

Jim Cathcart

Finding the Buyers:

How to Reach Those Who Want What You've Got



The Relationship Selling™ Series

Published by Acanthus Publishing
a division of The Ictus Group, LLC
343 Commercial St
Unit 214, Union Wharf
Boston, MA 02109

© 2007 Jim Cathcart. All rights reserved in all media

No part of this book may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or by any information storage and retrieval system, without written permission from the author, except for the inclusion of brief quotations in a review.

ISBN: 978-1-933631-88-2

What Does A ‘Market’ Mean to You?

There is an old saying that you can't sell refrigerators to Eskimos. The reasoning behind this motto is that many Eskimos, at least those who live in Alaska, reside in such a cold environment that they don't need refrigeration. After all, if your home is an igloo made of ice, what good is refrigeration?

But I maintain that you CAN sell refrigerators to people who live in the ice and snow. Just not for the same reason that the rest of the world would buy them. What people in California need is a machine that will produce the cold for them. What residents of the Arctic need is a machine that will protect their food and maintain an even temperature. Cold they have; it is control that they need.

Still, the Arctic is not an ideal market for refrigeration. You are probably better off selling shelter from the cold in snowier climates.

What this means is that you can find a way to sell almost anything to almost any market, but that is not always the best use of your efforts, nor will it allow you to build momentum and spontaneous sales growth.

The challenge is to find the *natural markets* for what you offer and devote most of your resources to serving that market. Let other markets know how to reach you and they will come to you.

Here is the best definition of a market I've ever found: **A market is a group of people who have enough in common with each other that you can establish a reputation among them.**

For example, physicians are a market. Physicians comprise a distinct and unique profession. They read the same publications, belong to the same medical associations, have the same licensing requirements, deal with the same challenges, and attend the same conventions and professional education meetings.

More specifically, eye doctors (ophthalmologists) are a market. Though there aren't as many of them, there are still quite a few and they, too, have targeted publications,

meetings, information sources, common challenges, and so on. If your product doesn't appeal to general practitioners but relates to what ophthalmologists need, then you can target them directly.

Another way markets can form is geographically. The people who live in your city have needs, resources, and interests that may not be held in common with people in a very different city. People living in the Rocky Mountains possess different cultures and buying patterns than residents living in Southern California or the Northeast. The more clearly you understand the uniqueness of your markets, the more rapidly you can succeed in selling to them.

Markets talk to each other. Once you get to know some of them, others become easier to contact. Once you understand some of them, you better understand the rest of them. Once you are doing business with a few of them, you can use these accounts as references or sources of credibility with the rest of them.

When you build a reputation among a group of people, then every sales call becomes easier for you. **The goal of marketing is to give you a large number of people who are willing and eager to see you.** The more you can cultivate a demand for what you do, the more you can build a reputation for yourself.

But first you've got to find out: where is my market? If it's a group of people with enough in common that you can build a reputation among them, then you've got to ask yourself: what are the links that these people have to each other?

For example, I've heard people say they focus on the “women’s market.” Now, in many cases, that's not really a market. It's half of the earth's population, for heaven's sake! And, just because they are women doesn't mean they have enough in common that you can build a reputation among them - unless your product appeals specifically to women and not to men. What makes a market is their communication within their own group independent of your presence. If your product or service relates specifically to their gender, such as beauty products, then you still have to select the segments of the “women’s market” that you can best and most profitably reach.

Now, women at the management level of business or women within a certain age group or demographic, that's different. They do have something in common beyond just their gender. It's their gender within a particular category

that makes them different from the other people in that group.

So think of the market as a group. For example, if you're selling investments, one market would be business owners. Another market would be newlyweds. Another market would be retirees. Another market would be recent college graduates, and so forth. Think about the group of people and what they have in common. Each group has its own unique potential that distinguishes itself from others. Select the group that fits your needs and then ask yourself: how do I reach them?

Markets fall into two general categories:

- **Natural markets**, ones that already exist and to which you already have an entry, such as friends, former classmates, or neighbors; and
- **Chosen markets**, groups of people with whom you have to work with building links in order to gain relevance and to be seen as a resource.

Sometimes you can tap a natural market and find great sales potential. In other instances your natural markets may not hold much promise.

You've got a natural market among your family members, friends, and the people in your neighborhood or community. Maybe you've been really active in the community, and you know all the people there. Because of that, it's a group of people who have something in common. The people in that community or neighborhood know you, so it is more probable that you can make sales contacts in that marketplace. For example, a youth soccer player, coach, or team parent has a natural connection with others throughout the local sports community. You can identify with their interests and speak to them in a way that they will understand. They are a natural market for you.

The natural market is often an excellent source of potential clients. To define it, think of your friends, your neighbors, your family members, people who know your capabilities, people who would make good potential clients for you. Consider people you've met through your spouse, your children, special interests, church, social clubs, community activities, online, and through past employers. What about the people you do business with today? That's part of your natural market. Any of these people might benefit from having your product or service.

When I was a young adult just starting my career, I decided to become active in my community. One day a friend told me of an organizational meeting to form a new chapter of the Junior Chamber of Commerce (Jaycees) in our neighborhood. At the meeting I volunteered to help recruit others so we could have our required 20 "charter" members.

This was a new kind of selling for me. I had no experience, no track record, no "connections", and received no training. But I was excited and willing to work hard selling memberships and, in effect, civic involvement. So I turned to the only "market" I knew: my friends and neighbors. I called on former classmates, coworkers, people I only knew on sight because I did business where they worked. I simply told them that we were forming a new Jaycees chapter and I invited them to one of our organizational meetings to take a look.

The combination of my enthusiasm and the natural connection we had of being interested in the community where we lived and worked was all it took. We quickly had our 20 members, and I had recruited 13 of them!

