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EMPOWERING TIMES



THINKING ALOUD

Bridge Building with Customers: An On-going Exercise - Jay



PODIUM

Interview with Andrew Sobel - Thought Leader at Andrew Sobel Advisors



WE RECOMMEND

Making Rain: The Secrets of Building Lifelong Client Loyalty - Andrew Sobel



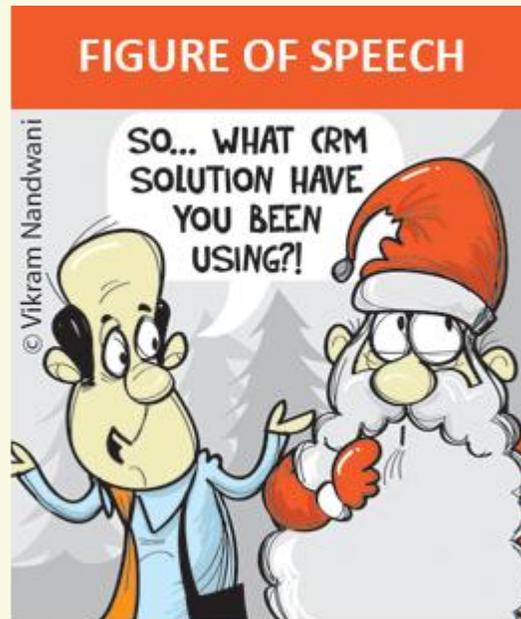
STANDING OVATION

Devashrayam Charitable Society, Kerala



Dear Reader,

As we near the end of 2015, companies are walking that extra mile to please customers and clients so as to meet sales targets and goals. However, in doing this myopic task, long term goals which include building relationships (especially for the long run) with clients are usually overlooked. More than just achieving sales and delivering what the customer wants at that particular point of time, the key to having a successful business is in getting repeat business. According to the Spring 2015 Bank of America Small Business Owner Report, about six in ten (57%) of small business owners reported that strong customer relationships are the driving force behind repeat business. Further, established customer relationships were far ahead of the other important factors in obtaining business.



Customers today are constantly talking about your business when they're considering making a purchase, awaiting assistance, trying something on, or paying for it! A business is only as good as the clients it serves, and no business gets far after losing the clients it has. The key to successfully building customer relationships go beyond time bound projects by providing value to these clients on a consistent, ongoing basis. Long-term customers and good vendor relationships will carry one through challenging times or tight deadlines. Maintaining client relationships have come a long way and a client who recognises that the companies they work with are here to stay for the long haul, will soon begin to see you as more than just a vendor or supplier - you become a partner in their enterprise and someone they grow to value today, tomorrow and in the years to come.

ET this month looks at the subject of 'Customer Relationships Re-imagined.'

In the **Thinking Aloud** segment, Jay explains that there are many factors in play in converting a prospect into a customer and the same goes for retaining them. Customer relationship building is an on-going process amid the plethora of challenges that can hinder this process.

On the **Podium**, we feature Mr. Andrew Sobel, a thought leader on the subject of client relationships. In this section, he throws light on the key points to building long term relationships with clients and customers and the benefits and risks of such

relationships. Mr. Sobel looks at evolving through six levels of professional relationships.

In **We Recommend**, Prasad reviews Andrew Sobel's best-selling book, 'Making Rain: The Secrets of Building Lifelong Client Loyalty.' As the name suggests, the book informs readers on how to create lifetime relationships with clients by "making rain" on a regular basis with existing clients through various skill sets, attitudes and strategies.

In **Standing Ovation**, Kerala based NGO, Devashrayam Charitable Society which began operations in 1996, helps the underprivileged sections by providing free mid-day meals to the poor patients at the Government District Hospital in Palakkad, renders vocational rehabilitation for students with special needs, financial aid for dialysis to poor patients with renal failure and free medical aid.

In **Figures of Speech**, Vikram's toon inquires of Santa's fantastic customer loyalty programme!

On this note, we at ELS would like to take this opportunity to wish all our readers a Happy New Year!

As always, we value your opinion, so do let us know how you liked this issue. To visit our previous issues you can visit the Resources section on the website or simply **Click Here**. You can also follow us on **Facebook, Twitter, Linked In & Google+** - where you can join our community to continue the dialogue with us!

THINKING ALOUD

Bridge Building with Customers: An On-going Exercise - Jay

The famous Marketing Guru, Theodore Levitt, once stressed that, 'Rather than merely making money, the purpose of an organization, is to create and keep a customer.' And, therein lies a challenge.

