

The Power of Trust in the Trades Industry

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This session is about the power of and behind trust, that when fully understood, will help you maintain your current customer base, and grow them into more business – and chances are, we can all use more business. Hands up to more sales and profits if you do!

Trust is one of the most important attributes any organization or person can have that is attached to their name. Trust is a company and its people doing what they say they are going to do, and do it on time and on schedule, within the budget. It is not breaking service promises, commitments written or spoken, or contracts and the obligations with them. Without trust, you have your work cut out for you. With trust, sales will be a lot easier, your reputation will soar and you will be the service provider of choice. Trust will help you achieve your vision, goals and financial numbers. In other words, trust is a prediction of a future outcome.

Before we get into the content, just a reminder that the full value of this recording is how you share the core ideas after this with the others you work with. Think about the ideas and who can benefit the most from hearing them. Ask yourself, which idea, attribute or skill will, when acted upon:

- help you improve your performance?
- help you improve your employees performance?
- increase your job satisfaction?
- increase your employees job satisfaction
- and bottom line, increase customer satisfaction?

The reason for this is simple, a company with a highly engaged workforce, that really understands what it takes to create and maintain trust in clients as well as co-workers, will on average generate 20% higher revenues and generate greater net profits.

Part 1: Predictions:

Whenever we see a product or service, we always make predictions of the usefulness of it for us, our people and our company, or not. That is how the brain is conditioned and functions – to take in everything it sees hears and senses, along with emotions, and then compares it to everything we know, to determine its impact. There are a lot of major companies we just trust because of their reputation – delivering on what they and their product or service says it would do. If I was to ask you who do you trust, what would be the rational for it? Previous experience? Good marketing materials? Great commercials? Association with charities? Or that they are green because they reduce, reuse, recycle and are good for the environment?

Then there are the companies that we don't trust whenever we see or hear their name. Why? Because of a bad personal experience or something we saw on the news. Either way, their reputation, the prediction of bad service, makes it difficult for us to want to do business with them.

Part 2: The Wow Experience:

When you are at a prospects home or office or facility for the first time, you need to create that "wow" experience, and by that I mean, "Wow, not only is this service good, but he/she has saved me money, or created real value for me." Not that they think the word value, they feel it. How do they feel it? - by how they felt when they paid for the service – felt it was a good deal, a bargain, fair or over priced. What will help is the extras you can give them when you are there, such as free advice that will assist them in the future, - and to be more effective, write that advice down for them and even ask if they would like you to follow up on that free advice. Chances are they will say no, but if they say yes, another contact – and another chance for a referral. The extra you give away, some time and knowledge, is what is called a 'lanyap' in negotiating terms, what you can give away that will not effect the net of the transaction for you.

A common thread in creating trust, that combines and is customer service and what it creates – customer satisfaction, is to keep the prospect and client happy.

Part 3: There are two primary sources that create or destroy trust.

#1 is Performance based trust.

Performance is measured by how well someone or something does the job – with accuracy, is complete, cost effective and timely. When these happen, trust is created. When one or more of these don't happen, trust is lost. The expectations of the prospects or customers are not met. What performance details have you committed to when you turn up at the location and do you deliver it? We'll get to a lot of these points shortly.

#2 is Relationship based trust.

This means when someone behavior does not meet the expectation of the other person. Behavior is what we see people do – their actions. This means how they act, or perform,

- what they do, that is not what we like or expect. As well, add personality to the equation. Some employees are just not "people" people – meaning they should not be in contact with other people or only in short controlled doses. If there is no relationship, no business or maybe reluctantly. Think of when you were new into a relationship with someone. There was trust as they did what they say they would do, acted how you expected them to act. There was trust. But all of a sudden, one day, they don't do what they say they are going to do, or forget to do something they promised they would do, then there is little trust, which can quickly grow to a big lack of trust. No relationship is possible.

Part 4: Trust is Money: In Stephen Covey Jr's book, "The Speed of Trust" he equates trust to a tax or a dividend, and gives some pretty good examples.