Many years later, I was conducting training programs on sales and professional development, and this time I chose my market. The difference being that I had nothing in common with them except an interest in my products and services. The market I selected was banking and Insurance. Actually, these are two submarkets under the general market of "Financial Service Organizations." But I quickly progressed from one sale to another. The way this worked was fairly simple; I learned what they cared about and where they got their information. Then I called on them to talk about issues that were already being written about in their industry publications. Since I had once worked as a banker and later as an insurance agent, it didn't take me long to make the connections and gain credibility with them. The more sales I made, the more references I had and the more doors opened to me.

Now, technically, I guess you could call this a "natural" market, but I'd consider it a mix of natural and chosen. I did not have credibility as a trainer in this market, so I had to build that credibility. And I wasn't really "in" that market anymore—that is, until I chose to be.

What experiences have you had that give you special insights or ability to understand a specific market? Have you worked on a farm? Then the Agricultural Industry may be a good market for you. Were you a teacher's assistant in college? Then perhaps the educational profession would

be a market where you'd thrive. Depending on what you sell and where the opportunities are greatest, if you can also find a natural link to your intended prospects, then you may be able to build extra momentum without extra special effort.

Keep three key questions in mind when thinking about markets:

1. What is a market?
2. Where are my natural markets?
3. Which should be my chosen markets?

A chosen market is one that you decide to go after. You see an opportunity, gather information, establish connections, and cultivate that chosen market.

Choose the markets that hold the potential to take you to the top one percent and keep you there.

How to Profile a Market

When you choose a particular market to go after, develop a written profile of the market that guides you to all the aspects of it. Then you don't merely enter the market; instead you permeate it with information about who you are and what you can do for them.

There are several elements that factor into a good market profile. First, list the names of key people within that market. Who are the players; who are the movers and shakers; who are the people that everybody knows in that group? Who are the people that mold opinion, the people that others turn to and say, "What is he or she doing?"

If you can extend what you already have and do into a new market, then your start up costs can be kept to a minimum. Going after a whole new market with a new strategy that requires a new infrastructure will vastly increase your costs of doing business and diminish your likelihood of an early success.

Case Study

Federal Express

In applying its sales strategy to China, Federal Express had to choose whom to target: local Chinese companies or multinationals doing business in China. The company chose to target multinationals – a customer

group its global culture and business has been traditionally designed to serve. Given the choice, Federal Express was able to pretty much transfer the U.S. business model into China, including the use of its own aircraft, building a huge network of trucks and distribution centers, and adopting U.S.-style aggressive marketing and advertising.

Had FedEx selected local Chinese firms as its targeted customer segment, winning local customers would have required a significantly greater degree of local adaptation.

SOURCE: "FedEx to Launch Delivery Into Another 100 Mainland Cities," *South China Morning Post*,

Next, create a *demographic profile* of the marketplace. What are the typical age ranges within this particular market or sub market? What are the schools that these people went to? What are the particular configurations of their business world or their personal life? Are they mostly married? Are they mostly retired? Are they mostly young? Are they mostly older, experienced, and highly educated? Much of this information can be found on the website of a city or industry.

Next, list any associations or professional societies with which this particular marketplace is connected. What publications do they typically read? What organizations do they belong to? What are their affiliations? And, speaking of publications, find out what they read; do they read the *Wall Street Journal* or are they more likely to read the local newspaper? Do they read small community newspapers? Do they subscribe to certain online services? Where do they get their information? And, in those publications to which people do they tend to pay the most attention? If you can quote those people, it gives you a little bit more of an "in" with that marketplace.

Case Study

Camelot Music

Camelot Music learned how to better its offerings after it switched its "Repeat Performer" system from one in which clerks stamped a customer's cardboard card after each purchase to an electronic system. The change enabled Camelot to discover one Christmas that a lot of rap CDs were bought by seniors – those over 65, that is, not those in high school. Because it was obvi-

ous that these customers were buying for their grandchildren, Camelot began a targeted campaign to them, steering the seniors to the hot CDs that passed parental scrutiny. The campaign worked, with sales rising 37% higher than for a control group.

It pays to measure and evaluate. You never know what you might learn.

SOURCE: "Developmental Drive," *Delaney Report*, Vol 10. n. 2, January 1, 1999.

Sometimes the simple act of changing your system to allow you to measure more information can divulge opportunities for you. Things that are measured tend to improve. So, pay special attention to what you document and measure. Look for connections and relationships between buying patterns, product usage, referral sources, repeat purchases, types of customer complaints, and more. Find out what works best and build on it.

Next, list *major events* that take place within that market - big conferences, key events and special unique celebrations, milestones, times of year, or awards that are bestowed within that market. If you are planning a sales campaign in Calgary, Alberta, Canada during the annual "Calgary Stampede" western rodeo festival, then you'd better be prepared to adapt to the carnival atmosphere and influx of thousands of people. And you might want to pack some jeans and boots to give you an alternative to the traditional business suit.

Also, be especially conscious of any emotional events that might influence a market on a particular topic or at a specific time of year. For example, if you are planning something in the city of New York on or around September 11, you MUST be conscious and considerate of the collective memories connected to the attacks on the World Trade Center. Communicate with your market with a sense of awareness and, when appropriate, acknowledge the event. Otherwise, you are in danger of evoking the wrong feelings for what you are seeking to accomplish.

Years ago, there was a specific Speakers Bureau that I wanted to impress. I had appeared at a few engagements for their clients, with excellent results, and I wanted to cultivate more referrals from them. In my research, I discovered that they were coming up on their tenth business anniversary. So, as a door opener to further conversations, I sent them a gift. The gift I selected was specific to an element of the bureau/agency business...the telephone. I

sent them a custom imprinted chocolate telephone large enough to share with all their employees. In the imprint I added "Celebrating Ten Years of Connecting With Clients." They were thrilled with the gift! They called me and gushed with happy gratitude. This of course, allowed me to talk about the past ten years-and the next ten-and how I could help them generate even more success. It worked, and I'm still getting business from them today, long after their twentieth year in business.

