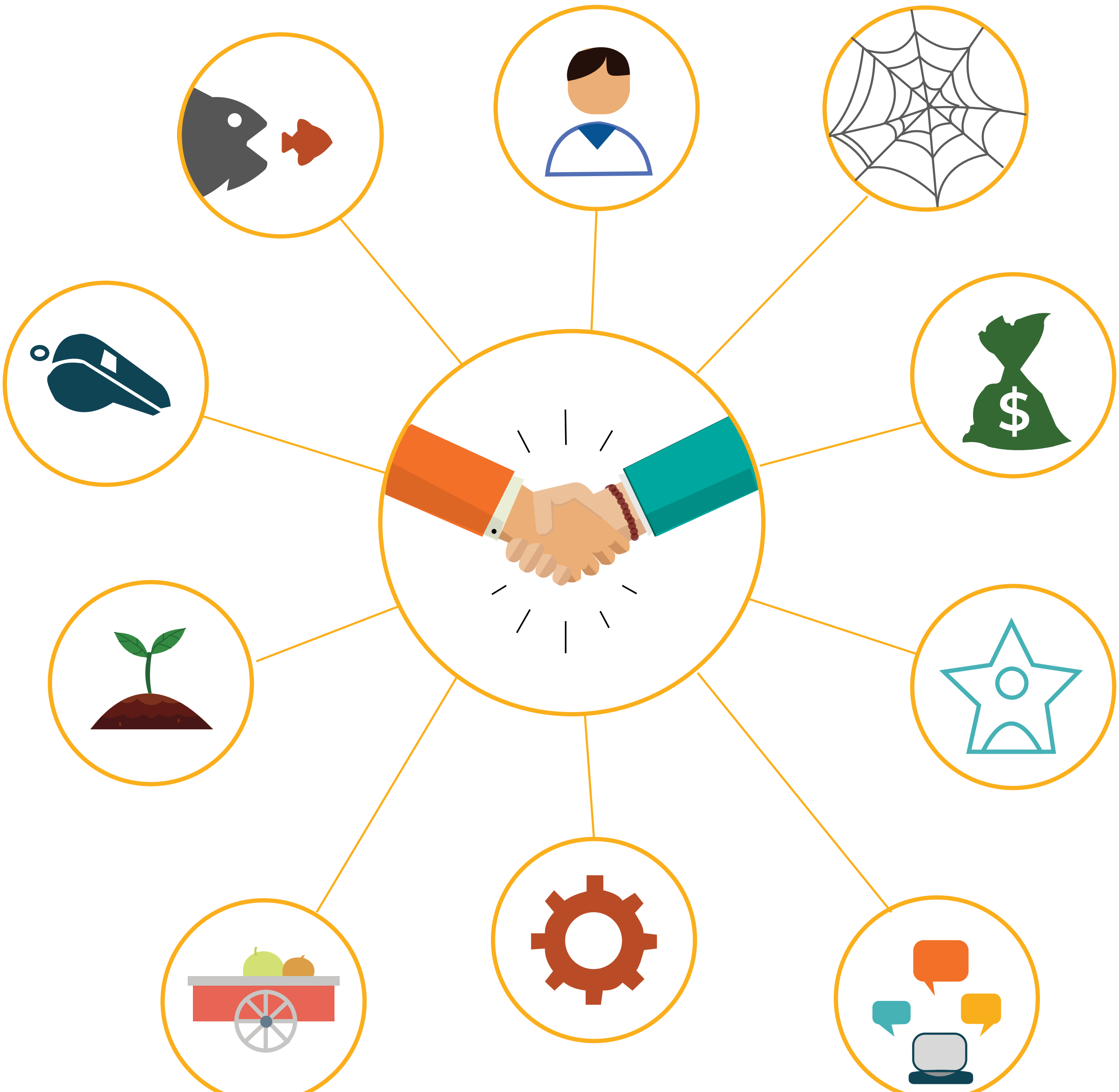
Mulligan Funding's Ultimate Guide to BUSINESS RELATIONSHIPS



Mulligan Funding

INTRODUCTION

Dear Entrepreneur,

As a small business owner, you have a lot on your plate. You're balancing your customers, employees, vendors, investors, advisors and more. You may treat these interactions for what they are at face value, necessary business transactions; but this approach could hinder your success.

We saw the need for a resource that provides you with tips and guidelines from experts who know how to improve your day-to-day interactions. It's our pleasure to provide the information you're now viewing: **Mulligan Funding's Ultimate Guide to Business Relationships.**

Focusing on key relationships that are at the core of businesses across America, these chapters cover practical advice for getting maximum value from those relationships. Renowned authors, bloggers, entrepreneurs, professors, psychologists and researchers share years of expertise on the subject matter.

We hope you enjoy and benefit from reading their commentaries. You're very welcome to share this e-book with others. This collection of material is copyrighted to Mulligan Funding. Each chapter was used with permission from the authors and ownership resides with them.

We wish you the best in all your business endeavors. If we can help, feel free to contact us.

Sincerely,

The Mulligan Funding Team

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Chapter 1: Employees

5 Myths of Great Workplaces

By Ron Friedman

Suppose that later this evening, after you have stepped away from your keyboard, put on your coat, and traveled home for supper, your organization underwent a magical transformation, reshaping itself into the world's best workplace.

How would you know? What would be different the next time you entered the building?

When we think about extraordinary workplaces, we tend to think of the billion-dollar companies at the top of *Fortune* magazine's annual list. We picture a sprawling campus, rich with generous amenities; a utopian destination where success is constant, collaborations are seamless, and employee happiness abounds.

But as it turns out, many of the assumptions these images promote mislead us about what it means to create an outstanding workplace.

In recent years, scientists in a variety of fields have begun investigating the conditions that allow people to work more successfully. As I explain in a new book summarizing their discoveries, not only are the factors that contribute to creating a great workplace not obvious—often, they are surprisingly counterintuitive.

Consider these five "great workplace" myths:

Myth 1: Everyone Is Incessantly Happy

Over the past decade, the happiness literature has produced some compelling findings. Research conducted in lab and field experiments indicates that when people are in a good mood, they become more sociable, more altruistic, and even more creative.

Not surprisingly, many organizations have attempted to capitalize on these outcomes by searching for ways to boost employee happiness. In many ways, it's a welcome trend. Surely, a workplace concerned about the mood of its employees is preferable to the alternative.

But happiness also has a surprising dark side. When we're euphoric, we tend to be less careful, more gullible, and more tolerant of risks.

Not only is workplace happiness occasionally counterproductive, there is also value to so-called "negative" emotions, like anger, embarrassment, and shame. Studies indicate that these emotions can foster *greater* engagement by directing employees' attention to serious issues and prompting them to make corrections that eventually lead to success.

Instead of espousing positivity at all costs, leaders are better off recognizing that top performance requires a healthy balance of positive *and* negative emotions. Pressuring employees to suppress negative emotions is a recipe for alienation, not engagement.

Myth 2: Conflict Is Rare

Workplace disagreements, many of us implicitly believe, are undesirable. They reflect tension in a relationship, distract team members from doing their jobs, and therefore damage productivity.

But research reveals just the opposite: in many cases, disagreements fuel better performance.

Here's why. Most workplace disagreements fall into one of two categories: *relationship conflicts,* which involve personality clashes or differences in values, and *task conflicts*, which center on how work is performed. Studies indicate that while relationship conflicts are indeed detrimental, task conflicts produce better decisions and stronger financial outcomes.

Healthy debate encourages group members to think more deeply, scrutinize alternatives, and avoid premature consensus. While many of us view conflict as unpleasant, the experience of open deliberation can actually energize employees by providing them with better strategies for doing their job.

Workplaces that avoid disagreements in an effort to maintain group harmony are doing themselves a disservice. Far better to create an environment in which thoughtful debate is encouraged.

Myth 3: Mistakes Are Few

Suppose you've just been hired to oversee two teams. Before your first day on the job, you receive a report summarizing each team's performance during the past year. One statistic immediately jumps out: In the average month, Team A reports 5 errors. Team B reports 10.

Which team is more effective?

On the surface, the answer seems obvious. Of course Team A is better—after all, the data show they commit half the number of mistakes. But are fewer errors really the best metric of a team's success?

In the mid-1990s, Harvard researcher Amy Edmondson conducted a study looking at the performance of nursing units at a university hospital. What she expected to find was a simple correlation; one showing that units with the best managers and coworker relationships recorded the fewest drug treatment errors. Instead, she found the opposite.

Much to Edmondson's surprise, nursing units with better nurse-manager relationships reported significantly *more* drug treatment errors, but not because they were less effective. They were simply more comfortable admitting mistakes when they happened.

Edmondson's research underscores an important point. To achieve top performance, we must first recognize and learn from our mistakes. And for that to happen within a workplace context, for employees to willingly acknowledge errors, they need an environment in which it feels safe to have honest dialogue.

Paradoxically, fostering top workplace performance requires a new way of looking at failure. Instead of treating mistakes as a negative consequence to be avoided at all costs (thereby making employees reluctant to acknowledge them), organizations are better off making *improvement* rather than *perfection* a primary objective.

