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How healthy are your relationships?

Just to be clear, I haven't decided to convert the Link and Learn column into a "Dear Abby" advice to the lovelorn format. The title of this month's article refers to our business relationships, particularly how we interact with our customers and prospects. In many ways our business relationships are a lot like our personal relationships. They can be satisfying to both parties or they can be dysfunctional. In this column I want to explore how to evaluate your relationships with your customers and how to make the most of them.

Producing a bimonthly newsletter is one of the many tasks I perform at my company. The idea for this column came while I was interviewing a new salesperson in our digital division. I asked him how he liked his job and sales in general. He responded that he, "enjoyed getting out into the field and meeting a lot of people." This raised my suspicions so I asked a follow-up question, "How are you doing?" to which he replied, "Great, I'm building some great relationships with the customers in my territory." I didn't say anything, but this statement troubled me on several levels. First, he didn't have any "customers," he had prospects. Customers are people who spend money with you—not people who might do so in the future. Until they hand you the check they are prospects. The bigger problem was his emphasis on "building relationships" rather than on writing business. I was a sales manager far too long to miss the implications of this. I've found that almost every sales person who talks about building "relationships" lacks closing skills and/or suffers from call reluctance. Just to be clear, I have nothing against maintaining good relations with your customers. I believe good relationships are vital to a salesperson's success. The danger lies in being so focused on building relationships that we lose sight of our primary goal—selling advertising.

Definition of a "good relationship"

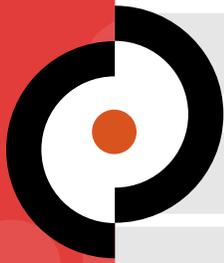
A relationship is defined as a connection between two individuals or organizations.

A good relationship is when both parties benefit from that connection. A good relationship between a business owner and an advertising sales person would look like this:

- The marketing program provided by the sales rep would attract enough business to the enterprise to offset the cost of the advertising and add to the firm's profits.
- The business pays a fair price for the advertising. This allows the rep to provide for their needs and for his/her company to make a reasonable profit.

Both parties need to work together to keep the relationship on track. To meet their obligations to the relationship, a rep must work hard to put together effective

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advertising that produces results for their customers. To do their part, the customer must be willing to pay a fair price for the value received.

A good relationship is built on mutual respect

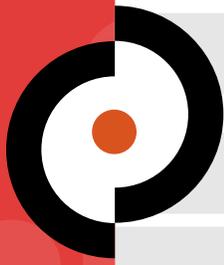
One of my mentors once told me that, “you only get the respect you demand from others.” We must respect our customers and treat them accordingly. I am always respectful of a customer’s time and when possible, I will adjust my schedule to suit theirs. I try to learn as much about their business and listen to their ideas. In return, I want the customer to respect my time and to listen to me when I suggest ways to help their business. I see my relationship with my advertisers as a partnership. They have special knowledge about their business and its needs, and I have special knowledge about my products and how they can address the advertiser’s needs. By combining our unique skill sets we can form a partnership that is mutually beneficial. If we lose sight of this partnership we are doomed to failure. If we do not listen to the customer, we will not be able to put together ads that generate traffic for them. If they do not listen to our recommendations about their advertising, they will most likely waste a great deal of money on ineffective programs.

Entrepreneurs are the “alpha dogs” of our culture. They generally have strong personalities and great self-confidence. These qualities give them the self assurance needed to go out on their own and start a business. This is why many of the business owners we call on can be intimidating. Far too many sales people adopt a subservient role in their relationships with these clients. Good business people like and respect sales people who are prepared, know what they want to accomplish and who speak their mind. If you behave like a professional, they will treat you as a professional. When you exhibit self confidence, you will instill confidence in others.