Ask any sales person & he will share the thrill he feels on winning a customer and the despair on losing one. The pain of loss is even more felt when you lose an order after months of painstaking discussions when it seemed that you would win the deal.

So, what does it take to win a customer? The question seems simple enough but the

reality is that many factors come into play in converting a prospect into a customer. It all starts with understanding the needs of the customer, we know; what is not sufficiently recognized is that customers have both 'obvious' & 'latent' needs. It takes a skillful sales person to know how to discover the 'latent' needs, which often are the real triggers to making a sale. And, during the course of the sales process, the sales conversation will potentially uncover multiple attitudes of the prospect or customer, ranging from indifference to scepticism to perhaps a series of objections that prevent acquiescence to the sales proposal. This sequence applies - with variations of course - whether one is involved in a simple one-on-one retail sale to a multiple-level complex institutional sale spread over months/years.

Navigating through these treacherous waters, a professional sales person woos and wins a customer with much effort. The focus now turns to retaining the customer. Once again, it sounds simple enough: deliver your commitments! So, is that the secret to retaining a client for life?

However, it is not so easy. The proverbial slip between the cup and the lip is a reality in most sales situation! From the customer changing his mind about his preference to snafus at the sales person's delivery-end, there are many variables that combine to make this bridge of relationship very tenuous.

Be that as it may, what really works in navigating through the mine-field of relationships is a commitment generated on the basis of trust built on a bedrock of integrity. Paradoxically, while 'Trust' is difficult to define it is easily explained through personal experiences. In their path-breaking work, 'Clients for Life', authors Dr. Jagdish Sheth and Andrew Sobel explored the element of Trust at length and captured the essence through a formula: $\text{Trust} = \frac{\text{Integrity} \times \text{Competence}}{\text{Risk}}$.

They went on to state that 'your clients' perception of each factor in the equation will raise or lower the trust they place on you.

In a world where Trust is much sought after but sparsely available, we find firms doing their best to win allegiance to their brand from customers. Compounding the challenge is the heavy thrust on quick returns on investment and generating profits now through short-term measures. Whether it is Volkswagen destroying its carefully nurtured long-cherished reputation or the Airlines business exploiting the tragedy of stranded flyers in flood-hit Chennai through price-gouging techniques, the methods employed to get quick results violently collides with the principles for generating long-term customer loyalty. Alas, when will some firms learn that the bridge of trust with customers is built on a daily basis and not through the medium of a high-pitch advertising campaign fueled by marketing Dollars!

These are times when one needs to return to business basics. Doing so, one can revisit a number of management truisms. Here's a good one to begin with: 'Good

customers are an asset which, when well managed and served, will return a handsome lifetime income stream for the company.'

As the year draws to a close, these are wise words from Philip Kotler to reflect on to ensure that your clients in 2015 remain your clients in the changing world as we enter 2016!

[back to top ^](#)

PODIUM

Interview with Andrew Sobel - Thought Leader at Andrew Sobel Advisors



Mr. Andrew Sobel

Andrew Sobel is the leading authority on the strategies and skills required to create consistent revenue growth through lifelong client loyalty. He is the most widely published author in the world on this topic, having written or co-authored eight acclaimed books on building clients for life, including the international bestsellers *Power Questions* and *Clients for Life*, which have been translated into 18 languages. He has also published over 170 articles and contributed chapters to four books on leadership, strategy, and marketing.

Andrew's *Client Relationships Re-Imagined*[®] programs have helped over 40,000 professionals in 53 countries improve the depth and breadth of their client relationships. His clients have included leading public companies such as Citigroup, Cognizant, Hess, and Lloyds Banking Group; and also many privately held professional service firms, including Bain & Company, PwC, Deloitte, and Booz Allen Hamilton. Andrew spent 15 years at Gemini Consulting, where he was a Country Chief Executive Officer, and for the last 18 years has run his own international consulting firm, Andrew Sobel Advisors.

ET: As the leading authority on the subject of client relationships, with over 30 years of experience in advising firms across the globe, what are the keys to building long term relationships with clients and customers?

AS: First, we have to recognize that there are a number of trends making it tougher than ever to build strong client relationships. These include:

- Client demands for more value in their relationships with external providers.
- Increased executive sophistication and information transparency.
- The growing use of procurement to buy, not just products, but also to purchase intangible services.
- More restricted, limited executive access. Everyone wants to meet with the c-suite, and they have less time than ever to spare.
- Competitive Expansion. The same attractive markets are being targeted by a growing list of competitors.
- Consolidation. Corporate clients are dramatically consolidating their use of external service providers and advisors.