Myth 4: They Hire for Cultural Fit

Organizations no longer select job candidates solely on the basis of their skills or experience. They hire those whose personality and values are consistent with their company culture. Among the more vocal proponents of this approach is Zappos, the online shoe distributor. But lots of other companies have extoled the virtues of hiring for cultural fit.

The idea holds intuitive appeal: When employees share similar attitudes, they're more likely to get along, and more likely they are to produce. Right?

Not necessarily. There's a point at which too much similarity can stifle performance. For one, similarity fosters complacency. We get stuck doing things the way we've always done them because no one is challenging us to think differently. Similarity also breeds overconfidence. We overestimate the accuracy of our opinions and invest less effort in our decisions, making errors more common.

In a 2009 study teams of three were asked to solve a problem with the help of a new colleague who was either similar or dissimilar to the existing group. While homogenous teams felt more confident in their decisions, it was the diverse teams that performed best. The newcomers pushed veterans to reexamine their assumptions and process data more carefully—the very thing they neglected to do when everyone in their group was similar.

Finding the right degree of cultural fit in a new hire is tricky. When the work is simple and creative thinking is rarely required, a homogenous workforce has its advantages. But the same can't be said for organizations looking to be on the forefront of innovation. Here, exposing people to different viewpoints can generate more value than ensuring that they gel.

Myth 5: Their Offices Are Full of Fun Things

On every list of great companies to work for, the top organizations offer lavish amenities. Twitter, for example, has a rock-climbing wall. Zynga lines its hallway with classic arcade games. Google provides a bowling alley, roller-hockey rink, and volleyball courts, complete with actual sand.

Given the frequency with which resort-like workplaces are recognized, it's become easy to assume that to build a great workplace, you need to turn your office into an amusement park.

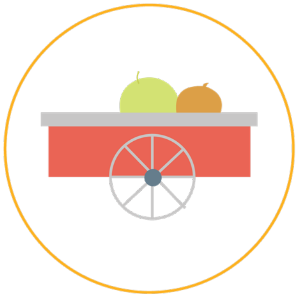
Not true. To thrive at work, employees don't require luxuries. What they need are experiences that fulfill their basic, human needs. As decades of academic research have demonstrated, we perform at our best when we feel competent, autonomous, and connected to others.

What differentiates great workplaces is not the number of extravagant perks. It's the extent to which they satisfy their employees' emotional needs and develop working conditions that help people produce their best work.

For too long, we've relied on assumptions when it comes to improving our workplaces. Isn't it time we looked at the data?

ABOUT THE AUTHOR

Ron Friedman, Ph.D., is an award-winning psychologist and the founder of ignite80, a company that teaches leaders practical, evidence-based strategies for working smarter and creating thriving organizations. He is the author of The Best Place to Work: The Art and Science of Creating an Extraordinary Workplace, and frequently delivers keynotes and workshops on the science of workplace excellence.



Chapter 2: Vendors

6 Steps to Optimize Your Vendor Relationships

By Bob Ronan

Creating strong partnerships with vendors can be an important factor in determining whether an organization achieves its objectives. Here are six steps companies can take to maximize the results they get from their vendors.

Are your vendors one of the most important reasons why your organization is successful? If not, you may have a huge opportunity to unleash untapped capabilities that are already at your disposal. The ideas in this article will help you differentiate your organization in the eyes of your vendors so they pay more attention to your problems and help you achieve better results.

1) Limit the number of vendors you use. It is hard to have "special" relationships if you have many vendors providing similar services. Smaller numbers allow you to spend more money with each vendor and build strong relationships which will result in better service. The point here is not to get to a single vendor for a specific service, because you do want to encourage competition between vendors, but it is easier to create great vendor relationships if you can focus on a few firms.

2) Take the time to get to know your vendors. Most vendors are interested in developing personal relationships, and they will often ask for your social time, with the most popular options being dinner, sporting events or golf. The problem for most executives is the time conflict; off work activities take away family time while during work activities take away work time. However, taking the time to meet socially with vendors will help you build relationships that will make your work interactions better. And, if you limit your vendors as suggested, this time commitment can be managed to a few outings a year.

3) Help your vendors grow their business. There is no faster way to a vendor's heart than helping them obtain more business. The obvious ways to do this are to give them more work in your organization or agreeing to be a reference for them. However, helping them does not need to be so limited. You know what is going on across your company, and you have friends at other companies with problems they need to solve. Have you ever picked up the phone to tell one of your vendor partners that there might be an opportunity outside of your organization? Of course, you only want to do this if you know the other area would want you to do it. But, if you have a great vendor and you know they could be an option somewhere else, why not be a matchmaker?

4) Give your vendors a chance to solve any problems you might have with their performance. This sounds obvious, but many organizations do not want to address performance issues. It may seem easier to replace people or products that are not working than to confront the issues, but it is often more difficult to make changes than expected. If you have built a great relationship with a vendor, these discussions do not need to be confrontational, and you may be surprised how creative a good vendor can be in solving your issues.

5) Treat on-site vendors as part of your team. Too many managers segregate their workforce into employees and non-employees. To give an example, some executives exclude contractors from all hands meetings, but I suggest inviting both employees and contractors. I want the contractors to know what is going on and to feel like they are a part of the team. Yes, I know they are going to go back to their desks and file a report with their organization, but I think the benefits are worth it. Are you really going to talk about something at an all hands meeting that you don't want to get out? Probably not.

6) Share your business strategies with your vendors. Lots of people do this, but in my experience, much of it is "check the box" on both sides. I did this early in my career by giving the vendors a recent presentation on the organization. While this might have been interesting, I think most of it was forgotten by the time the vendors reached their cars. Instead, it is worth the time to customize a presentation. Talk about the problems you have that you don't know how you are going to solve. You may be surprised at the result. As an example, I once had a team that maintained an old mainframe system. At a vendor briefing, I told the vendor I was worried about how fragile the system was and I wasn't sure how to improve the stability without introducing additional problems. The vendor shocked me by saying they had a legacy modernization team in India that took systems like ours, managed the production processes for three years, reengineered the system into modern technology during this time and then handed back the "new" system. While we ultimately decided not to use their services, they provided me with a viable option that I never knew existed.

I have a good friend who has been a successful vendor for many years. In his opinion, there are three keys to a great vendor relationship: **trust** between the vendor and client is the foundation of all vendor relationships; **honesty** is required on both sides so tough questions receive the right answer (even if they are not the answers that were hoped for) and **responsiveness** to each other's issues and concerns is critical. The tips in this article will help you build these satisfying long-term relationships and make a big difference in the results you achieve with your vendors.

ABOUT THE AUTHOR

Bob Ronan is an experienced IT executive with success in taking both troubled and successful organizations to the next level. He has a demonstrated record of excellence in the operation of technology systems, the delivery of projects and the innovative use of technology for competitive advantage while optimizing costs and engaging a global workforce.

Chapter 3: Customers

A Roadmap for Building Clients for Life

By Andrew Sobel

How many of your clients think of you as being essential to their *growth* and *profits*? How many of them, in contrast, view you as a cost to be carefully managed? The difference is huge. When clients see you as contributing to their growth and profits, they can't get enough of you. But when they view you as a cost—a commodity—they'll try to minimize your fees and they'll cut you whenever it's convenient.

This distinction cuts to the heart of the challenge of developing enduring, trusted client partnerships—of building your clients for life. Perhaps never before have there been so many pressures impacting the ability of companies to acquire and retain clients.

Let's look at these forces, and then review a set of proven strategies for combating them and consistently growing your client revenue every year.

Six Trends Impacting Your Client Relationships

There are no less than six major trends that are making it tougher than ever to build mutually beneficial client relationships:

1. Demands for more value. Clients want *more value* in their relationships. They are being asked to do more for less by their own customers and shareholders, and that pressure is being passed on to you.

2. Sophistication and transparency. Client executives are more sophisticated than ever. They usually know more about their own business than you do—and in many cases they also know a lot about *your* business. Information about you and your competitors is typically widely available.

3. Procurement. To get more value for money, many companies are using *procurement processes* to buy higher-end services. You're now in the same boat as the person who's selling copier paper or sheet metal.

4. Limited executive access. Executives are time- starved. They could fill their day three times over with people who want to see them. So just getting access—having the face time so you can build a relationship—is very difficult.

5. Competitive expansion. Everyone has targeted the same attractive market segments, dramatically increasing competition. Firms that once faced only two or three major competitors now find they face half a dozen or more—some of which have come from entirely unexpected directions.

6. Consolidation. Corporate clients are dramatically consolidating their use of external service providers and advisors. One large bank went from using 700 different training firms to 70. Another company reduced the number of consulting firms it used from 20 to four. In short, if you want to be a strategic provider you have to significantly sharpen your skills at relationship management.

Yet, notwithstanding these powerful trends, client relationships are more important than ever to your 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. Despite the growing role of procurement and the use of competitive bidding, relationships play an absolutely crucial role in winning and keeping clients.

Client Relationships Re-Imagined

Because of the trends cited above, the old models of client development are insufficient. This is why we call our approach "Client Relationships Re-Imagined": It's not sufficient to simply fine tune the existing model of client development— you need to re-imagine it. A "relationship" today means much, much more than having feel-good personal rapport with an executive. It is something you earn through continually adding value and building a deep reservoir of trust based on quality delivery and personal integrity.

