just to be liked is not enough. When you reach the top two levels in the Relationship Pyramid, the Respect Me/ Value a Relationship with Me levels, you have relationships that can help you even reach your stretch goals.

Achieving the top two levels involves finding out what people treasure both personally and professionally and acting on that information. It is also a function of your knowledge, your integrity and your actions.

The Relationship Pyramid is an effective tool to help companies define where they truly are in those crucial relationships. Corporate teams begin by taking each relationship and have every person involved identify where s/he is on the pyramid with that client. This is the starting point for the relationship plan.

How do we apply these skills and components into a workable plan?

1. The first step is to agree as an entire company that you have relationships important enough to the growth of business that you want to secure them beyond the sales rep and brand relationship. You want this client to partner in the best interest of the company's future.

2. Identify specific clients or key thought leaders to engage in this process and determine who in your organization will share in each relationship. Determine the desired end result as a company from the relationships.

3. Each group of people or relationship asset team classifies the level where s/he is on the Relationship Pyramid with the client.

4. Executives assess skill sets of all participants for the relationship process and ability to have meaningful dialogue. Set expectations and arrange for training so all team members achieve same skills and have common language to work successfully in new program.

5. Once every team member demonstrates understanding and is able to begin doing the right things to move up the pyramid, set very clear expectations with in each group of individuals as to who will "touch" the client, when and how often.

6. Create very clear communication and data tracking system among teams and with the company.

7. Use the Pyramid and relationship process, to continually assess progress in each relationship and hold people accountable. Develop an on-going reporting process for entire organization. Adapt as necessary.

The MGM Grand Resort and Casino in Las Vegas is a great example of how to secure relationships as organizational assets. David VanKalsbeek, executive vice president of Sales and Marketing will tell you that he is an "asset manager" for the most important asset—the customer. In a recent interview with Van Kalsbeek, he explained that "if you leave the client relationship in the hands of one person

(the sales rep), you are setting yourself up for fast failure.”

The MGM Grand is a large, Las Vegas hotel where one might assume that a group could be considered just part of “the machine” vs. having a real relationship with the property. David assures us that is not the case. In fact, the number of “touches” per client is many and the staff as a whole insures that the clients are not only touched frequently, but they have relationships with multiple members of the resort team. The relationship a group meeting planner has with the sales person is just the beginning. His or her relationship is equal, if not greater with the conference coordinator and the conference team. There are other operational managers as well who will have responsibility for the relationship. The deeper the relationship goes within their organization the better.

David tells us that he “touches” every meeting at some level and if they feel he needs to make a personal appearance or phone call, etc. He is there and more than happy to do it! He goes on to say, “You need a great product and the service to go with it. In order to broaden the sales contact surface, everyone needs to be involved with the client. You also need the infrastructure to support it. We need the synergistic qualities of the whole team.”

When a client plans a meeting at the MGM Grand, the staff goes out of its way to learn as much as they can about you and if you are returning, they remember. Van Kalsbeek explains, “We know who the meeting planners are, we make everything in their world special and aim for a hassle-free meeting. We know that some of them might lose in the casino, so we want to be sure that they experience the synergy of our team and our property. We want to be sure that when they ask themselves, did I have good time that the answer is yes!”

The MGM Grand takes it one step further by designing a website that forges an electronic relationship with the customer. David tells us

that, “there used to be travel agents who handled client travel arrangements. Now people surf the web and make their own plans. Our website is also the beginning of the relationship. We want people to feel like we know them at every possible contact.”

“What is your message? Are you accessible and responsive to your clients—and does your team also communicate the same message? Our team is very accessible and our policy is to follow-up every call or request within 24 hours. I am personally on the phone or in meetings with clients or third-party vendors on a daily basis. We are in the people business and it all boils down to relationships. The more I can show a customer I know about them—without being scary—the stronger our relationship will become.”

This type of company-wide relationship building does not happen overnight. The MGM puts their money where their mouth is and trains their staff. Van Kalsbeek tells us that they give people all of the skills they need to be successful relationship managers, they even train them in areas like time management and how to get to the top. They teach and create a highly skilled, synergistic team that surrounds each meeting and ensures its success.

Jerry Acuff of The Relationship Edge has a favorite line. He always says if he could sum up relationship building in one sentence it would be, “Be other focused!” I am certain David Van Kalsbeek would agree. The MGM Grand wins around 30 awards every year for excellence. Clearly the team approach to relationship management along with product and service is a winner.

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Prior to founding Delta Point Jerry founded JBI Associates, a healthcare consulting firm in Morristown, New Jersey. Jerry was also Vice President and General Manager of Hoechst-Roussel Pharmaceuticals prior to its merger with Marion Merrell Dow. In his twenty-year career at Hoechst, Jerry was Salesman of the Year twice and District Manager of the Year five times.

Jerry has been featured in Sales and Marketing Management Magazine, Investors Business Daily, Managed Care Pharmacy Practice and Hospital Pharmacist Report. He has been an Executive in Residence at Northern Illinois University and The Amos Tuck School of Business at Dartmouth College. He is a graduate of The Virginia Military Institute.

For over 15 years, he has spoken and consulted extensively on the issues of sales excellence, change leadership, and building customer-focused organizations. Jerry is the author of *The Relationship Edge In Business*, a book that focuses on leveraging interpersonal skills to build meaningful customer relationships. [jacuff@gottochange.com](mailto:jacuff@gottochange.com)

**Lori Champion** joined Jerry Acuff and his Scottsdale, AZ. based company, Delta Point—The Sales Agency in July, 2004 with over 20 years experience in the both the sales and training arena. Lori's experience includes senior management positions with Sheraton Hotels and Tanner Companies- the original direct sales women's clothier. In addition, she owned her own consulting company in both Alaska and California, and she and her husband owned and operated the historic St. James Hotel in New Mexico.

Lori's background in training and sales includes the development of learning workshops in the customer service and leadership arena to very specific skills for the entrepreneurial start-up company. Lori has a BA from the College of Wooster and is a certified trainer for Situational Leadership. She is a member of ASTD and SMT. [lchampion20@cox.net](mailto:lchampion20@cox.net)