Yet, notwithstanding these powerful trends, client relationships are more important than ever to success. Client executives still gravitate towards external suppliers and service providers they know and trust. They stick with partners who have proven their ability to deliver.

There are four especially important things you need to do to build your clients for life.

First, you have to add value very early on in the sales process. It used to be that you built a relationship so you could have the chance to add value. Now you have to add value to earn the right to build a relationship. The ability to immediately share best practices, describe how other clients have solved the same problem, describe solutions that can work rapidly, and have a point of view about the client's issues is critical. Then, you have to continue earning the client's loyalty by adding more value-year in, year out.

Second, you have to layer trusted advisor skills around your core expertise. It's essential to be a deep expert-but expertise just gets you in the door. Clients hire experts, but they tend to keep advisors who have broader skills and can show how they are enabling the client's most important business goals.

Third, you need to be a proactive agenda setter. This means learning more than your competition about your client's priorities and needs, and proactively engaging them with ideas and points of view about how to solve those issues.

Fourth, you have to build personal relationships. That doesn't mean becoming your client's friend-it means getting to know them as a person. Remember, we don't root for someone until we feel a personal, emotional connection to them! The real, deep loyalty comes not just from doing a great job for the client but also from creating that personal connection.

ET: Can you say more about the "mind-set shift" from the expert to the advisor, which is needed to build clients for life? What exactly is this, and why can thinking like an expert be a barrier to building strong relationships?

AS: The first step to building clients for life is a mind-set change. Most professionals are subject matter experts-as they must be. But that deep, narrow expertise can become a major barrier to building great client relationships. Experts often become myopic and cannot see the forest for the trees. They focus on their own solutions and expertise at the expense of building a deep understanding of the client's issues. They often burrow so deeply into their own specialty that they are unable to see the broader context of the client's business.

The American President Harry Truman once said, "An expert is a fellow who's afraid to learn anything new, because then he wouldn't be an expert anymore." This hints at the narrow mind-set of the subject matter experts. And the famous Zen teacher, Shunryu Suzucki wrote, "In the beginner's mind, there are many possibilities. In the expert's, there are few." When you have the advisor mind-set you see many possibilities.

Here are some of the differences:

- Experts tell, advisors ask great questions and listen.
- Experts are specialists, advisors are "deep generalists" who have both deep expertise and broader business knowledge.
- Experts are for hire, advisors are selective. They are willing to say "no" and push back.
- Experts have professional credibility, advisors build deep, personal trust.
- Experts are reactive, advisors are proactive agenda setters.
- Experts sell, advisors create an eager buyer.

ET: What are the benefits of long term relationships? Are there any risks, and if so how should firms overcome these?

AS: Long-term relationships reduce risk for both the provider and the client. Because you know each other well and trust each other, you can work together very efficiently and with little, if any, friction. In a long-term relationship, your sales costs as a percentage of revenue go way down. Many studies show that large, stable relationships are more profitable.

Long-term clients can also be a source of important innovation. A client who trusts you may very well let you do something for them that-if they didn't already know you-they wouldn't normally hire you for. You can stretch yourself in these types of relationships. Many companies in fact develop some of their most innovative products and services in the context of their most trusted relationships.

There are some risks, of course. You can become over-reliant on a few, large clients-and if one of them cuts their business with you, it can be devastating. You can also

get stuck in long-term arrangements at prices that are too low-it may very well be that you are charging newer clients and customers higher prices. Finally, both you and the client can become complacent and stop pushing each other to improve.

ET: You talk about evolving through six levels of professional relationships. What are these?

AS: Client relationships evolve, and in my research I've identified six specific levels. The first two levels are pre-client.

Level one is simply a Contact. This is the starting point. We meet someone, have a brief conversation, and exchange business cards. The individual is primarily just a name in our contact database.

Level two is an Acquaintance. These are contacts whom we have gotten to know a bit better, or friends we have carried with us through the different stages of our lives. We know something about each other, and may have actually spent a fair amount of time together; but the individual has never become a client.

At level three you have a Client. Usually you are hired, initially, in a narrow, expert role. The client has a problem they want solved, and you have the specific knowledge and experience to deal with it. Almost all relationships begin in this way. At this point, the trust and mutual understanding that enable a relationship to deepen simply have not developed yet.