The next step is what I like to call *psychographics*. Develop a profile of the people you want to reach and how they think. What are their general attitudes about your product or service? What's the general mode of thinking in this marketplace toward what you do? Write down in your market profile the common fears, likes, dislikes, and even the goals that people tend to set in this marketplace. Really analyze this group of people. What are they concerned about? What do they like? What are they really drawn toward? What do they dislike? What are the turnoffs for this marketplace? And, what are the goals that people in this particular marketplace tend to aspire to?

For example, one of my clients sells sales support services to software companies. They specifically focus on the renewal of licenses to use software. Many companies in their targeted markets are against the idea of "outsourcing" services. They prefer to hire and train their own teams so they have more control. By knowing this prejudice against "outsourcing," my client has devised a strategy that eliminates the resistance right up front.

The strategy basically tells software companies, "Instead of outsourcing your sales support to an outside firm, let us partner with you to bring our services into your resource web. Make us part of your business family, and let us strengthen your relationships with your customers. We bring you all the revenues you have been missing without any expense for hiring, benefit programs, training, and infrastructure. Overnight we can provide you with a fully functioning department that will add daily revenues to your bottom line." That's a pretty compelling case for not doing things on your own!

Next, what are the *challenges* that key people in this marketplace tend to face? You must take into account all of the angles and ways that you may be hindered from performing to the best of your ability as a salesperson. *Are there burdens like a shortage of manpower? Are there geographic challenges? Are there travel restrictions? Does weather play a role in how people in a given marketplace*

function? Is there limited Internet access that could prevent a customer from getting online? Are there market shortages? Are there other limitations? The better you know what their challenges are, the better you can identify where they need solutions like the ones that you offer.

Finally, what are the catchwords, phrases, or *jargon* that the people tend to use in this market? In certain fields, they use terminology that is unique to that marketplace. Law enforcement agencies have their own jargon, so be aware of this if you are dealing with people. If you don't understand the jargon, you don't understand the people. Or, even if you do understand the people, they don't think you understand them because you don't understand how they use those words. So study the phraseology and terminology that's common to each marketplace.

A common example of this is the use of the word "closing" in the Real Estate industry. In the legal sense, "closing" means what the dictionary says it means: ending. But in Real Estate, a "closing" is the *meeting* at which the process of documentation, contracts, filing and movement of funds occur that consummate a transfer of deed. In sales training, "closing" has come to mean signing the contract or making the purchase. But in popular use, it also now indicates the process of asking for the order and dealing with resistance. Personally, I prefer to call this "confirming" the sale. But it is important that you know what words may mean when someone else uses them.

Case Study

Speaking in Tongues

For international sellers, knowing how to speak to a market is even more important than U.S. domestic salespeople using the correct jargon and regional slang. There are many examples of what can go wrong when a business attempts to sell its products abroad with less than an adequate grasp of the local language and culture. When General Motors described its "Body by Fisher" in Flemish, it came out "Corpse by Fisher," which did not increase sales. Pepsi-Cola's highly successful slogan "Come Alive With Pepsi" almost appeared in the Chinese version of the *Reader's Digest* as "Pepsi brings your ancestors back from the grave." A U.S. airline operating out of Brazil tried to lure business people by claiming it had plush "rendezvous lounges" in its first-class sections—without realizing

than in Portuguese, the word "rendezvous" implies a room for making love. Frank Perdue of Perdue Chicken fame decided to translate one of his very successful advertising campaigns into Spanish with some unfortunate results. The slogan "It takes a tough man to make a tender chicken" was translated into Spanish as "It takes a virile man to make chicken affectionate."

As amusing as these may seem, such translation errors have cost U.S. companies millions of dollars in losses, not to mention the damage done to their credibility and reputations.

SOURCE: John Caslione and Andrew Thomas, *Global Manifest Destiny* (Dearborn, 2001), Chicago, p. 55-56.

From understanding how your customer talks to the major events in their lives to the challenges they often face, market profiling will greatly add to your understanding of your chosen market. The more fully you understand each market segment, the more likely you are to sell within it. In effect, you will sell mostly to the people you want to do business with. You will have cultivated a customer base that best fits your personality.

Identifying Ideal Customers

I recently began working with a client headquartered within two miles of my home. As one of their best customers, I already knew many of their managers and executives on a personal level. It made perfect sense for them to become one of my best customers.

Their company profile matched the types of businesses I typically seek out: They have 208 employees varying seasonally by about ten percent. There are 25 managers in the organization. They are a service business much like mine. They believe in training and development. The market for their service is relatively steady and their location is and will continue to be highly desirable.

In working with them, I have found myself looking forward to every contact and putting more of myself into the work than I did with some other clients. Their use of my training ideas has produced rapid and measurably valuable result, and they appear to be a prospect for a long-term contract.

Also, they can be a success story or case study for me to cite in making contacts that will help me further penetrating their industry. The business is truly a desirable client with multiple value points for me. The key to my success with this company is that I knew going into the relationship that they fit my profile of an ideal prospect. Do you know what your ideal customer looks like?

Salespeople need to ask themselves, “Who is the best customer for me?” Here’s how you can generate a description of that individual.

List five of your best current customers. After you have them listed, describe as many characteristics of each one as you can. How do they do business? How do they think? Where did they go to school? What information sources do they turn to? What level of financial success are they experiencing? How many different locations are they operating from?