Traditional Strategies	Re-Imagined Strategies
Win the transaction	Win a long term relationship
Build a relationship and then add value	Add value in order to earn a relationship
Cultivate a key buyer	Cultivate multiple stakeholder relationships
Understand the client's problem	Re frame to define the total problem
Try to "move up" in the organization	Become a person of interest to top executives
Push -- get your solutions in front of buyers to convince them	Pull -- get your thought leadership in front of buyers to draw them in
Sell what you know	Sell what your firm knows

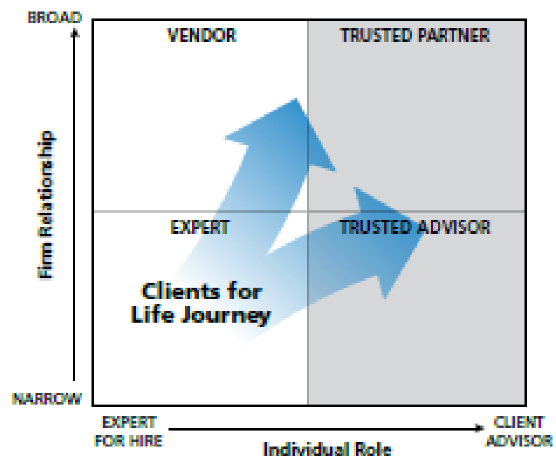
Based on twenty years of proprietary research into the ingredients of enduring client relationships, we've identified the strategies and skills that make organizations and individuals extraordinarily effective at every stage of the client development process. The good news is that many of the required changes involve learnable mindsets, skills, and best practices that can be rapidly adopted.

There are two key dimensions that enable clients for life. First, there's the *role* of the individual professional. Are you an expert for hire—a tradable commodity? Or are you an indispensable client advisor who has a seat at the table?

The second dimension is your firm's *relationship* with the client. Is it narrow and based on one service and one executive relationship? Or is it broad, and based on the provision of several or more services and on many executive relationships? When the latter occurs, you have transcended any single individual's role and institutionalized your client relationship.

If you put these two dimensions together, you get the *Client Growth Matrix*, illustrated below. This framework illustrates the journey from a commodity expert to a trusted advisor or trusted partner role with the client.

The Client Growth Matrix



Developing Your Clients for Life

During the sales process—even before you enter the matrix—how you behave sets the stage for how the client will perceive you later on. If you have what we call the "expert mindset," you focus on the sales transaction, emphasize methodology, accept the client's narrow definition of the problem, and spend much of your time "telling." When you have the advisor mindset, in contrast, you focus on building the relationship, adding value in the conversation, asking powerful questions, and uncovering a truly urgent client problem or opportunity—which together create an eager buyer.

In short, how you handle yourself during the sale will powerfully impact your ability to move out of the Expert quadrant once you begin the engagement.

For the first project or transaction, you're seen as an expert—you haven't yet built up enough trust to be considered part of the client's inner circle. The challenge is to move out of that box fairly quickly. Otherwise, you'll remain a commodity. No matter what field you're in, there are always other "experts" (or alternative products and services) that a client can hire to do the job. In this lower-left quadrant you'll be potentially subjected to price competition and competitive bids, and you'll never have a seat at the table with your client where you can learn—before your competition—about their upcoming plans and priorities.

It is essential to bring deep expertise to the table—it's your ticket to entry. But over time, you need to evolve your role so you can have a bigger impact and enjoy deeper client loyalty.

Some firms move into the upper left "Vendor" quadrant, and this can be a very fruitful position to be in. Here, you're doing lots of work for the client, but you don't have any strong, trusted-advisor relationships. If the expert is like a plumber or electrician, the vendor is like a general contractor who employs many different tradesmen. The point is this: As long as you are to the left of the centerline of the matrix, you're in "RFP territory" where procurement always seeks multiple, competitive bids. You may find yourself constantly having to justify your continuing role as a supplier.

When you evolve into the lower-right Trusted Advisor quadrant, the client sees you as trusted resource who knows their business better than anyone else and is helping enable important business goals. If you work with a company that has a fairly broad range of solutions, you may then also move into the upper-right Trusted Partner quadrant. When you're a Trusted Partner, you have built many-to-many relationships and become a strategic provider.

In either case, when you're on the right side of the matrix the result is more sole-source business, greater loyalty, and the opportunity to make a bigger impact on the client.

From Expert for Hire to Client Advisor

In order to move to the right along the X axis of the matrix, you need to surround your deep expertise with additional skills. Based on studying over 10,000 highly successful professionals in many different markets, and personally interviewing over 1000 C-Suite executives about their most trusted advisors, we've identified a set of specific skills that will help you leverage your expertise and become a trusted client advisor.

The first step is a *mindset 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 table, below, illustrates the skills of the expert versus the broader capabilities of the advisor.

The Expert	The Advisor
Tells	Asks great questions and listens
Is for hire	Has "selfless independence"
Is a narrow specialist	Is a deep generalist
Analyzes	Synthesizes
Builds professional credibility	Builds deep personal trust
Is reactive	Is a proactive agenda setter
Sells	Creates a buyer

Remember, these are complementary, not entirely different, skill sets. The client advisor is also always a deep expert. The difference is that he or she has developed a set of *additional* skills. These skills help them build a trusted relationship, put their expertise in the context of the client's highest-level agenda, bring broader business acumen to the table, and add more value.

From a Narrow to Broad Firm Relationship

Firms also need to move *upwards* along the Y axis in the Client Growth Matrix. The reason is very simple: The best rainmaker in the world cannot succeed without strong institutional support. And, they cannot single-handedly build a Trusted Partner relationship—they need help. There are a number of organizational enablers that are needed to build flagship client relationships. These enablers must be sponsored at the company level. For example:

- **An account planning and development process.** It requires careful planning and internal collaboration to grow a large client relationship. A robust account planning system is the lynchpin for doing this well. The secret is to focus on planning, not the plan.
- **A client leadership developmental pipeline.** Great trusted advisors don't always spontaneously develop and then rise to the top. You need to have a multi-level program of professional development that helps your professionals not just build their technical skills but also their relationship-building capabilities.
- **Multi-level client listening.** The best firms get regular client feedback through a variety of channels. These include leader-to-leader visits to take stock of the overall relationship; formal relationship reviews by the account leader; surveys to get feedback from a broad group of client executives; and informal discussions about the client's agenda.
- **A supportive measurement and reward system.** Compensation systems need to be fine-tuned to support both short-term performance objectives and long-term relationship development. Otherwise, there will be a disconnect between what management says they want (clients for life) and what they are actually encouraging people to do (maximize this sale, this quarter).
- **A consistent, differentiated client experience.** The experience that clients perceive is created through dozens of interactions, over time, with many different people from your company. It is also based on the effectiveness and lack of friction of the processes you create for client relationship management.

These and other organizational enablers are just as critical to client relationship success as the skills of your client-facing professionals.

Are Trusted Advisors Made or Born?

The short answer is: A little bit of both. It's true that some people have natural attributes that enable them to be highly effective with clients right out of the gate. But these skills can also be learned. And, most importantly, everyone can improve. Not everyone will become a trusted advisor to their clients, but everyone can ask better questions and become a better listener, for example, therefore improving their relationships. Not everyone will be able to build CEO relationships, but just about everyone can deepen their relationship with the director or vice president they are working with. Even a narrow, subject-matter expert can dramatically improve their effectiveness with clients by enhancing their relational capabilities.

How it Works

In working with well over 200 leading firms around the world on this challenge, we've learned that there are five key factors that make a program to build clients for life a success:

1. Long-term leadership sponsorship. While results can be seen in weeks or months, really changing your culture and organizational capabilities can take several years or more. Consistent leadership support—reinforced through regular messaging and personal role-modeling of client- centric behaviors—is essential.
2. Multiple, integrated learning interventions. Building "clients for life" capabilities requires a mindset change, new skills, new behaviors, and the adoption of best practices. We have found, therefore, that combining different learning interventions over time has a powerful impact that one-off training lacks. These include:

- In-person training workshops
- Mobile, digital learning
- Virtual live events
- Coaching, both one-on-one and in small groups
- Small accountability groups led by internal champions
- Codification and sharing of internal best practices
- Action learning projects

For example, our mobile learning program, *Building Your Clients for Life,* provides an entire curriculum of short lessons that participants store on their mobile devices and consume any where, anytime. This is usually integrated with live training as well as internally-led accountability groups that meet monthly and share best practices.

We find that many professionals benefit from bite-sized chunks of content that they can easily access and use. These could range, for example, from a 60-minute webcast on building c-suite relationships to a short video, accessed from their smartphone, on asking powerful questions.

3. Organizational enablement. At the institutional level, are you formally supporting and enabling a client-centric culture? A brief assessment can quickly highlight which organizational processes—e.g., key account management, client listening, internal collaboration, etc.— need to be improved in order to cultivate a more client-centric culture and empower front-line professionals.

4. A segmented, graduated approach. Different groups will have different skill needs. For example:

Level	Emphasis
1. Entry- to Mid-Level	Core relationship-building skills
2. Experienced	Trusted advisor skills and best practices
3. Senior practitioners	C-suite skills, managing complex sales
4. Key account leaders	Key account management growth

By using the right strategies and building the right skills,it's possible to achieve major improvements in the depth,breadth, and quality of your client relationships—and, ultimately, in revenue growth. Doing so requires consistent effort and the willingness to invest and learn, but the returns are well worth it.