As a tax, as trust goes down costs go up. In his example after 9/11, airport security had to be increased in order to ensure this did not happen again and to create trust in the airlines. We pay \$40.00 a ticket more for those security procedures and we have to be at the airport earlier – a real money and time cost we can measure.

As a dividend, as trust goes up, costs go down. That can be seen this way. As a product becomes more reliable, there is less servicing required and warranty work. In work, when we trust employees, there is less supervision and rules and regulations to follow.

In other words, trust is more important than vision, strategy, policies and training as without it, the rest don't mean a thing. When you make our people feel important, by recognition and appreciation, constant feedback of what they do right or wrong, good morals boosting events, you will succeed quicker. Understand "The Greatest Management Principle" as explained in a book by Michael LeBoef, "Things that get recognized and rewarded, get repeated." Take it a step further, recognize creativity and initiative by your people.

How I equate it, trust = energy – people feel good about themselves and people who
feel good about themselves, produce, perform better.
= attitude – a positive feeling of contribution, that they can do
anything and everything – and often will
= creativity – bringing their best thoughts and ideas to the work
= speed – getting things done quicker
= productivity – seeing more done in less time with less resources
= **Profitability!**

And productivity comes from giving employees greater responsibility, higher authority and requiring accountability. A recent study by the Taleo Research Corporation states that up to 70% of an organization's value is based on the skills, experience and performance of its employees. How to you increase these? Start with a good training / apprenticeship program and by constantly challenging them to become better. Your leadership skills and attitude are critical. Show everyone the vision for the future, communicate well all the issues, challenges and opportunities, be passionate about the company and them – and be sure to provide the resources to do the job right – don't set people up for failure.

Part 5: Benefiting From Errors:

Why is it that some companies are so much more successful than others? It is because they consistently deliver on their service promise – so clients just expect more of the same. If they don't deliver on their service promise, they practice proven recover skills that I call: MU – FU – DU – because when you make a mistake and deal with it right now, - immediately as soon as it happened, you not only do not lose the customer in the future and have them bad mouth you, but they will tell others how well you handled the

situation – and that is what creates the raving fan. Raving fans share their trust with others. A raving fan is created when you meet and then exceed their service expectation. Think about it – who do you trust – and why? Who have you told of your good c/s experience and more importantly, how many more have you told of your bad c/s experience?

Part 6: The Legacy of Bad Service:

Let me share my bad customer service story. Last year I called a plumber in to fix my leaky kitchen sink faucet. After checking it out, he told me it needed a new filter and he could do it for a rather high fee, or I could. I said I would as I paid the high dispatch and travel fee. Turns out I couldn't and a few weeks later called him back. This time he said I needed a new fixture as he could not remove the handle, and for a rather high fee he could replace it. I opted to do it myself, and paid another dispatch and travel fee. And I couldn't remove it myself. A little later a cousin of mine said he would look at it and within 5 minutes found that the problem was a loose connection. He tightened it and it has worked perfectly for the past 6 months. Will I use that plumber again – no. Will I refer them to anyone, no. Will I tell people my bad experience – yes. I have an even worse story about a plumber not being able to find a leak in one of my toilets even after he charged me to replace all the internal water tank parts in a visit - and I had to call them back 30 minutes after he left - as it still leaked. After playing with it for 30 minutes, his conclusion, for an additional \$200.00 service fee and the cost of a new toilet, replace the toilet. No. As a result, I now know how to replace toilets and do all the line and water connections - and can do it pretty darn fast!

Part 7: Client Retention:

So one of the key bottom lines to trust is client retention. We all lose customers for a myriad of reasons: they move, they die, they don't need the service anymore, but for those that do require the product or service, a 5% increase in customer retention, in other words not losing 1 out of 20 customers, = a 25 – 65% increase in profits. That just makes sense – they like and trust you, they get your regular email newsletters or snail mail special offers or advice, they remember you, and want to do business with you. Trust matters.