If you do a good job on the first engagement or transaction, you will probably be asked to do some follow-on work, and you will start to build a relationship. The relationship may broaden and you may become a Regular Supplier. Don't kid yourself, however-you're still in "request-for-proposal territory," just as you were when you were a solitary expert for hire. You are by no means part of this client's inner circle; you're more like a contractor who is managing many tradesmen or experts.

Some professionals are able to move up to level five, which is Trusted Advisor. You earn this coveted role by demonstrating a series of essential qualities that set you apart from the expert for hire or vendor. These include things like personal trustworthiness, independence, judgment, big-picture thinking, empathy, and others. You show the client that you can put your expertise in the context of their broader business. You show that you can be a proactive agenda setter. You get to know the client as a person.

There's yet a sixth level above Trusted Advisor, however, which I call Trusted Partner. At this stage you've built a firm-to-firm relationship-you've institutionalized it and built many-to-many relationships. You're providing a broad range of products or services. For a larger company, this is the ultimate goal: A trusted, institutional

relationship that endures beyond any single individual's career. At this level, you're selling what the firm can deliver, not just what the individual relationship manager knows how to sell.

ET: Your book, 'Power Questions' is a global best-seller. What are 'Power Questions'? Can you recommend some to break the ice and create new relationships?

AS: I was once interviewing the CEO of a major US company about his most trusted advisors. He said to me, "When a potential service provider-a banker, consultant, or other type of vendor-comes into my office to pitch me on something, I can always tell how experienced and intelligent they are by the quality of the questions they ask." I've heard this same message from hundreds of top executives.

In fact, our greatest thinkers-scientists, artists, writers-have always been more focused on asking the right questions than having easy answers. The great Spanish artist Pablo Picasso was once asked about the new mainframe computers that came out in the 1960s. He told the journalist, "Computers are useless. They can only give you answers."

Power questions are open-ended. They help you understand a person's highest-level goals. Sometimes this is a simple "Why" question: "Why do you want to do that?" (or, "Why now?") can often uncover the driving motivation behind a proposed action.

They can help focus the conversation on the really important issues. For example, you might say to someone, "We've got a half hour this morning. From your perspective, what's the most important issue we should be discussing?" (or, "For you, what's the most valuable way to spend this time together?").

A power question can create engagement through self-reflection and self-assessment. So I might ask a client, "How would you evaluate your progress so far? What's gone well, and what are you concerned about?"

Other types of questions can build deep personal knowledge. For example, I love asking someone "How did you get your start?" I was once introduced to a CEO during an awards dinner in New York City. My host left us standing together, holding our glasses of wine. I knew nothing about the CEO's business. But I did know he was an immigrant. So I just turned to him and said, "So, how did you get your start? How did a young man from a small town in Latin America end up in the C-Suite here in New York?" He smiled, and told me his entire life story. We ended up talking for nearly 30 minutes, and later stayed in touch.

Good Power Questions also touch on the emotions, not just the analytical brain. So for example, you could ask a client "What are your top three priorities this year?" Or,

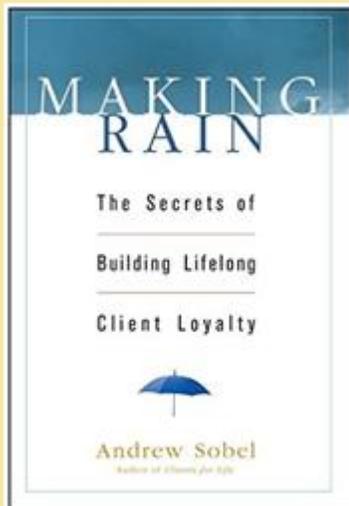
you might ask, "As you look at all of your initiatives in the company, what are you personally most excited and passionate about?" You'll get a very different response! Other personal questions could be about dreams, aspirations, legacy, and so on.

Interestingly, Power Questions has hit a real nerve. It's become my bestselling book, and it has now been translated into 18 languages, which is almost unheard of for a business book!

[back to top ^](#)

WE RECOMMEND

Making Rain: The Secrets of Building Lifelong Client Loyalty - Andrew Sobel



Andrew Sobel in this practical and enjoyable book shares his secrets and demystifies what it means to be a rainmaker. According to Wikipedia, "In business, a rainmaker is a person who brings in new business and wins accounts almost by magic, since it is often not readily apparent how this new business activity is caused." As we learn in this book, it is certainly not magic. There are no shortcuts or silver bullets.

Clients will give us new business year after year only if they have a sense of loyalty based on a relationship that has been built over years. Building relationships is to take a long term view. In this book, Andrew shares steps on how to deliver on three ingredients of customer loyalty - adding value, building personal trust and going the extra mile.