A leading financial institution wanted to strengthen its corporate banking business and reinforce its position as the top bank partner for corporate treasurers and CFOs. Over 500 corporate bankers participated in a multi-faceted Trusted Advisor program that included a series of skill-building workshops, an eLearning curriculum with small accountability groups, client forums, and follow up coaching. A key success factor was leadership commitment through personal role-modeling, frequent communications, and message reinforcement. Client service ratings reached historic highs after the program, and the win ratio for deals increased.

ABOUT THE AUTHOR

Andrew Sobel is the world's leading authority on the strategies and skills required to earn lifelong client loyalty and build trusted business partnerships. He is the most widely published author in the world on this topic, having written eight acclaimed, bestselling books on client relationships including Power Relationships, Power Questions, All for One, and Clients for Life. His books have been translated into 21 languages and sold over 250,000 copies worldwide. Andrew's comprehensive programs for building clients for life, which integrate training, coaching, and eLearning, are now available globally through certified partners on four continents. Contact: www.andrewsobel.com

Chapter 4: Financial Partners

Getting the Products and Services You Deserve from Your Financial Partner

By David Leibowitz

I've always regarded small- and mid-sized businesses as the growth engine that fuels the country's economy. And access to capital, in turn, is the fuel that enables the growth of those businesses. Without those businesses, the economy will stagnate and die; and without access to funding, those businesses can't perform their proper role as the backbone of economic stability throughout the country.

At some point in its development – often at several points – every business arrives at a moment where capital is required: It might be to take advantage of an incredible opportunity to expand - to acquire a new location, employ new staff, purchase equipment or inventory, undertake a new marketing campaign, or prepare to execute on a lucrative new contract; it might be to keep up with the competition or with new developments in the industry; or it might be to resolve a sudden crisis, or avoid one that's looming, or to manage the cashflow pressures that come with growth or seasonal slow periods.

In those circumstances the source of the required funding, and the relationship you have with the lender providing it, is often more important than the mere fact of the availability of that funding. As a business owner, you will often be faced with choices as to where to go for the capital you need, and who to get it from. That choice is enormously important. Here are some insights which I hope will help you in considering that choice, when those moments arrive for you and your business.

When considering your options, and choosing the right financial partner for your business, what are some of the most important factors that you want to think about? Price is obviously important, but it would be wrong to think of that as the only consideration that matters – or even as the most important one. As in any other industry, the absolute lowest price is often provided at the expense of other things that are, in the end, even more important: Trust, service, and flexibility – to name just a few.

Trust:

If the financial crisis of the mid-2000's taught us anything, it's that a big, well-known logo and a long history are absolutely no guarantee of integrity or trustworthiness. Some of the most established financial institutions in the world were at the very center of the sort of behavior that drove that crisis, and that left so much damage in its wake.

Just about every company promises integrity. Almost all financial institutions and business lenders tell you that they are trustworthy. But that doesn't mean much. Instead, what has always been important to me is to examine what people who have dealt with them say about their experience. Do their customers trust them? If they do – and if the vast majority of the public feedback from those customers paints a picture of the kind of financial partner you would want to deal with in your business, then that's an excellent start.

Next, and perhaps most importantly – what is your own experience in dealing with them? How do they treat you? In this regard, there are some steps you can take to figure that out – before you've committed to any relationship:

- Ask them hard questions, even if that feels uncomfortable. And see how they respond. Do they get defensive? Or aggressive? Or do they value the opportunity to be communicating with someone who is thoughtful and thorough in their exploration of their business options, and do they welcome the chance to have a meaningful conversation with you about those options?

- Ask them why you should trust them – directly. Do they answer by simply talking about the price? Do they answer by denigrating their competition? Or do they, instead, acknowledge how important a question that is – and offer you practical, constructive ways to assess that with reference to them? Do they invite you to seek out the views of other customers, and invite you to measure them by the way in which they answer your questions and offer their advice to you?

- Perhaps most importantly, do you get the sense that they are simply trying to "sell you" on what they have to offer – or do you instead get the feeling that they're truly interested to understand your needs and circumstances, so that they can help you figure out whether what they have to offer is really a good fit for your business?

Service:

As with issues of trust, every financial institution or lender promises extraordinary levels of service. As you well know, very few of them actually deliver on that promise. And, as with issues of trust, it's important for you to seek out the public views of other clients on the question of service – to see what those clients think of their experiences in that regard.

In the end though, the very best way to assess the service levels of a potential financial partner, is to experience them for yourself. And in that regard, here are a few indicators that I've come to rely on when I make that assessment:

- How easy is it to get hold of them? Does their marketing material and website seem to discourage direct telephone contact, or is it very easy to make that call?

- When you do make that call, is there an endless process of telephone-tree selection before you can actually speak to a live person? And when you do speak to that person, is it possible to find the same person you dealt with before, or is it clear that you keep getting through to a call center where you're obviously just another number on a production-line?

During your conversations with the company's representative:

- Do they actually listen to your questions? Or are they simply running through a rehearsed script?

- Do they seem genuinely interested to understand your needs and circumstances, and what it is that you're looking for?

- Do they invite and welcome your questions, and do they answer them directly - or do they make you feel awkward or uninformed when you ask?

- Do they appear to understand the fact that the most important thing is whether their product will work to benefit your business, or do they seem far more interested in figuring out whether it will benefit their own business?

- Are they full of promises that sound just a little too good to be true? Or are they prepared to give you expectations which sound more realistic – even if they don't quite match your highest hopes and wishes?

- Do they do what they say they will do – or do they promise the world and then deliver something far different?
- Are they transparent – do they take the time to ensure that you fully understand the process, and do they explain your options to you clearly?
- When they present their offering to you, do they take the time to understand your reaction to it, and are they interested to try and ensure that it meets your requirements – or do they adopt a "take-it-or-leave-it" approach?
- Do they pressure you to make a decision, or are they sympathetic to the fact that it's a big decision in the life of your business, and one which you need to be sure you're making correctly?
- Are they responsive when you reach out to them, and do they always treat you with the respect that you deserve?
- Is their process and documentation simple and efficient, or very complicated and cumbersome? How long does the entire process take – and were they accurate about their estimates in that regard?
- If you have already done business with them before, did they "forget" about you once the business was concluded – or did they go to some lengths to stay in contact and make sure that your on-going needs were met?
- And, very importantly, how did they react and behave when things didn't progress exactly as planned – when the process hit a snag or your business experienced a bump in the road? Were they accommodating and respectful, and truly interested in helping? Or were they aggressive and demanding in those circumstances? In other words, did they still behave like true partners when the chips were down?

Flexibility:

Many people make the mistake of thinking that, because all money is the same, all loans are the same and all lenders are the same. Nothing could be further from the truth. A loan, and a lender, that fits your business needs perfectly today, might be completely wrong when those business needs and circumstances change in the future. For this reason, the flexibility of a specific lender, and of the product that they're offering, is vitally important. Once again, these are some of the questions I ask in order to help me measure this issue:

- Do they appear to offer a single, one-size-fits-all funding product or loan? Or do they have the flexibility to adjust their offering to suit your specific needs and circumstances?
- Is there an opportunity to return for additional capital during the course of the initial term, if your circumstances require it – or are you stuck with the product you take today, until it's paid in full?
- As your business grows and achieves additional success, are they willing to take that into account and improve their offering to you in consideration for that improved success?
- And similarly, as your relationship with them deepens and you develop a track record of good performance with them, does their offering and willingness to assist you improve accordingly –

and does their process for providing you with additional funding become far simpler and more efficient?

The moments in your business when circumstances justify the need for additional capital are inevitable. If you're lucky and successful, those moments will arise more than once, and will be related to opportunity, growth and expansion.

When those moments arise, choosing the right financial partner to provide you with that capital will often be at least as important as the terms of the financing they provide. That choice needs to be made carefully and thoughtfully – and after exploring some of the options and variables that are on offer. I hope that the thoughts I've detailed above provide you with some of the tools you'll find useful in making that choice.

ABOUT THE AUTHOR

David Leibowitz is the CEO at Mulligan Funding, a business lender providing small and medium sized businesses with the working capital they need to successfully compete in a demanding marketplace. He practiced law for several years, specializing in human rights law and commercial litigation, then shifted to the financial services industry in the mid 2000's. Within a few years, banks had become averse to risk taking and quickly withdrew from the small to mid-sized lending market. Seeing these businesses as the backbone to our economy, Mr. Leibowitz co-founded Mulligan Funding to address their unique financial needs. Mulligan remains a family-owned and operated business.

Chapter 5: Lead users/Influencers

How to Improve Relationships with Influencers

By Shane Barker

Most brands and marketers agree that influencer marketing is one of the most successful marketing strategies today.

It has been widely adopted by many brands across many industries and has become a crucial part of the marketing mix. Its rising popularity doesn't seem to be slowing, and it's easy to figure out why.

That's because the average ROI of influencer marketing is huge. A joint study by Nielsen and TapInfluence found that influencer marketing can drive 11X higher ROI when compared to traditional advertising.

More than that, influencers are great content creators. They create evergreen content that can continue to increase your ROI over time.