(To sign up for Jim’s Relationship Selling™ e-Course, visit https://secure.parkerwebsolutions.com/cathcart/relationship_selling_elrn.html.)

Case Study

Royal Bank of Canada

In the early 1990s, executives of Toronto-based Royal Bank of Canada (RBC) realized that for retention purposes, the bank “needed to understand better how to get our arms around our best customers,” says Shauneen Bruder, senior vice president of marketing and planning.

The bank segmented customers into A, B, and C levels by looking at not only dollar activity, but also at the overall profitability based on all their holdings with the bank. Bruder says the segmenting ensures that the bank is strategic with customers. For example, it assigned A clients to account managers, and had RBC reps make two or more proactive contacts to those clients annually, offering them specific products they might be interested in. The results speak volumes: Between 1995 and 1997, average profit per A client increased 268 percent, and the number of A clients increased 292 percent. Such impressive increases come from “getting the right information into the hands of your salespeople at the right time; making sure they know who the most profitable [customers are]; and

regularly profiling and contacting those clients,” Bruder says. It also helps the bank answer the question, “How do we best allocate scarce resources against [our best] opportunities?”

SOURCE: “A Foundation of Trust,” *Direct*, Vol. 13., n. 4, March 15, 2001

Also note what resource your best clients came from. Were they a referral? Did they come from a response to advertising or direct mail?

Similarly, do a detailed description of the characteristics of your five worst customers. By “worst,” I mean the ones that are hardest to work with, the ones who are the toughest ones to please, the ones that are generating the least profitability for you in comparison to the amount of time and energy you put into dealing with them. If you find that you dread each contact with a customer, maybe it’s time for them to find a new supplier. If your amount of time and energy spent doesn’t justify the amount of profit they generate, then maybe you don’t want more clients that are like this one. The more “high maintenance” a customer is, the less likely they are to be profitable for you.

When you finish analyzing your worst clients, compare the five best to your five worst and look for the characteristics that distinguish them. Then ask yourself what prospecting methods you could employ to find more of the best customers and to avoid running across more of the worst. Identify an ideal customer for yourself. Focus on the positives rather than the negatives. What does a good customer look like? What do they sound like? Where do they go? What do they do? How much money do they have? How easy are they to access?

Identify your ideal customers and then make sure you keep your eyes peeled for them. Sometimes the mere act of writing things down causes you to notice things you’d never seen before. First we have to get the information on paper so we can look at it, then we need to reflect on what it might tell us. Often we find that customers from a particular referral source require more exceptional treatment than those from other sources. Maybe the source of your demanding customers needs to be reconsidered before further cultivation. This exercise can also show you whether your marketing efforts are paying off in proper proportion to what you are investing in each targeted market.

You may also find that you have several customers from a specific geographic area, or income level, or industry.

That shows you where your easiest opportunities may be. As stated in my book, *The Acorn Principle*, “Your greatest, fastest and easiest growth will usually come from your natural abilities.” That is also true of your existing customer base. Most good referrals tend to come from highly satisfied current customers.

The Friendship Tree

How many of your friends, neighbors, and family could accurately describe what you do? It's alarming how few of them know. Sometimes our own families don't fully grasp what we do and how it helps others.

Take some time to educate this natural market made up of your family and friends. Be careful not to “try to sell them;” instead, simply trade information so that you and a friend can understand what the other person does in this world.

To help you better define your natural market, think of friends who know your capabilities and could be potential clients. For example, list old school friends, neighbors, family friends, friends you've met through hobbies, church, social clubs, or community activities. What about friends and associates you know through past employment and people you do business with today?

Any number of these people could potentially benefit from having your product or service. This natural market is an excellent source of potential clients. Friends who know your capabilities and degree of professionalism can provide the beginning of a friendship “tree” of potential clients.

An exercise that is quite popular in the seminars I lead is the following one, developed by my friend and colleague, Steve Curtis:

List two friends in each of the categories below. As you contact each of these potential clients, he or she may be able to add two more names to help the tree grow.

Type of Friend

List Two Names

School friends:

.....

Neighbors:

.....

Known through spouse:

.....

Known through children:

.....

Known through hobbies:

.....

Known through church:

.....

Known through social clubs:

.....

Known through community activities:

.....

People you do business with:

.....

Others:

.....

With the scores of names that ultimately fill your Friendship Tree, you will have a powerful list of people whom you already know and trust. Contacts with these people will not only be easy, but also welcomed! However, be careful not to turn these into sales calls unless requested. You want to keep the tension level low and the curiosity high. Make this an opportunity to truly learn what the other does for a living. Seek to learn and to show what value others get from what you do.

Referrals, recommendations, introductions, and more will eventually come your way from this exercise. But don't expect fast results, even though you may get them. Just invest this time in training each other in how to watch for future opportunities to refer each other. Think of it as your own in-house "tip club" filled with future sales referrals.

How To Get Referrals And Testimonials

For God's sake, don't give up writing to me simply because I don't write to you.

- Robert Frost

A friend of mine called me a few years ago asking me to recommend a motivational speaker who understood selling. I said, "That would be me!"

He was stunned. "You do sales motivation?"

Now, consider for a moment my situation. I had been a full time professional speaker, author, and sales consultant for over 25 years. I had 13 books in print with major publishers, two that had become national best sellers, while another is now translated worldwide and in use by corporations and universities around the world. I'm a past national president of the National Speakers Association, and I have been inducted into the Professional Speakers Hall of Fame. I do not mean to shamelessly boast my personal successes, but it became clear to me in talking with my friend that I had dropped the ball in communicating. I hadn't taken the time to adequately describe what I did for a living and at what level I did it. So naturally, this friend called me seeking someone else. The moral of the story

is that we need to make sure that the people we already know are aware of the value we can deliver.

