

Publisher

Debra Anthony

Managing Editor

David Young

Associate Editor

Desiree R. Lindbom-Cho

Designer

Tanya Bäck

Phone

832-766-1546

Website

nbizmag.com

Corporate Address

PO Box 6352

Katy, TX

77491-6352

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“It’s the RELATIONSHIP, STUPID”

By Leanne Hoagland-Smith, M.S.

During the presidential campaign of 1992, James Carville brought attention to the working class with his now well-known catch phrase, “It’s the economy, stupid.” Today, for those in sales, we may wish to consider bringing attention back to people and, more importantly, to those essential relationships.

With all the sales noise from value creation to sales enablement, the importance and necessity for authentic relationships are somehow being lost. President Teddy Roosevelt once said, “No one cares how much you know until they know how much you care.”

What has happened to the caring in sales? Knowing about solutions, value creation, and so on appears to have taken precedence. Authentic caring cannot happen unless there is a relationship with the other person or persons. Buyers are people who have feelings, not programmable, robotic like creatures without personal, emotional experiences that make them who they are.

This past month, I had the unexpected opportunity to meet the CEO of an organization worth more than \$100 million. We met by chance on a Saturday afternoon at a local wine bar. As the owner and I were having a discussion about mead (a wine made from honey), I could tell he was interested but unsure as to what mead actually was. The owner shared a flight glass of the latest locally-produced mead with both of us.

After that sharing, I introduced myself, first name only, and he did as well. Then I asked him what brought him to Kingman, Arizona. His response was that he was the CEO of a local hospitality and tourism organization. He was enjoying the wine bar while his wife was attending a local art class.

We started chatting. As I have an insatiable curiosity about differentiation in business, I asked him what differentiated his business from the other similar hospitality and tourism businesses. He shared what he believed to be those differences and then also

went on to share a lot about his family background, his education and work experience, and the annual sales for his organization, \$135 million.

Conversation then turned into sales. He said, “I am old school. I believe in relationships.” I mentioned my father’s first sales buying rule: *people buy from people they know and trust*. My newly acquired friend said very firmly, “Exactly! Your father was very right!”

I learned his sales staff, mostly millennials, has a very difficult time with this concept of relationships and how to actually build them. Their college professors, most of whom never worked in for-profit industries, failed to teach them this essential and critical principle: *People buy from people they know and trust*. To know and trust you requires having a relationship. Even though this sounds like common sense, we know common sense sometimes is not common.

WHAT ARE THE STEPS TO BUILDING THAT RELATIONSHIP? SOME OF THESE STEPS ARE EMBEDDED IN JUST EVERY DAY CONVERSATIONAL BEHAVIORS SUCH AS EYE-TO-EYE CONTACT, A GENUINE SMILE, A FIRM HANDSHAKE, ACTIVE LISTENING, AND OVERALL POSITIVE BODY LANGUAGE.



During our two-hour conversation, we began to establish a relationship. We found we shared many experiences and that both of us had family that immigrated through Ellis Island. His background was in the hospitality industry where his grandfather taught him how to treat customers, like family. I learned our grandparents, as well as our parents, instilled in us the value of hard work and working hard to achieve your dreams.

When we started discussing the importance of relationships, I made this comment, “During the past hour, we have never attempted to sell to each other. My sense is that many younger salespeople, when learning you are a CEO of a multimillion dollar enterprise, would be immediately thinking about how to make a sales pitch.”

He agreed and again shared his frustration with millennials, as well as some older salespeople, not understanding the value of relationships in business. We both knew that building relationships takes time. This is probably why so much business is conducted over coffee, lunch, dinner, drinks, and even golf. Unfortunately, many organizations fail to build that necessary time into their sales cycles, their budgets, and, even more importantly, into their sales training.

When considering sales training, how much classroom time is actually devoted to how to build a relationship? This goes way beyond “rapport building” because most people can build rapport with anyone for a little while.

What are the steps to building that relationship? Some of these steps are embedded in just every day

conversational behaviors such as eye-to-eye contact, a genuine smile, a firm handshake, active listening, and overall positive body language.

My new CEO friend shared a recent experience he had with a younger salesperson. This young man would not look him in the eye, and his body language was not positive. The CEO said to this young man, “If you can’t look me in the eye when speaking with me, I can’t trust you. I want us to have a positive experience, and this is why I am telling you the importance of eye contact as well as body language.” How many CEOs will take the time to actually help a novice salesperson?

The younger salesperson said, “I was never told this by my college professors.”

In sales training, how much time is devoted to role-playing experiences that focus on establishing and building a positive relationship? Possibly, an hour at most. Why? The emphasis is on how to “close the deal” or “make the sale” instead.

Deals cannot be closed unless there are established relationships. When we examine sales research, we learn the importance of relationships. For example, according to Scripted, 44 percent of salespeople give up after one follow-up. To know someone usually takes more than two contacts.

Sirius Decisions confirms Scripted research, claiming the average salesperson only makes two attempts to reach a prospect. If you can't reach the sales lead, the prospect, how can you build the relationship less alone sell something to him or her?

Yes, building relationships takes time, and maybe that is why, according to The Marketing Donut, 80 percent of sales requires five follow-up phone calls after the initial meeting. Again, each of those follow up phone calls provide additional opportunities to build and secure the relationship.

When we examine the sales research on lead nurturing, again we are faced with the element of time. Possibly, we should call lead nurturing what it actually is: "relationship nurturing."

DemandGen Report revealed that nurtured leads produce, on average, a 20 percent increase in sales opportunities versus non-nurtured leads. In other words, when relationships are nurtured, there is an increase in sales opportunities because, again, *people buy from people they know and trust.*

Relationship nurturing also has a positive impact on the bottom line. Forrester Research revealed companies that nurture leads make 50 percent more sales at a cost of 33 percent less than non-nurtured leads. This statistic counters the two main arguments against relationship building: 1) we don't have time to build relationships; and 2) building relationships is too expensive. Actually, not building relationships is very expensive compared to lost sales opportunities.

Furthermore, Source CSO Insights notes that organizations that excel at lead nurturing (relationship nurturing) have 9 percent more sales representatives making quote. Given that less than 50 percent of salespeople do not reach their assigned sales goals, if more time was devoted to relationship nurturing instead of sales pitching, then more salespeople could reach assigned sales goals. Failure to meet assigned sales goals goes beyond the sales team and extends into marketing, sales management, and executive leadership.

Over my four plus decades of selling, I have always believed in building relationships first. My desire is not

to sell but, rather, first to be a person who demonstrates authentic caring behaviors and then, to be a valued and trusted resource.

If one of the goals of your organization is to increase, then remember these four words: *It's the relationship, stupid.*

By embracing authentic and solid relationships in business and in life,

you will become far richer than you ever dreamt possible. **N**

Leanne Hoagland-Smith is the Clarity Strategist, solving people and process problems. As a thought leader who challenges the status quo she turns tomorrow's goals into today's results. Follow her on Twitter @CoachLee.