However, leveraging influencer marketing successfully is not as easy as it sounds. For your campaigns to succeed, you need to get to a point where influencers will love to give your brand a shout out.

As more brands want to work with influencers, it can be challenging to approach influencers and get them on board. You need to put in more effort to win over them and build strong relationships.

Let's take a look at a few effective tips that can help you improve your relationships with influencers.

1. Approach Relevant Influencers Only

The first step to build strong relationships with influencers is to choose the right influencers. You should partner with influencers who are relevant to your niche, who will resonate with your brand's voice and goals, and who are interested in growing together.

You should understand that influencers also have a brand to protect. In fact, their personal brand is what influencers value the most. Most of them don't hesitate to deny collaborations that are irrelevant to the interests of their audiences. Even if you offer attractive compensation, they may choose to protect their personal brand over other benefits.

That's because their primary focus is to deliver great experiences to their audiences and entertain them. After all, authenticity and relevance are what keeps their audiences engaged in the first place.

If you want to form strong influencer partnerships, you need to understand their values, audiences, and content topics. 44% of influencers value brands that provide them with an opportunity relevant to their audience.

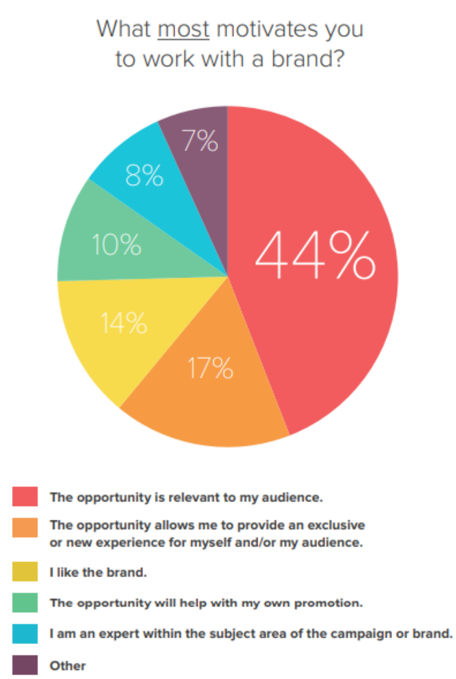


Image via Crowdtap

Relevance is the reason why most clothing brands partner with fashion influencers.

Jack Wills, a British clothing brand, works closely with many London bloggers in the fashion and lifestyle niches. These influencers help to promote their new collections launched every few months.

Image via Instagram

You can use tools like BuzzSumo to find influencers in your niche with a large following and high engagement rate.

2. Make Your First Impression Count

Once you have a list of potential influencers, it's time to make the first move and reach out to them.

Many brands and marketers use outreach emails to ask influencers to collaborate with them. There's no guarantee that you'll get a response from them with a cold outreach.

However, you can increase your chances of getting a response through personalization. You should connect with them as a person first, then as a brand.

You can start by reaching out to them through other means first. You should follow them and their posts on social media and their blogs. Try to engage with their posts through likes, shares, retweets, and comments. But make sure that your comments are insightful and add value to their posts. They shouldn't be spammy.

You can also appreciate their work or initiate genuine conversations with them by sending personalized messages. You can highlight a point you really liked about their blog post or ask a question relevant to their content.

It is easier for influencers to connect with a person than a brand. That's why it is considered the best outreach strategy to form long-term influencer partnerships.

When you do send them an outreach email asking for collaboration, make sure that it sounds genuine. It should include the following:

- An engaging subject line
- Appreciation of their work
- The benefits you can provide them
- Your expectations from the collaboration
- A clear call-to-action

Influencers value genuine partnerships and are more likely to say "yes" to your proposal.

3. Practice Clarity and Transparency

Most influencers cite lack of clarity in campaign goals and requisites as the biggest challenge they face. That's because unclear objectives often lead to ever-changing requirements and dissatisfaction on both ends.

In fact, many influencers prefer working with specialized agencies over brands due to this reason. They acknowledge that agencies offer more transparency with respect to work, expectations, payments, and contracts.

Before you approach an influencer, you should set clear goals and expectations for your campaign. You need to tell them what exactly you want. This might include:

- What kind of content do you want them to create?
- What message do you need them to convey?
- How many pieces of content do you need?
- What compensation can you offer them?

You should be honest and straightforward. You should never over-promise compensation or future work opportunities to influencers.

Influencers value transparency and honest conversations. These can help the two of you to develop a strong relationship. And it will also prove beneficial for the success of your campaigns.

4. Offer Influencers Fair Compensation

Influencers put a lot of time and effort into creating quality content and they expect monetary compensation for their work.

You should offer them a fair compensation based on factors such as time, effort, following, engagement rate, and content quality. If you offer them fair compensation, it can help you further strengthen your relationships with them.

A study by Crowdtap showed that 68% of influencers are more likely to collaborate with your brand if you offer them competitive compensation.

When you provide adequate compensation to an influencer, this shows that you value them and respect their efforts.

If you are not sure how much you should pay influencers, check out the average price per posts for various industries:

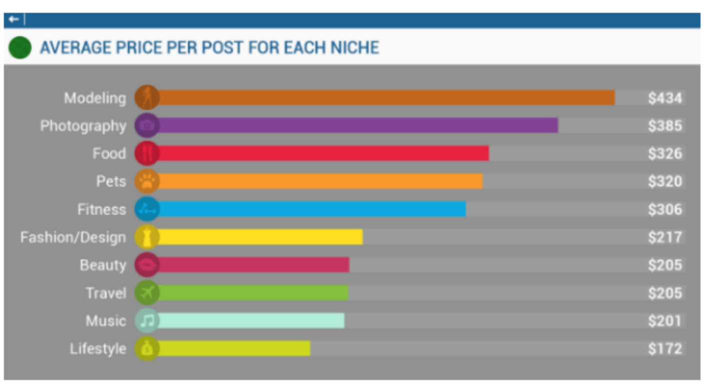


Image via Influence.co

However, fair compensation might vary according to an influencer's following, reach, engagement rate, and other factors.

You can also offer bonuses and other benefits to influencers when they help you drive a large amount of engagement or product sales. Such rewards can encourage your influencers to put in their best efforts to maximize success. It will also help you foster a lasting relationship with them.

5. Provide Creative Freedom

Today's influencers are awesome content creators and they value creative freedom. Many influencers complain about editorial guidelines from brands that are too strict and limit their creativity.

In fact, 77% of influencers are likely to partner with your brand more than once if you provide them with creative freedom.

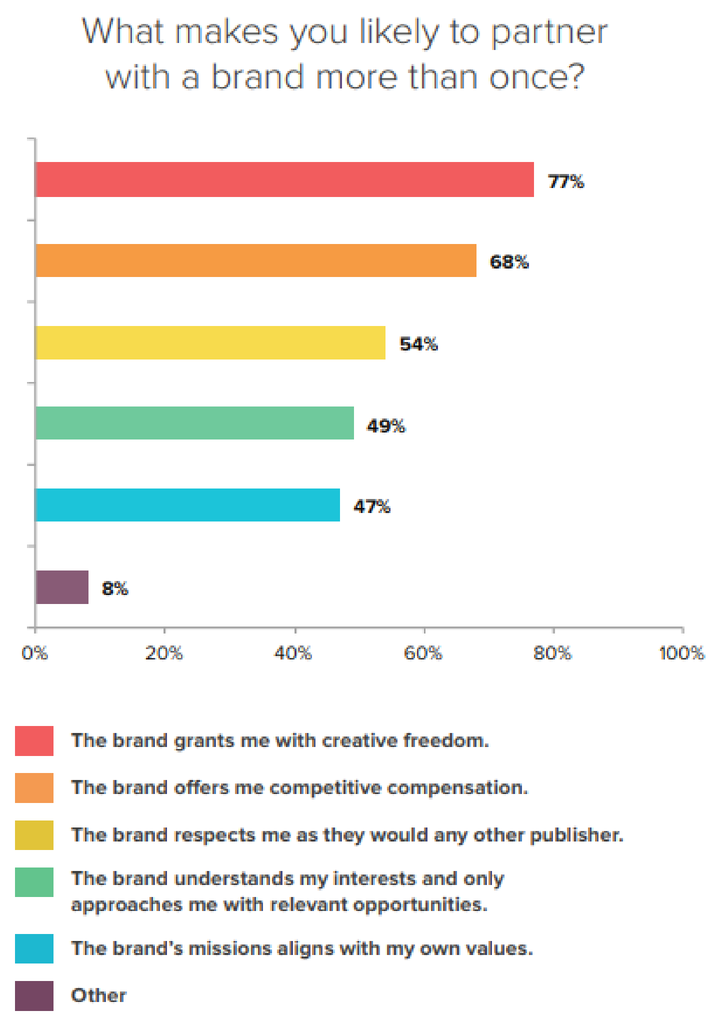


Image via Crowdtap

Their followers love them for their authentic content. So you should allow them to personalize sponsored posts and content in such a way that their audience will be able to relate to it.

After all, you don't want their posts featuring your brand or products to look like an advertisement.

6. Value Their Effort

A majority of influencers focus on their passion areas, from food to fashion, and technology to photography. They consistently leverage their knowledge and experiences to create awesome content.

It takes them a lot of time and effort to build a loyal and engaged following. You should value their hard work and creativity and make them feel wanted.