The quickest way to grow the value of your business is to ask for referrals. If you don't ask for referrals and testimonials, then you are unlikely to receive any.

When prospecting, many salespeople completely forget about their current customers. *Current customers are your best source for new business.*

If you have a strong relationship with your customers, you shouldn't feel uncomfortable asking them for favors. Here are some ways to develop new business from your current customers:

Ask for referrals within their company. Sure, you've asked for referrals before, but were you specific about it? Probably not. If you direct a customer's thinking internally within his or her company, you may come up with more prospects. For example, some companies, like a bank or a real estate company, may have more than one branch. Ask if they have a new branch opening up or if new personnel have been hired. Sometimes when expansions take place, new opportunities arise.

Fires and floods create changes. People get married and divorced. Birth and death create opportunity and needs. Things change and new opportunities emerge. When natural disasters occur, many elements of society are impacted beyond the obvious ones. When Hurricane Katrina hit New Orleans a few years ago, it not only impacted New Orleans, but also dramatically impacted Houston, Baton Rouge, Memphis, Little Rock, and many other cities around the country where refugees moved in order to find new housing. It also impacted the companies who served New Orleans customers and those served by companies that were headquartered there. Each of these changes represented an opportunity for someone.

Ask for referrals outside their company. People in business tend to know people in similar businesses. If you're specializing in a certain industry, take advantage of this small world. When you solve a problem for one customer, they may know someone with a similar problem. The key is not only to ask for the sale, but to follow up periodically and to ask again and make recommendations and suggestions. Try asking, "Is there anybody with whom you do business that might also benefit from what I can do?"

Sell more of the same. Many companies, especially small to medium-sized retailers, tend to order conservatively until a product is proven. Then they break out of their habit pattern and place larger orders. But if you see that a company has the capacity to use more of your product, encourage them to increase their orders and show them how they'll benefit. Or, if a customer is using your product but not getting the full benefit he or she can, recommend that he or she optimize their profits more efficiently. For example, if you are selling chocolate confections to a neighborhood grocery store and they often sell out before your next visit, try suggesting that they do a special promotion on chocolates and increase their standard order size. There may be more potential sales available than their current small supply can meet. Same store, same product, bigger sales.

Also, **sell to more of the same types of people** within the company that you're currently selling to. More of the same products will attract more of the same types of people. Look for referrals and seek out opportunities. Sometimes your best prospect is the customer himself.

Cross-sell your customers. When you see the need or ability to sell other products, present them to your customers. You've already proven that you're trustworthy, so they'll listen when you suggest they carry something else or buy something else. The same principle applies to services as it does to products. Once you've solved one of their problems, solve others.

You see this all the time in the enclosures that come with your statements from various credit card companies, banks, cable television bills, and so forth. They add the flyers that tell you about their other services. When you're contacting your clients, do similar things. Drop a hint, leave a brochure, show an example, and demonstrate how you can be of further service to your customers.

Then, **cross-sell to other departments.** Make sure that you are recommending your customers to the other divisions or departments within your organization, as the customers could benefit from the services they provide as well. One easy way to initiate cross-selling from your department to others in your company is to keep a handy list of questions to ask when serving customers. For example, a bank teller might notice a change in a customer's deposits and inquire, "Would you like to put some of these funds into an investment account so that it will grow by the next time you need it? Or noticing several withdrawals, he or she might suggest using a line of credit to make cash flow management easier. Then he or she'd refer the person to

the appropriate specialist in another department to follow through. By simply having a list of *Possible Needs and Solutions to Inquire About*, the teller would have the reminder and "script" to make cross selling quick and easy.

Also, **take time to train the other departments in what you do** and what benefit you bring to customers, so they can cross-sell back to you. Too often an employee doesn't even know what else a company can do for a customer outside his or her own realm of responsibility. Take time to learn what else your colleagues are able to do for your clients and show them what you are able to do.

Up-serve your customers. Do more for them. By staying in touch and conducting periodic reviews of their business, you may find that their needs are expanding. This means more services are needed. The key is to see your customers' increased needs before your competitor does. And that's why you stay in touch. So up-serve your customers whenever you can. The eighth competency of Relationship Selling™ focuses on ways to Assure that the customer is not only satisfied but also becomes a loyal follower. A key aspect of that is up-serving, which does not necessarily mean selling more, but rather serving more. This is looking for ways to increase customer satisfaction and happiness through doing business with you. Periodic satisfaction reviews with people will allow you to spot opportunities early. The key is for you to initiate these reviews...when you don't have to. Don't wait for needs to emerge, seek them out before then.

If you want them referring names to you, give them more than they were expecting. Up-serving means increasing the size, not of the transaction, but of the satisfaction they feel from doing business with you. Look for ways to add a little something extra. When you focus on up-serving, they feel better served, they trust you more, and they're more receptive. They will recommend that other people contact you, or that you contact those people. You'll find it's easy to up-serve when you get into the habit of thinking of new ways to serve your customers at no significant extra cost to you or them.

Testimonial letters are a powerful form of referral you can use again and again. When a customer writes you a recommendation or a letter of praise, and they say it's OK to share it with others, you can benefit from your customer's credibility and use that testimonial without having to contact your customer anew each time you need a referral. To prepare a file of testimonials, plan ahead now. After every successful sale, ask your customer if he or she would

be willing to write a short letter summarizing the benefits he or she got from doing business with you. A testimonial letter should add strength to your credentials, support your claims, and prove the value of your products in the marketplace.

A common mistake is securing letters that simply speak well of the salesperson, but don't specify the value of the product. For the greatest effectiveness, a testimonial letter should support the claims you make to your prospects. It should specifically state the benefit received by the customer, and describe the need addressed when you made the sale.