Part 8: Referrals:

A second and more important way to look at creating and maintaining trust, is referrals. People refer others to companies they trust, especially if the product or service saves them money, makes them money or solves a big problem. You earned their trust, it is not just something they give away freely. And you earned it because you did a great job – and established a relationship with them. Put another way, you are the solution to their problem – and they want to feel good about putting their trust in you. The first time they may be very apprehensive, but it is still trust they put on the line when you walk into their home or business, of you or your technician - and maybe a whole lot of it is tied into your reputation – which just may be your motto, slogan or service offer. What do you say you do – and do you do it well? If so, tell the world!

Part 9: Here is a Bonus Idea.

The best way to get a referral – is to give a referral. Find out what they do, how they do it, what the major benefit to their business, service or product is – and then give them a referral up front, with no expectations back. I do it all the time and the eventual pay back is significant. It keeps you in touch with them, especially if your referral does business with them. We all know people and companies who like to save money by increasing revenues or cutting costs. Your customer may be the answer to their problem. You also gain in the reputation of the company you referred. Everyone wins.

Think back to the last time someone referred you and you did business as a result of it. Chances are there was very little marketing expense associated with it. So maximize your good reputation. Put those referrals on your web site to include in the newsletter, mentioning the bottom line result to the new client of it – with their permission of course.

Part 10: How to Increase Revenue:

If you increase the number of clients and the average sale to them as well as the frequency to which they return to you by just 10% - you increase your revenue by 33%. Increase that number to 25% and you increase your revenue by 95%. Sounds pretty good to me – and it is a valid statistic – just look at your key numbers at the end of the year. How have they changed year over year – and why? So how do you accomplish this increase in business? Ask them. You can advertise and market all you want, spend as much money as you want in a competitive market place where many just compete on price, or you can market a quality experience, one on one, in front of your customer – the personal contact that means so much.

Part 11: Customer Surveys:

Another way to build trust is to ensure your delivery people and technicians, your front line customer contact people, know about how well or how poorly they did in the delivery, installation or service call – so measure it. It does not take long to design and test a customer satisfaction survey, (I've created lots of them) just keep it simple, no more than 6 questions, and the rewards will be immense. Customer satisfaction scores go up when employees hear this information. As has been said, "What gets measured – gets treasured", "What gets measured, gets done". You need to know how well you did – especially after your people leave the client as people may not be honest when you are in front of them. Each identifiable step in the service call is a "Moment of Truth" that can make or break the customer loyalty - so each step needs to be measured and you need to allow room for written feedback – sometimes a yes or no, or score of 1 – 5, is just not enough. In fact, ask the right questions to the customer and they will tell you how to do more business – with who, and when, and with what offer to make. Measurement pays – just do it right. You need to set high satisfaction goals and high MU FU DU response times. A 1% increase in customer satisfaction - creates a 2.5% increase in revenue.

Part 12: More on Covey's Book: "The Speed of Trust"

1. First Wave – Self Trust – Principle of Credibility/ Competence/Goals

- Integrity
- Intent
- Capabilities
- Results

2. Second Wave – Relationships – how you treat others

The 13 Principles of Behavior

- the first 5 are Behavior
- the second 5 are Competence
- the last 3 are both – Behavior and Competence

3. Third Wave – Organizational Trust

Principle of alignment by everyone

4. Forth Wave – Market Trust

Principle of Reputation

5. Fifth Wave – Societal Trust

Principle of Contribution

Part 13: PS: The Blind Side:

If you want to see a real, true to life movie about trust, watch "The Blind Side", starring Sandra Bullock, the true story of how in 2004, Leigh Anne and Sean Tuohy, a couple with a daughter and son attending the same school in Memphis, Tennessee as Michale Oher, who is now an offensive tackle for the Baltimore Ravens, go from homeless, to live with them and eventually be adopted by them. How I like to say it: "When you change just one thing for a person, you can change everything." Trust goes a long way.

Part 14: As a trades person, what are some of the factors in creating trust?