Relationships can be hard work

Many years ago, I was reviewing one of my rep’s call reports with him. I looked back several weeks and noted that he had made a number of calls to a local hardware store. I knew the store was not advertising with us, so I asked the rep why he had called on them so many times. First he told me that he was “building up the relationship,” and then noting the look on my face added, “and I think they have a lot of potential.” I asked a few more questions and determined that he was making these calls because the hardware owner was a nice guy who always offered him coffee. In short, this was an easy, non confrontational call. In chatting with the prospect, my rep had learned a lot about the business, but this knowledge was useless as he was afraid to ask for an order. He didn’t want to “rock the boat” and risk damaging his “relationship” with the prospect. I accompanied the rep on his next call and we asked for his business.

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The end result was we got the opportunity to distribute the store's monthly flyer and the customer got better distribution at a fraction of the cost of mailing them. The customer has seen his business grow and costs go down, so he loves his rep and he loves our paper. Selling advertising is how we help people. The more we help our customers, the more they will like us. This means that the best way to build our relationships is to sell more advertising. One of the hallmarks of a good relationship is open communication. We should be able to talk to our partners about anything; these conversations strengthen the bonds of the relationship. To sell more advertising, we need to ask a lot of questions, we need to tell the other party when they are making mistakes (diplomatically of course) and we have to ask for commitments. A rep who does not ask the tough questions or is reluctant to ask for the order because they are afraid of damaging their relationship with the prospect is deluding themselves. If they cannot do these things, no relationship exists.

Hit the road Jack and don't you come back no more, no more!

There is always a temptation to linger far too long in a bad personal or business relationship. As salespeople we are taught to never give up and to always be optimistic. We are victims of what economists have dubbed the "Sunk Cost Fallacy," which describes how people inflate the value of an item based on the amount of money or effort they've invested in it in the past. For example: people tend to over estimate the value of their IKEA furniture because of the time they spent "building it." While it often takes multiple calls to sell a new account, there comes a point where additional calls are a waste of time and energy. Once you have made numerous attempts to sell an account without making any progress, it is time to move on. On a number of occasions, I made one last call and said this, "Mr. /Ms. Prospect, we've had a number of meetings and I believe we could help your business bring in more customers. Obviously, I've failed to convince you of this. I have taken on a number of new accounts and need to use my time wisely, so I won't be able to stop by as often. I trust your opinion, so would you please tell me if there is anything I missed or could have said to change your mind?" This ends the relationship on a positive note, makes the prospect feel a bit guilty for wasting your time and sometimes convinces them to buy an ad. This is a very professional approach to managing your time. You need to concentrate your efforts on the activities which produces the most revenue. Unless something has radically changed in your product line or in the prospect's business, more calls are unlikely to produce a different outcome. Your time would be much better spent developing new relationships than pursuing one that is going nowhere.

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Even worse is the customer who consistently causes you to lose money every time they run an ad. These are the people who demand ridiculously low rates, who always find something wrong in the ad or who make you chase them down before they finally pay their invoices. If you do a profit and loss statement on these accounts, you may find that it actually costs your company money for the “privilege” of running their ads. They devour large blocks of your time and drive your blood pressure off the scale. You need to have a heart to heart talk with these accounts and set hard boundaries. “I need you to pay within the terms of our agreement or I cannot accept any more of your ads.” “I can only accept your advertising if we have time for you to approve a proof. Once you approve the copy there will be no adjustments for errors.” I have known reps who were so afraid of losing any accounts that they let their clients walk all over them, taking time away from their prospecting activities. It is also fundamentally unfair that while servicing these “high maintenance” customers, we have less time to spend with the people who are a pleasure to work with and always pay their bills. When you get tough with these types of accounts you will be surprised how quickly they will fall in line and begin to work with you.

Being professional

On the wall in my office I have a plaque with a definition of professional which reads: “someone worthy of the high standards of their chosen profession; someone who does something exceptionally well.” This is how you should think of yourself. You work in a highly competitive, very complex industry which requires a strong intellect and outstanding organizational skills. As an advertising professional you deserve to be respected by the clients you work with and help. By building good partnerships with your clients and refusing to be a part of any dysfunctional relationships, you will increase your earnings, and reduce your stress. When you consciously focus on building solid, mutually beneficial relationships with your clients, you both are sure to live profitably ever after.

This article was written by Jim Busch of the Pittsburgh Pennysaver.

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