Paradoxically, a rainmaker does not start off with the ambition of being one, far from it. A potential rainmaker is any one in business whether service professional, sales executive or marketer who is driven to cultivate personal attributes such as empathy, selfless independence, big picture thinking, judgment and other characteristics such as an abundant outlook and a doubting mind. Cultivation of these qualities helps one move from being an expert for hire to a trusted advisor. Why is this so important? Because rainmakers distinguish themselves from the crowd in two distinct ways. The services of an expert for hire can be traded as if they were commodities, so the rainmaker transforms himself to a branded expert or 'uber expert'. Rainmakers may also prefer to play the role of deep generalists, great breadth of knowledge in one or

two specialties and breadth of knowledge of the client's industry, organization and environment. The route one would wish to take would depend on one's preferences and strengths and one could even be a bit of both.

Rainmakers do far more than just networking, they focus on building relationship capital - customers, counsellors, catalysts, collaborators and companions who, when present in balance and abundance, form the foundation of professional success. Andrew outlines four phases of building relationship capital - Affiliating or networking, Adding Value, Sustaining and Multiplying. He explains each phase in detail with some great examples and provides a framework for us to review our 'portfolio of relationships' with the same rigor as we would our investments.

The book focuses on rainmaking for the individual as well as the firm. Rainmakers think differently and this enables them to become a part of the client's inner circle. Quite simply, it is this laser focus on helping clients that enables rainmakers to take a broader view of the value that they need to add at every stage of the relationship and successfully navigate the 'minefield' of client expectations.

The chapter on managing during uncertain times is particularly relevant. Andrew demolishes some myths that holds us back from being proactive and outlines the principles that will help reduce client uncertainty, increase our confidence and make us more surefooted as we develop 'all weather' client relationships.

Making Rain is your trusted advisor in your journey to becoming a rainmaker and like all good advisors, making rain is practical, with great stories and more importantly, wise.

[back to top ^](#)

STANDING OVATION

Devashrayam Charitable Society, Kerala



Devashrayam is a Kerala based NGO which officially began operations on July, 17, 1996 by a group of young people at Palakkad who were inspired to help the underprivileged sections of the society by providing mid-day meals, vocational training to the mentally challenged, free medical aid and assistance to patients with

kidney related concerns; the Society was eventually formed with Dr. Vamana Murthy as the Founding President and Beena Govind as its Secretary.

The activities/projects undertaken by Devashrayam include:

- **Annadaanam - Free lunch programme at the Palakkad District Hospital:**
Devashrayam was established with the initial intent of providing a free mid-day meal to poor patients at the Government District Hospital, Palakkad. This was the first project towards supporting individuals and service organizations in Palakkad. What started as a small beginning (i.e. meals to 100 patients a day in the first year) has assumed fairly large proportions and more than 200 patients receive their mid-day meals from the Society.
- **Aashrayam - Vocational Rehabilitation Centre for the Mentally Challenged:**
Devashrayam provides a safe and healthy learning environment to the mentally challenged people. The Vocational Rehabilitation centre was started in October, 1998. Students under the care of the Society participate in regular exercises, classroom sessions, art, craft and music lessons designed as per their capabilities. Apart from this, the Society renders training in khadi spinning, agarbathi and phenyl making, paper bag manufacturing and production of liquid soap, production of mushroom, candle making and hand wash. Besides, regular physiotherapy sessions and intelligence, memory enhancing techniques are imparted.
- **Ayurbandhu - Dialysis assistance project:**
The Society has a tie-up with Shanthi Medical and Information centre at Balaji Hospital, Palakkad which offers financial assistance to patients suffering from renal diseases to undergo dialysis. The Society aims to provide financial help for at least one dialysis a day, in the first year of the scheme to start with.
- **Free medicines for the poor and the sick:**
In the free medicine project, medicines are supplied through authorized medical shops on producing prescriptions given by medical practitioners. This project reaches a large number of poor patients in the district.

To know more about the Society, one can visit <http://www.devashrayam.org>

For its noble cause, Devashrayam Charitable Society deserves a Standing Ovation!

[back to top ^](#)

Happy New Year 2016!



In-house photographer, Rupesh Balsara features a shot of the snow-capped mountains taken in the first week of November 2011 at the start of the Har Ki Dun Trek in Uttarakhand. Har Ki Dun is situated at an elevation of 3,566 meters and is surrounded by glittering peaks and dense forests.

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