Build a testimonial file. Create an entire resource of testimonials for the various things you do, and the various types of customers you've done them for. Then you have a resource to turn to any time you want to strengthen your credibility.

Over the years, I've found that the number one source of good new business is referrals from existing customers – regardless of the industry. When you make the seeking of referrals and introductions a habitual part of your selling system, then you will have a continual flow of new people to see.

worth digging for. These nuggets can really be worth a lot over time through repeat and referral business. So use your database, keep records, and stay aware of who is there for you to access.

These rules were first developed by my friend, Dr. Tony Alessandra, author of *The Platinum Rule*.

1. Ask for specific referrals. Narrow down the customer's focus. Ask him, "Who do you know?" Then give them a specific type of person, "Who do you know who is going to be retiring soon? Who do you know who has just added on to their business? Who do you know who is seeking new employees? Who do you know who just laid off a big portion of their business? Who do you know who was recently laid off from their business? Who do you know who has just lost a lot of weight and gotten in shape and she's looking for a new wardrobe? Who do you know who has been fascinated by laser eye surgery and is ready to get rid of their glasses and have his or her eyes surgically improved? Who do you know?" Ask for specific referrals.
2. Gather as much information about the referral as you can in advance.
3. Ask your customer for permission to use his or her name in introducing yourself to the referral.
4. Ask your customer for help in getting an appointment with that person. Have him do the introduction.
5. Contact your referral as soon as you possibly can after getting the name.
6. Inform your customer who referred the person about the outcome of your contact with this new person. Tell him how it went and report back to him; don't keep him in the dark.
7. Build referral alliances. This can be through sources such as tip clubs or building centers of influence that can refer you to other people. Or meeting and getting to know key people within the industry or marketplace.
8. Prospect for referrals just like you prospect for sales leads—actively, intentionally, constantly.
9. Rank your referrals just like you would your customers:
 - 'A' referrals: a hot one; a person about whom you know a lot and to whom the referrer will introduce you.

Ten Steps For Referral Prospecting

The more people you know, the more possibilities you create. Don't think of your sales career just in terms of your own limited energy, intellect, and resources. Think of it as something that can be multiplied by all the possibilities in every person you meet, and by all the people to whom they are connected.

See yourself as the center of a continuum that reaches beyond just the people you see. After all, your sales success depends on your customers. And prospecting for customers is very much like prospecting for gold. Just like an old-time prospector might pan a mountain's worth of rock, mud, and gravel to find a few valuable gold nuggets, a salesperson must mine a potential area or group of people to find individuals or companies that are truly

- ‘B’ referrals: a warm one; you know a little bit about the referral person and you can use the referring person’s name.

- ‘C’ referrals: a cold one; you know nothing about the referral and you can’t use the referring person’s name in getting to them. Be careful not to expend too much time or energy on a ‘C’ referral.

10. Seek internal referrals within the companies and organizations you deal with. Have them introduce you to people in other departments or at other divisions, branches, and subsidiaries. Mine the ground that you’re standing on. Your acres of gold are probably right beneath your feet.

Niche Marketing: When It Works and When It Doesn't

A powerful key to Relationship Selling is something known as “Niche Marketing,” or selling to a very specific target group. Within the group or “niche,” your reputation grows and the demand for your product increases rapidly. The trick is to do such a good job for them that they spread the word and grow the demand, even when you are not with them.

Two organizations that have built “followings” among their users are Harley Davidson and Apple Computer. But their strategy for Relationship Selling is quite different. Harley Davidson is focused on a tight target: motorcyclists and motorcycle enthusiasts. Apple, on the other hand, is going after just about every buyer in the marketplace. Yet each of them has experienced enormous success. What could you do by applying some of their targeting strategies to your own selling?

Case Study

Harley Davidson

“Rather than trying to export its product to different customer groups, Harley Davidson concentrates sales efforts on one special target niche. It intentionally keeps its motorcycles scarce to maintain its image of exclusivity but gives its customers a way of embellishing the motorcycle experience via “Harley

Owners Group” (HOG) membership and accessories and clothing items that portray the biker subculture. HOG serves this fanatically loyal group by providing an insurance program, travel agency, emergency roadside assistance, two magazines, member competitions, and local chapters to 200,000 members worldwide.”

And as further proof of their strategic thinking, for their second hundred years they have now launched a new “revolution” engine and motorcycle design, which broadens their market appeal to other customer groups who typically weren’t interested in Harleys. They have set records in traditional categories like cruiser bikes, while simultaneously developing different models, brands, and technologies. And, not the least of all, they do more training for their employees at all levels than the rest of the motorcycle industry combined!

SOURCE: Katherine Lemon, Robert Rust, “What Drives Customer Equity,” *Marketing Management*, Vol. 10, n.1, April 2001.

Case Study

Apple Computers: “The Dark Side of Loyalty”

In 1990, Apple Computers had 3.5 million “Mac fanatics” who were incredibly loyal. Apple nurtured that loyalty and focused on delivering what they wanted. It was so focused that it did not notice that its fan base was atypical of the new users coming into the marketplace. These buyers were swelling in the Windows portion of the market.

Much like Harley Davidson’s customers, Mac users saw themselves as a tribe apart and reveled in that isolation. However, when Apple bet its future on following that tribe, it cut itself off from the much larger population of computer buyers who drove the growth of IBM, Gateway, Compaq, and Dell. Today we have seen a renewal of Apple with an entirely new strategy.

With the introduction of new computers that easily communicate with PCs, Apple products no longer carry the limitations they once had. In fact, they are using their virus-free, easy-to-use computers as a

positioning tool to get us thinking of the Apple products as ones that never break down and are easier to learn and use. The introduction of the iPod gained them a powerful market share well before other MP3 players entered the market. The iPhone and myriad other game-changing new products are also coming out of their pipeline. Stay tuned!