When a campaign works well, you should appreciate them for the success. Even if the results don't turn out to be great, you should try to figure out what caused the failure. Analyzing what went wrong can help you strategize your future influencer campaigns in a better way.

Nobody wants to be called only when you need something from them. You should, therefore, not break the link of communication with your influencers once a campaign is over. Keep in touch with them over social networks through likes, comments, and shares. This will make future collaborations easier.

You can add more value to your relationships with influencers by setting up face-to-face meetings. No matter how short, such offline conversations often lead to long-term relationships that can blossom into friendships too.

You can also invite them to product launches and industry events or organize special retreats for them.

Tarte Cosmetics, a cosmetics brand in NYC, dedicates a huge budget to influencer events. They organize all-expenses-paid holidays for their YouTube vloggers and beauty Instagrammers to exotic destinations.

These luxurious influencer events not only make their influencers feel valued but also maximize brand exposure. Tarte unifies these travel campaigns under the hashtag #trippinwithtarte.
A video by YouTuber Adelaine Morin on "Luxury Costa Rich Hotel Tour" with Tarte received 313K views and 19K likes.

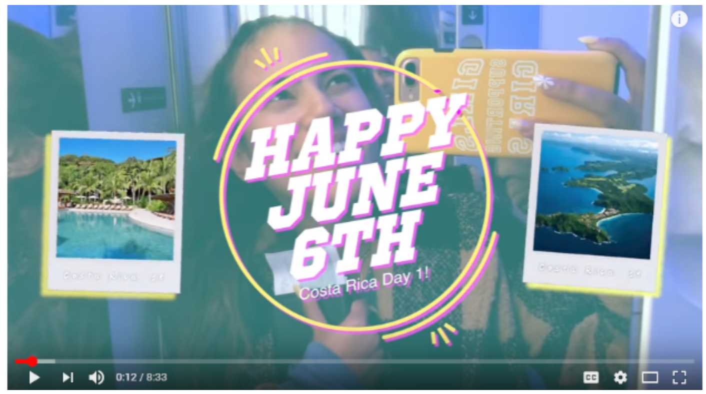


Image via YouTube

Now It's Your Turn!

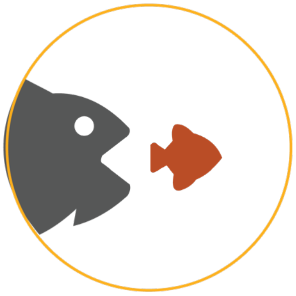
Influencer marketing is more about people and relationships than popularity.

You should value the time and effort it takes for influencers to build a loyal and engaged following. Make sure that you understand their audiences, offer influencers fair compensation, and provide them with creative freedom.

If you still struggle to build successful influencer partnerships, you can always reach out to the experts for help!

ABOUT THE AUTHOR

Shane was recognized as one of the 100 Most Influential People in Influencer Marketing alongside Kim Kardashian, Gary Vaynerchuk, and legendary PR leaders like the CEO of Edelman. He is an instructor of the "Personal Branding - Influencer Marketing" at UCLA and is a contributor at Inc.com, HuffPost, Forbes, and Salesforce. Shane is also an international keynote speaker with over 20 years of consulting and has been a driving force in the influencer space for over 6 years.



Chapter 6: Competitors

Got Competition? 6 Tips for Dealing with a New Competitor on the Block

By Caron Beesley

Has someone opened up a competing business in your town? Are you worried that the town isn't big enough for both of you and your business may be at risk? Not sure how to react to the new competition?

If you've been secure in your market as the go-to business for XYZ and suddenly find that your customers have another option, what can you do to fight back?

Remember, there are no quick fixes, but here are some tips for dealing with competitors and, quite possibly, collaborating with them!

1. Don't Get into a Price War

Cutting prices to retain customers or distract them from "opening offers" from your competitors is a game you can never win and has a number of consequences, including the following:

- It lowers the perceived value of your brand and product
- Once you drop your prices it's hard to put them up again
- You'll risk attracting customers who only care about price points
- It puts you into the category of "follower," as if you are being led by someone else's business plan rather than your own
- In most cases, only the business that can tolerate the lowest margins can win
- There are instances when cutting prices does make sense, but it should never be a knee jerk reaction to new competition. Instead, consider the following strategies.

2. Zoom In on Your Niche

Face facts. You can't expect to hold on to every customer. Accept it and focus your energy on identifying your ideal customer and developing a plan to win your share of that niche. In choosing to attract customers who need and value your services, you will secure your market share even in the face of competition.

3. Assess Your Competition and Fill the Void

Get to know your competition. What are they doing differently? What are they good at? What are their weaknesses? The latter is important because it gives you an opportunity to step-in and step-up your game in these areas. If you can capitalize on your competitor's weaknesses, you will chart a path for yourself and exploit a profitable niche for your business.

Start by reading media reviews of new businesses or check out online reviews. Websites such as Yelp.com, Google Reviews, Angie's List, and local community discussion boards offer honest customer reviews and appraisals of businesses. Take a look at your competitor's service offerings and even be a secret customer yourself.

4. Seize the Opportunity, Be Unique

Even if you offer the same products and services, you are never going to be the same as your competition. This is where opportunity lies.

Review what makes your business unique – often it's a combination of you as business owner, your team, and all the other factors that differentiate you from your competition. Refocus your sales, operational, and marketing efforts to emphasize the unique customer experience that you offer.

If you are facing competition from a bigger brand, remember that there is something very unique and marketable about being a small business – that personal touch, your agility, your passion, your business values, and so on. Use it to your advantage.

5. Stop the Bleeding

If you are starting to see customers leave your business in droves, then it's time to review your business strategy. There has to be a reason why they are leaving your business. Identify what your customers are seeking that you aren't able to provide. This will involve looking at all areas of your business – your location, your products, your staff, your brand, and so on. Use this information to refocus your operations based on what your customers' need, not on what the competition is doing.

If your customers appreciate your services and need your products, they will typically remain loyal. Yes, many will check out the competition. But if you are doing everything right, there's a good chance they will come back to you.

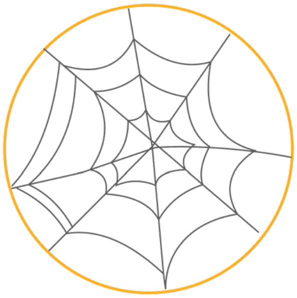
6. Once the Dust has Settled, Consider Co-opetition

What is co-opetition? It's the gentle art of cooperating with companies that might traditionally be considered your competition. Co-opetition means teaming up with complementary businesses to market your companies together. Done right, it can boost business for both of you.

Article first published on sba.gov

ABOUT THE AUTHOR

Caron Beesley is a small business owner, a writer, and marketing communications consultant. Caron works with the SBA.gov team to promote essential government resources that help entrepreneurs and small business owners start-up, grow and succeed.



Chapter 7: Community

Why Community Relations is a Strategic Imperative

By Bradley Googins

Community relations, as one chief executive recently put it, "is food for the soul of the organization." No longer an afterthought or corporate window-dressing, community relations, as more chief executives are acknowledging, is now a serious, strategic aspect of business for American companies, a fundamental ingredient for the health of the enterprise.

Competitive business and social pressures are forcing a redefinition of the relationship between company and community. When a company makes a commitment to the community part of its core business strategy, it not only helps attract and retain top employees, but it also positions itself positively among customers and, increasingly, improves its position in the market. Positive, proactive connections to the community can translate into a boost to the bottom line.

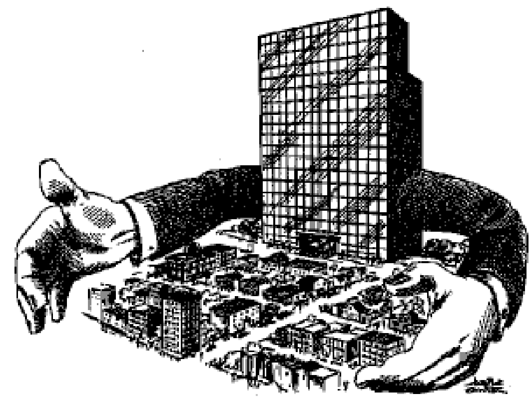
Leading-edge companies are now seeing that to succeed in a global economy, the corporation has to be more than a preferred shareholder. The broad array of new stakeholders that the enterprise must embrace require a new perspective on corporate governance and behavior. Consequently, in addition to becoming the investment of choice, a company must become the supplier of choice, the employer of choice and what we, at the Center for Corporate Community Relations at Boston College, call a "neighbor of choice."

Indeed, recent research by the Walker Group, a management consulting firm in Indianapolis, indicates that, given the pressures that accompany the growing parity in the price of goods and services, companies will achieve an increasing competitive advantage through social responsibility. This makes strategic social investment all the more important for global corporations as they seek to establish a consistent image and market presence across the world.

For example, in Casanare, Colombia, where it is developing oil interests, British Petroleum invests in community activities that support the business plan and contribute to the region's development. In 1996, the company committed $10 million to the region, setting up a loan fund for entrepreneurs, giving students technical training, supporting a center for pregnant women and nursing mothers, working on reforestation, building aqueducts and helping to create jobs outside the oil industry. British Petroleum believes that focused investment in these areas, as well as good communication with people in the region, will allow for the successful development of the project and the community.