First Impressions – Are Everything!

- 1. it starts with how well and quickly you answer the phone, the voice that comes across, the interest by the tone and pace of the person, the attention to detail with them, the right questions, meeting their time expectation when possible, answering all their questions, even explaining the payment options.
- 2. When the service vehicle drives up – what does it look like? Pride of ownership, clean, good easy to read signage?
- 3. How smart your employee looks – a uniform or well dressed appropriate to the service, good grooming habits, clean, well spoken – what they say and how they say it
- 4. The respect they show for your home or office. Is every handled with tender loving care and respect?

- **Understanding the customer is always right** – from their point of view which is why their must be clarity of the problem and cost options. You can't afford to make them wrong.
- **In other words, the intangibles** – how you make people feel about the whole experience – which includes a friendly greeting, attentive, demonstration with respect - TLC, answering questions, asking them the right questions, communication with honest answers, a smile, everything clean and organized in its place,
- **Consider a service audit** – ask a business associate, or hire someone to visit your business or have a service call and record the experience. I've done it and do it for customers and the results can be magical when shared.
- **Everyone to understand why customers complain** – it is something you have not done or explained properly, or you show indifference to their problem or expectation. Handle a complaint quickly and you retain the customer – and the revenue for the life of the customer. Make them happy because of the complaint and you get referral revenue as well.
- **Establish a rewards program.** Be it for referrals (my landscape company offers a \$50.00 cash referral – and I do enjoy the advice they leave me in written form after a visit), or future discounts, or first in line consideration, up sizes, or for travel miles, but they do create loyalty – and trust especially when they enjoy the reward. Keep reminding them to use it – that creates the trust that you have their best interest in mind.

Part 15: Conclusion #1: Why would you want to have trust?

In a word, reputation. In a nutshell: speed to success. Trust can make any company more successful, a wonderful reputation that attracts more customers and better employees. Trust generates revenue and defines profits and success.

At the beginning of my presentation, a lot of the material really focuses on behavior - what you do, how you behave, and the question you need to ask yourself when it comes to reputation and trust, the core to this topic, is what creates it? Trust is driven by behavior, - what people see you do and their perception of it. Do you know how people see you? If not you should find out. I have two what I call 'self tests' that you can have for free to use to measure it.

One is called "**Rating Your Self Image Leadership Attributes**"

Which measure the behaviors that drive loyalty, which are (list)

The second is the "**Confidential Leadership Empowerment Satisfaction / Retention Survey**" and both measures the core and critical behaviors that drive retention – and of course, create trust, which are: (list)

I can email them or go to my web site (www.BruceLeeSpeaker.com) to download them off the “Free Articles” page”

http://www.bruceleespeaker.com/Free_Articles_Self_Tests.php

Part 16: Conclusion #2: So how do you create and maintain trust?

Do what you say you are going to do and do it better than the expectation. Be the best service provider that there is or is possible. Create the reputation for excellence, cost control, doing it right the first time, and being able to offer creative solutions to your customers problems. Become the competition everyone else talks about and looks up to. Ensure the prospect or customer sees the real benefit to choosing you over anyone else – the professionalism the details, the commitment to helping them solve their problem in the fastest and most cost effective way - be it short term or long term - and choose to be accountable for better results at all levels.

In Summary:

Making the content of this presentation pay off big time for you. Review the notes, listen to this again, see where you can improve, make changes, stop what is not working, embrace new ideas, open new markets, offer new services. Crystallize the three best ideas to start with, translate into real benefits of incorporating them, create a pocket of excellence in using them. Challenge your people to be a big part of it. Use the self tests, and if you want to get into your own coaching program, check out the Coaching self test available on my web site too, called: “**Coaching Skills Self Assessment**”.

Trust is everything. Embrace it, how to achieve it and how to maintain it. Your customer expects it and your prospects hope for it. Deliver it with and through your employees. It starts with you every single day.

Thank you for buying and listening to this Grandy and Associates Small Business University Audio Program.

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