

Build relationships in 2011



Trust is undoubtedly the foundation of all successful business relationships

Hopefully many SME business owners will agree that business is based on relationships – not only price. Sure, there are exceptions to the rule – but let's not worry about the exceptions.

To get your relationships on the right level for 2011, assess how you establish a level of trust with your clients and suppliers – and indeed anyone within your sphere of operation.

Most of us have learned from bitter experience that you can't trust everybody and sometimes when you do you are let down.

BUILDING CREDIBILITY

Trust is not a spontaneous thing, it's about building on a certain set of principles, so you can have credibility with those you deal with.

Stephen Covey exposed the business world in the 1990's to his *Seven Habits of Highly Effective People* book. Here are two main learning points from his book, relating to the topic at hand:

- Think and act WIN / WIN
- Seek first to understand and then to be understood

So ask yourself, how competent are you, how efficient and how effective are you at solving your clients' problems? Your knowledge and skills are the key here.

Find "common ground" with those you deal with. If you have nothing in common it will be difficult to build a relationship, something which needs to be in place in order for trust and credibility to be established in the first place.

Back in the old days I was taught never to talk religion or politics with clients, rather

focus on "other" mutual interests, also learn to understand the likes and dislikes of your clients. Get a really deep feel for them.

Remember, relationships should be seen as a long-term objective – in other words, what is the lifetime value of doing business with clients over say five, ten, 15 years? It is enormous, however you look at it – do the numbers. For example take a client who buys R100K product from you a month and you make 32% gross profit off the transaction, and he has been dealing with you for 5 years - it's an interesting perspective.

Part of building trust is showing loyalty. Yep, you don't hear that word much, do you? Go and find out why; and then you can go and do something positive to improve the situation.

Remember everyone has some sort of problem in their business, so going about helping them solve such problems also improves the level of trust. I believe the more you can see your client or supplier on a face-to-face basis, the more relationships will improve, especially in a world that is driven by doing business via technology.

Next, if you say you are going to do something like meet at X time or deliver a product on XY day – you must meet those commitments.

I firmly believe that if you do have trust and credibility as your foundations – you will be a winner – yes, it is simple. Most people, however, try to complicate their relationships and create undue pressure and problems.

Be the problem-solver; look at the opportunities and challenges.

SERVICE DELIVERY COMES FIRST

Focus on your service levels, make sure

that your service levels are at their best. This will establish credibility and help trust to develop.

Business owners frequently say their customer service is what makes them stand out from their competitors. And, it would seem like common sense to treat customers in the way you would like to be treated. This sounds simple, but it can be difficult to put into practice.

What does excellent service actually involve? It may differ depending on your line of business, so it is important that you define customer service in your operation. Everyone in the business should buy into this customer service model.

To guide you, here are some key characteristics of good service:

- Reliability – Perform the promised service accurately and dependably.
- Competence – You should have the required skills and knowledge to perform the service.
- Responsiveness – Help customers and provide quick service.
- Communication – Keep customers informed in a business language they can understand. Remember that customers aren't good listeners.
- Understanding customer needs – Don't look at customer wants, instead analyse their needs.
- Access – Your team should be approachable.

Hopefully I have spelt out for you how to keep it simple in developing trust, and I hope this wins you more business in 2011. **YB**

Guy Daines has been consulting and coaching SMEs in South Africa since 1997. He is based in Cape Town (as of January 2011) and can be contacted on 083 650 7768, info@scotrho.co.za or visit www.scotrho.co.za.