Another example of this new outlook: Gap Inc. has just changed the name of its contributions program from Gap Foundation to Gap Community Relations. "Two years ago, we started looking at where the company and the community intersect," said a Gap spokesperson. "Our research led us to redesign everything based on who we are and where we can best leverage our resources as a company." One part of the new program matches the company's brands with an issue of interest to its communities; for example, an Old Navy School Bus Service provides free transportation for school field trips. In addition, Gap's sourcing pilot program will work with manufacturers to design projects in education, health and child care in Bangladesh, India and Indonesia.

We surveyed nearly 200 community relations professionals last year and found that support for community relations by the chief executive and senior management is on the upswing. Forty percent of respondents said support from both the chief executive and senior vice presidents has increased over the past year. Within that group, 36 percent have seen their community relations budgets increase and 23 percent reported an increase in community relations staffing.



Companies are continuing to integrate community relations into their overall business strategy. In the survey, 87 percent of respondents said their companies encourage site management to be involved in the local community and 31 percent provide bonuses for site managers for community involvement.

There is ample evidence that strong community relations has a business payback:

✓ The Shell Chemical Company has benefited in several ways in recent years from its "Welcome Neighbor" policy in Louisiana:

1. Proactive communication with community leaders, employees and environmentalists enabled the company to obtain key environmental permits without delays for the construction of a $200 million production plant. Shell saved millions of dollars in construction costs and lost sales.

2. The negative impact of a tragic explosion and fire at Shell Chemical's site in Belpre, La., was minimized dramatically. Because of the company's strong community relations, instead of an expected outcry against Shell, there were signs along Belpre's main street voicing support. Only 12 people signed up for a class action lawsuit -- which was eventually dismissed -- rather than thousands of local citizens seeking part of a settlement.

3. Effective communication by local Shell employees resulted in crucial parish council support for a bond refinancing project, one the council originally opposed. The refinancing positively affected the company's financial performance for the year.

✓ Merck & Company avoided huge costs when, in 1995, phosphorus trichloride leaked from its plant in Albany, Ga., producing a clearly visible toxic cloud. When television reporters interviewed local residents, the response was unexpected: indifference. The reason: Merck had always been a good neighbor, the residents said.

✓ Ameritech Ohio's strong community relationships earned the company $80 million in new business opportunities and in cost avoidance, said Jacqueline Woods, the president and chief executive. "We target companies, organizations and individuals with whom we work to develop an ongoing relationship," Ms. Woods said. "There's a bottom-line payoff. We believe it is less expensive to retain customers than to acquire new ones."

As corporate profits have soared in the past year, the massive downsizing and cost-cutting efforts that wracked community relations programs are easing. Companies can now reassess the strategic benefits of community relations. Our "neighbor of choice" corporate strategy is designed to maintain and expand a company's license to operate, through managing and enhancing its community reputation.

To become a neighbor of choice, a company must establish a legacy of trust by:

- Building positive and sustainable relationships in its communities with key individuals, groups and organizations.

- Demonstrating sensitivity to community concerns and issues.
- Designing and implementing community programs (philanthropy, volunteerism,
- partnerships, in-kind donations) that improve the quality of community life and promote the company's long-term business strategies and goals.

We have created an 11-step best-practices blueprint for implementing the neighbor-of-choice strategy:

1) The company must have a written vision statement acknowledging that community issues have a direct relationship to the company and its future success. This social/community vision is also a statement of the company's responsibility to the community and its commitment to being a neighbor of choice.

2) The company must mainstream this vision statement, making it pervasive throughout the organization.

3) The chief executive must continually communicate the company's commitment through speeches, memos to employees and a leadership role in the community.

4) The relationship-building activities, community programs and plans of action must be individually tailored to the company, based on an analysis of community issues and needs; a focus on the company's business goals; the company's unique products, services and core competencies; and the utilization of multiple resources, including money, people, products and services.

5) The vision statement and the neighbor-of-choice strategy must become an integral part of the company's culture. This means a commitment beyond lip service, one that is actually used as a compass to guide major business decisions.

6) The company must develop a structure that allows for the implementation of the strategy, including giving departmental status to community relations and providing ways to involve of a cross section of managers in the plan.

7) The company must allocate human and financial resources, including naming a senior-level community relations director, to implement the neighbor-of-choice strategy.

8) The development and execution of the strategy must become the responsibility of the entire management team, not just the community relations staff.

9) The company must establish policies and procedures for implementing the strategy. Volunteerism must be rewarded in some way, for example, to acknowledge employee involvement.

10) Training and development activities must be established to make sure the policies are regularly and effectively carried out.

11) Regular evaluations and internal audits must be instituted in order to monitor the strategy and its consistent progress.

Much-admired companies like Merck are opting for neighbor-of-choice methods. Merck engages in its corporate citizenship activities with the expectation that there will be a positive return both to the business and to external stakeholders. For example, each major Merck site establishes and works with an advisory panel made up of members of the community. Among the payoffs are enhanced government relations and the preservation of the company's informal "license to operate."

"Merck recognized that if host communities looked at our plants as threats, we would be at risk," said Richard Trabert, Merck's executive director of public affairs. When Merck moved its world headquarters to rural Whitehouse Station, N.J., the time it took to receive various environmental and construction permits was shortened by an estimated nine months, representing a savings of nearly $1 million, which the company attributes to its relationships with the community.

Merck has taken its community responsibilities further. "We modified our concept from the minimalist position of doing no harm to the proactive position of doing good," Mr. Trabert said. "Now, we seek to align our business practices with the good of the community."

For example, Merck donated the drug Mectizan to 18 million people suffering from river blindness in third world countries. Merck has also priced its protease inhibitor for people with AIDS lower than the competition to give more people access to the drug. This kind of giving provides needed treatment, enhances Merck's reputation and creates a developing market.

By crossing the boundary between the business and the community, the community becomes a key stakeholder. Eastman Kodak's community relations and contributions team put this strategy into play by using the community relationships it had forged to benefit business units within the company. This resulted in Kodak receiving an invitation to bid on a key contract, which it won. The team measures its contributions in terms of gained or enhanced business and resulting sales or cost reductions, and these revenues and savings each year total in the millions.

Perhaps most important, a company's reputation in the community strongly affects employee loyalty. Our surveys indicate that 84 percent of employees feel that a company's community image is important.

In an era when finding and retaining quality people is getting increasingly difficult, perhaps the time has come for chief executives to give their employees both financial and spiritual reasons to stay on board.

ABOUT THE AUTHOR

Bradley K. Googins is an Associate Professor of Organizational Studies and formerly the Executive Director of the Center for Corporate Citizenship at Boston College. In 1990, he founded and directed the Boston University Center on Work and Family. Mr. Googins is also the founder of the Global Education and Research Network, a group of 12 of the leading CSR institutions across the globe. He has authored dozens of books, monographs, and articles on corporate issues. Dr. Googins holds a Ph.D. in Social Policy from The Heller Graduate School at Brandeis University; a M.S.W. and a B.A. in philosophy and sociology from Boston College.

Chapter 8: Interacting with Customers Online

How to Build and Maintain Digital Customer Relationships

By Maria Lebed

Improving the overall customer experience is a top business priority for companies and the main driver behind their digital transformation goals for 2016, according to a new Accenture study "Digital Transformation in the Age of the Customer".

"Customer experience is now clearly at the heart of digital transformation, and digital is at the center of that customer experience," said Anatoly Roytman, managing director at Accenture Interactive and global digital commerce lead. "But many companies have considerable ground to cover on their path to becoming digital enterprises."

What simple and practical steps can your company take in order to meet consumer expectations for efficient digital experiences? Below are a few of such steps.

1. Optimize your website

Website is your business card for online visitors, that's why it is important to keep it neat and clean.

A study found that a ten-second wait for a page to load can make 50% of consumers give up and leave. It is obvious that a website begins losing traffic to competitors when it takes longer to load.

When people have a less-than-favorable online experience, they fault the company immediately. So it is important to optimize your website for quick load and navigation.

Make sure that your website features up-to-date information concerning your company and the products your offer. Monitor your pages for any broken links, bugs, test usability. Have a convenient contact form in place so that your customers may leave a feedback or point out to some discrepancies. Map out a customer journey through your website and make sure that your content is structured to address the customers' possible issues and, on the whole, makes their navigation easy and smooth.

2. Optimize online response time

In today's digital generation it's no secret that customers have very little patience when it comes to waiting for a response from a company. According to Fonolo, 82% of consumers say the number one factor that leads to a great customer service experience is having their issues resolved quickly.

When purchasing online, 71% of visitors expect assistance within five minutes and expectations are growing from year to year. Some companies lead the way and set the bar of customer expectation very high. For example, DisneyStore.com have one of the fastest email response times at 01:47:40 and one of the slowest hold times for phone support at just 12 seconds.

If you can achieve some average response time, 1-2 minutes if it's an online chat request or a phone call, a few hours for an email or social media request, that in itself is a great move forward in building a relationship of trust with your clients.

3. Create a helpful self-help system

Be aware of the difficulties your clients are facing most often and make sure that your self-help resources, such as user manual, FAQ, About pages etc., are designed to provide quick and easy solutions to those issues. Structure your resources so that they can be navigated easily.