Six Groups Who Must Benefit From What You Do

There are six groups of people who must benefit from what you do in order for you to get all your possibilities realized.

1. **Your customer**, of course, should benefit from what you do.
2. **Your company** should benefit—this should be a win/win between customer and company.
3. **Your co-workers** should benefit from what you do—not just through more work, but through your doing it in such a way that it adds a positive input into their day.
4. **Your community** should benefit from what you do.
5. **Your colleagues** in your industry should benefit from what you do.
6. And finally, even **your competitors** should benefit from what you do.

Now why on earth would I say that you should care how your competitors fare? When you are doing what you do at a highly effective level, your competitors have to reach higher levels of achievement just to stay even with you. If you keep raising the bar, if your level of excellence and quality of service is so good that they have to get better just to stay even, then you're serving your competitors by inspiring them to improve in the ways that they serve their customers.

This requires a pretty enlightened point of view in order to fully appreciate why you should even care if your competitors survive, let alone improve. But we are all in our respective industries and professions together. When another company releases a new and improved product, we quickly get to work to catch up or do one better. When better business practices become common among the best companies, eventually even the least of the businesses get better in order to stay in the game. Think beyond yourself. Raise the entire industry by doing the best you can.

Consider how automobiles have progressed over the years. Today, even the least expensive and least “advanced” autos are nonetheless highly reliable and efficient. That inspires the best manufacturers to go even further in distinguishing their products from the others.

Out of your customer, your company, your coworkers, your community, your colleagues, and your competitors – if any of those groups are not benefiting on some level from what you do, then you’re limiting your own possibilities.

Brainstorm three things you could do this year to be of benefit to each of these groups (Customer, Company, Co-workers, Community, Colleagues, and Competitors). Then select three from those eighteen things you just generated to take action on today. The more benefits you deliver to others, the more value you give them, and the more income you will soon receive.

The Kinds Of People You Need Around You
A man's true worth is measured by the
people who enter his tent.
— *Ancient Arab Proverb*

We need different people in our life who do different things for us and for whom we can do different things. We need people who have a certain effect on us—who we are and how we live our lives. Look at what your relationships do for you.

We need friends—people we can communicate with openly. Ralph Waldo Emerson said, “A friend is one with whom I can be sincere,” and, “A friend may well be reckoned the masterpiece of nature.” I like that.

We also need a lover. We need our spouse or mate, that significant other person that we can care about, nurture, and care for. We need someone who does the same for us.

We need people with whom we can celebrate our successes and accomplishments. There are times when we need somebody we can brag to without them trying to repair us. Sometimes we need the opportunity to express the pride of accomplishment. It should be done appropriately, of course, but we need people we can brag to or brag with, so we can celebrate our successes. Someone who, when we do well, will say, "Hey, good for you, I'm proud of you."

We also need people to commiserate with. When we're experiencing pain or confusion or frustration, we need someone who can hear and understand our problems, without trying to fix us and without encouraging us to dwell on the problem for too long. We need someone who will just simply say, "Tell me how that feels." We need someone we can turn to and from whom we'll get a sympathetic ear.

We also need people who will not allow us to complain excessively, who won't let us dwell there too long. In other words, someone who, if we're complaining and we're expressing pain or frustration, won't let us wallow in it, but instead will encourage us to change the subject or get back on the positive path.

We also need people we can think with. People who encourage us to be more thoughtful, be more intelligent, more considerate, to look at the broader and deeper and longer term aspects of ideas. We need people who are studying and learning and researching and bringing new ideas all the time. People who, when we are around them, tend to make us a bit more intelligent.

And we need people who inspire us. We need people in our lives who, when we're around them, make us think a little bit more of ourselves, people who lift our spirits and appeal to the nobler sides of our personalities. We also need people to work with, people who will make us roll up our sleeves, put in a full day's work, and get the job done no matter what it takes.

We need people in our lives to fill lots of different roles. We need people who will cause us to be held accountable for what we did or did not do. We need people who will challenge our thinking and not let us get by with simplistic or quick fixes when a more meaningful solution is necessary. We need people who will provide good examples, people who we can watch as they do what they do and get inspired to do what we do even better.

How do you find these people? You find them in your pro-

fessional relationships; you find them in your personal life; you find them living next door; or you find them down the hallway in another room in your home. You find them in your children, in your parents, and in your relatives. You find them in your customers, in your community, in your church, and in your professional association. Everywhere we go there are people who can bring to our lives one or two qualities that might make a big difference in the overall power, impact, and possibilities of our lives.

Sometimes we find difference-makers in our lives by writing down a description of the person we are looking for. This process helps bring him or her to you. Many years ago, I wrote a description of the ideal business partner who I felt I needed in order to grow one of my businesses. Within a few weeks I met a new friend who developed into not only a partner but also a great personal friend, and we are still collaborating on projects three decades later.

Just as we benefit from the people we surround ourselves with, we also fill important roles in other people's lives. We play different roles with our children than we do with our spouse. We play different roles with our parents than we do with our managers. We play different roles with our customers than we do with those in the community. But in everyone's life, there's a role that you and I play. If you know how valuable that is to you and you know what kind of role you are playing with each particular person, you can be more effective at playing that role.

Do not jump to the conclusion that by saying "playing a role" I mean that you're doing something artificial. The best way you can fill a role is to be genuinely yourself—not to practice being something you're not, but to express the best part of who you actually are.

Take a look now at the people in your inner circle and see what roles they fill. You may find that some people are very good for certain needs, but not for others. Take note wherever you find a significant gap; if there's not someone on your list to think with, to celebrate with, to be playful and silly with, to be helped by or to give help to, then go shopping. Go shopping for new people to bring into your life and go shopping within existing relationships for new qualities that you can bring out.

Cultivate the quality of your connections with other people and your career will be more successful. You must be proactive in determining what kinds of relationships you want in your life and then go out and get them. When you have someone to think with, you can collaborate about

sales situations and strategies. You can compare notes and discuss every aspect of a sale. This is a form of training and it makes you a better salesperson.

Your circle of friends will enable you to relax and rejuvenate yourself for the next round of work. Intellectual friends keep your mind growing and empathetic friends help you remain sensitive to what your buyers may be feeling. Pragmatic friends keep you on the path to measurable outcomes. All of them add up to a very beneficial effect on your sales expertise. Grow your relationships intentionally.

You can read more about the importance of making connections with your customers in the next installment of the Relationship Selling™ eBook series.

Defining and Expanding Your Inner Circle

The key to becoming a success at Relationship Selling™ is remembering that your life—and not just your career—is defined by your relationships? Think about it—the people you connect with and interact with, day to day, are the essence of your life experience. The vast majority of what you and I do as individuals is done in the context of relating to someone, talking with someone, working with someone, doing a project that benefits someone. *Our lives are defined by our relationships.*

That begs a pretty big question—with whom do you currently have relationships? Take some time and make a list of all the people in your life—all of the people that you see frequently, all of the people you don't see so often but you feel a strong connection with, all of the people who play a major or a minor role in your life. List all the people in your life at this current time. Date this list so that you know it's a description of this point in time, because our relationships are constantly evolving and changing.

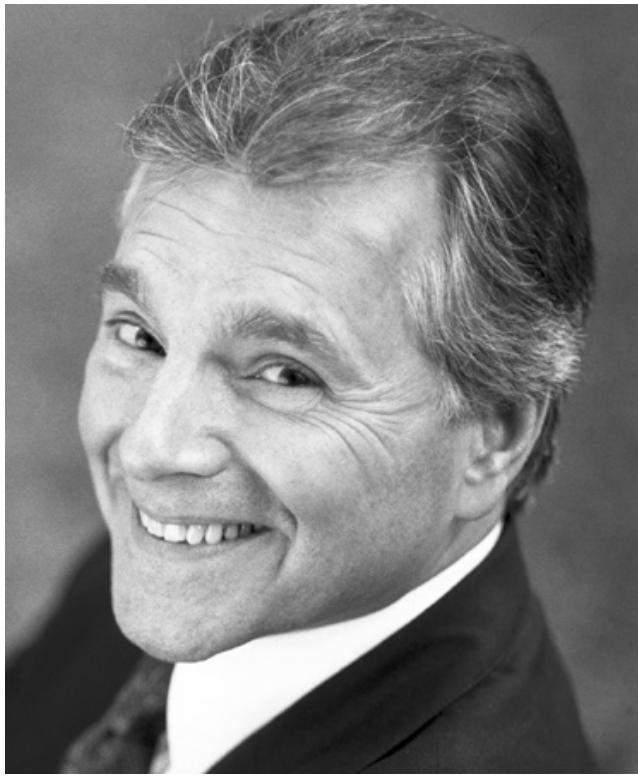
Keep a file of these relationships so that you can look back on it from time to time and see how your life has evolved as it relates to your connections with other people. We define and express ourselves through our interactions with others. If we feel a certain way about ourselves, then that

tends to show up in who we spend our time with. Generally, the people we spend time with are people we consider to be at about the same level we're at in our own lives, or slightly above it if we're optimistically building toward the future.

As we progress, we tend to expand our circle of connections. By paying attention to your relationships and the types of people in that mix of relationships, you can literally upgrade your self-perception, or the way you see yourself. And in many cases, upgrade your performance as well.

As your performance consistently improves, so will your status as a salesperson. Remember that your ideal markets are the ones containing people who have enough in common that you are able to establish a strong reputation within this group. You build your reputation by asking for and receiving referrals, identifying ideal customers, and cultivating your inner circle. Once you identify the right people, you will have created the foundation to connect with your customers and ultimately become an expert in Relationship Selling™.

(To browse products in Jim Cathcart's Relationship Selling™ Sales Readiness Series, visit <https://secure.parker-websolutions.com/cathcart/orderform.html>.)



About the Author Jim Cathcart

High achievers from around the world credit the advice and inspiration of Jim Cathcart as keys to their personal advancement. As the author of thirteen books on business and psychology including two best sellers, *The Acorn Principle* and *Relationship Selling*, Jim Cathcart's works are in use by businesses and universities worldwide.

CEO and founder of Cathcart Institute, Inc., Jim sits on several corporate boards plus the Board of Visitors of Pepperdine University's Graziadio School of Business and Management.

He is one of the world's top professional speakers and business authors and has been inducted into the Speaker Hall Of Fame, received the Golden Gavel Award from Toastmasters International, and the Cavett Award from the National Speakers Association. Jim became a member of Speakers Roundtable, 20 of the top professional speakers in the world, in 1986.

Cathcart Institute, Inc., founded in 1977, is a network of highly qualified business advisors who teach Jim Cathcart's concepts and strategies for Relationship Selling and personal advancement. The Relationship Selling Sales Excellence System is built upon the principles of personal accountability and structured to utilize all of an organization's learning resources, not just the material in this book. Business leaders and top salespeople turn to Cathcart Institute, Inc. for training, inspiration and personal advice in their quest to reach the top one percent of their field.

With over 2,500 speeches delivered to more than 1,500 different clients worldwide, Jim Cathcart has reached hundreds of thousands of business professionals in person.

To contact Cathcart Institute, Inc. at their California Headquarters visit <http://www.cathcart.com> or call 800 222 4883.