By adding video instructions, links to specific queries and options for escalation to live help, whether live chat or voice, your customers will feel confident at your website and will be well-equipped with resolution tools at any medium they may choose.

Nurturing user communities is another great way to empower your customers and allow them to help themselves, as well as other users. A customer community can act as a self-help network, generate valuable user content and be a source of ideas for product development. Service teams should be trained to encourage and stimulate the growth of user communities.

4. Personalize your communications

The most successful tool to fight customer attrition and build stronger customer relationships is creating personalized customer experience which is unique to your business and the individual customer.

Customer expectations around personalization will continue to grow in 2016. Today’s customer expects personalized messaging to go beyond just addressing them by name. While they don’t necessarily need perfect personalization, they want to receive positive experience while satisfying their needs.

Your business can delight customers with contextual messaging that draws upon their location, the type of mobile device they’re carrying, the current weather and the time of day. You can implement solution for personalized product recommendations onsite, in email campaigns and in display ads.

When it comes to customer service, consumers are pleased when they call a company for an order status and the company’s systems recognize who is calling and can anticipate their inquiry.

56% of online shoppers share that they expect retailers to use what they know about them from past purchases and interactions to make it more personal and convenient for them to do online shopping. This requires from a company to get equipped with a technology that is predictive and personalized.

Personalized messaging strengthens engagement and increases sales, thus helping to build longer lasting customer relationships.

5. Build an email list

Email is a great way to keep in touch with your customers and built rapport. It is important, however, not to misuse the channel by sending too much salesy messages, or you may come across as a spammer and will lose the trust of your clients.

Share information which is helpful to them and which, in their turn, they can share with their friends and relatives and become valuable to them. Bringing value consistently will foster the digital relationships that your company needs in order to succeed.

6. Survey customers and get their feedback

Being able to actively measure how customers feel about your product and to what extent your company is meeting their expectations is an important tool for maintaining relationships you have already established.

Giving your customers exactly what they want is one of the best ways to increase sales, build trust and gain repeat clients. To figure out what your customers' needs and preferences are, running a survey is very efficient.

Customer surveys and feedback can be collected via email, social media or on the website. There are many dedicated platforms which allow you to send targeted surveys to customers through different channels. SurveyMonkey, Qualoroo, Qualtrics Vocalize are just a few examples of such platforms.

7. Create unified digital experiences

The average US consumer now owns two or more connected devices and their ownership continues to grow.

Naturally, consumers expect to be able to use all their devices in order to complete their online tasks simultaneously on several devices or being able to start a task on one device and complete on another.

The explosion of digital services mean requires companies to understand the entire customer journey and not just optimize contact points individually.

Forrester in their "Digital Customer Experience Teams In The Post-PC Era" report offers 3 effective tools for meeting consumer expectations for unified digital experience: developing a clear digital experience strategy, training your CX teams essential skills and taking an ecosystem approach to digital resources.

Building unified and pro-active cross-channel services will deliver differentiated customer experiences that will help to maintain digital customer relationships, drive loyalty and repeat sales.

Surely, digital is only one part of the customer experience, but it is a big part. Ensuring the accumulation of mini-experiences across multiple touch-points is seamless and positive is the key to success in building and maintaining digital customer relationships.

In addition to the individual effort within a company, it is also worthwhile to consider using third parties to make it cheaper and faster to implement and execute your digital strategy. The current stats are, 45% of the respondents work with providers to enhance the customer experience. Most likely, this number will continue to grow.

ABOUT THE AUTHOR

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Chapter 9: Advisors, Mentors, Coaches

Behind Every Great Leader Are Great Mentors and Advisors

By Carol Sankar

I remember the days when I thought I knew it all as a recent 20-something-year-old graduate. I read the memoirs of all of the great leaders and subscribed to the Bio channel in the 1990s. I thought leadership would be an easy journey.

After I started my first company in 2004, I felt the pain of the curveballs as I had to embrace numerous setbacks that many founders face when bootstrapping a new concept. From failed partnerships, circumvention issues, contract disputes, HR issues and more, every day I had to encourage myself just to get through the week.

I found my first mentor in 2007 at an annual industry networking function. Our conversation took place organically and within a matter of weeks, he helped me organize a team to begin repairing the business model. I was clueless about how critical the role of HR would be to the success of the company until that moment. I learned how to increase productivity by outsourcing non-income-generating tasks and following up on deliverables, purchase orders, etc.

Within the next six months, the business was on track to shatter records financially and our mentor/mentee relationship continued. I realized he was fully invested in my success. This was the CEO of a $20 million firm that was experiencing exponential growth. I valued the input and applied every strategy provided. I realized he was invested in my success as long as I showed up, continued to grow and execute ideas.

Great leaders surround themselves with great mentors and advisors.

In 2015, I collaborated on the second installment of my research for The Confidence Factor for Women in Leadership, in which I contacted 21 of the world's top performing women leaders and CEOs. The last question in every interview was "What do you believe contributed to your success?" Without hesitation or inference, every respondent said it was the investment of their connection with great mentors.

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So how do you attract mentors as a leader? There are five key things to remember:

1. Align yourself with mentors who are where you aspire you be. Never settle for mentors who lack a proven level of accomplishment, otherwise, you will experience limited results. Remember, if you want to avoid the pitfalls, align with seasoned professionals who can navigate you around them.

2. Your mentor is not your competitor. True mentors want to see you win. Mentorship is an in-kind donation of time in good faith. Great mentors want to ensure you prosper as well.

3. Add value to your mentors. We are living through an instant gratification age with limit

ed emphasis on reciprocity. You must offer your mentors value as well, not just drain them of time. Never assume that you do not have valuable resources to offer, even if it is just an honorable mention for the success of a new idea, investment, etc. In the words of author Ryan Holiday, "Successful busy people rarely take on substantial commitments pro-bono. They are picking you because they think you're worth their time and will benefit them too."

4. Seek mentors outside of your comfort zone. Look beyond your peers and branch out into the unknown. Successful people are open to diverse ideas and perspectives from global leaders who may not share the same beliefs. Think beyond your level of comfort.

5. Patience is crucial. Unlike coaching or consulting, mentorship is the key to building life-long, high-level relationships, which will become the gateway to building your inner circle at each level. I remember listening to Oprah refer to Dr. Maya Angelou as her "lifelong" spiritual mentor.

Do not underestimate the value of accelerated support through mentoring. You are only as great as the people you are surrounded by. Remember, you cannot build a successful business by only seeking your own advice.

ABOUT THE AUTHOR

Carol Sankar is a leadership advisor & founder of the Confidence Factor for Women, as seen on TEDx, SXSW, Forbes, CNN, The Steve Harvey Show.

Chapter 10: Investors

How to Maintain Strong Relationships with Investors as a Small Business Owner

By Joshua Denne

What does it take to keep your investors happy? My goal is always to become an influencer in an investor's world. I have a formula that breaks it down into four simple factors.

1. Friends First. Whether someone's an investor, a client, a vendor, or anyone who's involved in your business at any level, I seek a friendship first with that person. I want to get to know them, know what's important to them, because everything starts with a relationship -- especially with someone who's going to invest in you. We all like to do business with people that we know, like, and trust.

When you and your investors are friends first and you've built that relationship, they'll want to invest more in you if you need it, and they may introduce you to other people who may help you in other ways than just capital.

2. Consistent Communication. I think one of the pitfalls of many small business owners is they have so much going on daily, they forget to communicate. But the investor doesn't know what's going on unless you tell them.

It's a good practice at the end of the week to write down all the great things that happened in your business that week. Keep a journal of it and at the end of the month, send out an email to your investors outlining it all -- here's what happened, here's our revenue, here are all the good things that happened.

But don't rely on texts or email alone. It's important to pick up the phone. Investors want to hear your voice. They want to feel your enthusiasm. An email doesn't have emotion; there's no real feeling to it. I don't care how many emojis you put in there!

3.Share Challenges. It's inevitable in any business that challenges will arise. Don't be ashamed or afraid to share them with your investors. Most entrepreneurs tend to see the world through rose-colored glasses -- they have an optimistic view. And that's a good thing; you need to have that. But you also need to be realistic when there's a problem and share that problem with your investors.

Now, I'm not saying every problem – just those that really pertain to the growth of the business. Say "Hey, we've experienced this, we're looking for solutions." And asking your investors if they have any solutions can be a great idea. We are all eating off the same plate, and we all want to win together.

4.Go Perform. You took someone's money, so make them proud. As an entrepreneur or as a small business owner, you have a fiduciary responsibility to go get the job done. Go work as diligently as you possibly can to make it a success. Be a good steward of that capital.

There's an old proverb that says, "Measure three times before you cut once." To me, that means make sure your processes are always done right. Do what you say you're going to do when you say you're going to do it. And keep in mind that little expenses become big expenses when not resolved.

These are all the ways you can become an influencer with your investors and build strong relationships that sustain over time. When you treat an investor right, you'll open up a well that can potentially feed you for a lifetime.

ABOUT THE AUTHOR

Joshua Denne, a private equity investor, has passionately helped people reach their potential through business ownership and entrepreneurial endeavors for the last two decades. The concepts outlined in his book, Inevitable, have brought success to thousands who thought it was out of reach.

Thanks for reading!

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