

SCORE Chapel Hill Carrboro

Volume 2007 Issue 1

August 14, 2007

Management Tips, Success Stories, and News

Selling Relationships

By Jennifer Lawton
The Kauffman Center for Entrepreneurial Leadership

When I first started my company, Net Daemons Associates Inc., I thought of myself as a technical person. As someone who could make computers and networks work. Not as someone who could sell.



Since NDA was two people when we were founded—me, the geek, and my partner, the even bigger geek—someone had to handle all the non-technical and non-consulting parts of the company. That ended up being me. So, while Chris Caldwell and I put in our 40 hours a

week of contract work, I also put in plenty of time doing the books, making phone calls to people who might need jobs, incorporating the company, and most of all, securing and writing contracts. I'd never seen a proposal or contract in my life, and now I not only had to write them but I had to sell them.

The cool part about the way NDA started was that we had "ready-made business." Because NDA was a spin-off of the failed Student Computer, other spin-off companies were looking for our services. These people became our first clients. I didn't have to pound the streets for

Continued on page 2

Mentoring and Advisory Boards

The following article by Randi Bussin was written for job seekers and those interested in career advancement. SCORE volunteers make good mentors and advisory board members and you don't have to "Network, Network, Network to find them.

Ten Tips for Getting the Most Out of Your Mentor, By Randi Bussin

How can a mentor improve your business?

Continued on page 5

Inside this issue:

Financing your start-up business	4
Five tips for business to business selling	5
Free and Low Cost Workshops	5
Questions to answer before you start your business	7

Special points of interest:

- On-line "live" 90 minute start-up workshops
- Partnering with Central Carolina Community College (free workshops—October)
- Ten tips for relationship selling

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Selling Relationships

them, but I did have to sell them on our concept, which was definitely a departure from the norm. We sell the idea of a third party, namely NDA, supporting a company's computer networks, an idea that is now well-accepted and understood but was new at the time. As a well-known quantity in a fledgling business, we found that we had to sell the validity of our service rather than our ability to perform the work.

Selling Relationships

Our company grew at a rapid pace despite "no selling"; we grew through pure referrals. Of course, looking back, I realize that lot of selling was involved in this "non-selling." Because we sell a service rather than a product, we were actively engaged in the mechanics of a different type of salesmanship, what might be called "relationship selling."

We had to sell on our reputation, quality, ability to perform, consistency and stability. Every time we solved a problem for a client, finished a project on schedule, and repeated that performance, we were proving that our business made sense, that we made sense. We were nurturing the relationships that would lead to further sales. After three years of holding down the sales fort—when I finally recognized what I was doing for what it was—we realized that we needed to refine our sales process and sell to buyers who weren't necessarily friends, or friends of friends. No longer could we wait for clients to come to us.

So over these years, I've become a salesperson. I think now that I actually always had the "stuff" to be a salesperson, but didn't recognize those skills for what they are. I always knew that a strong point of mine was being honest, forthright and open-minded. I also knew that I could talk to people about what their problems were and explain to them the solutions in a way that they understood. I have always been a big proponent of teaching people how to talk technology so that they are more

impressive at cocktail parties and occasionally may be swayed to join the technology work force.

Becoming a Salesperson

I remember the day I woke up and realized that I was addicted to selling. I realized that I liked the challenge of telling someone about what we do and fitting our services in with their needs. And, yes, I liked the thrill of winning the contract, of making the sale.

Now, I would tell anyone about what we do, how great our company is, how great our employees are, and why one needs our services. I went from being terrified of talking to strangers to talking to the people next to me on the plane, behind me in the line at a store, or sitting next to me at a networking event. I became unstoppable. I began to know a lot of people in many different industries. I'd fly to New York, and what do you know? I'd know more than one person on the plane. I'd go out to dinner and make sure that I cruised the restaurant to say "hi" to people I knew.

“And, yes, I liked the thrill of winning the contract”

Of course, all of this was at odds with what I thought about sales people. I thought sales people are the people you run from at CompUSA, or the person on the used-car lot who really wants you to buy that Buick without a gas tank. I haven't really changed, though; I've only gained more confidence interacting with people I don't know. And I've begun to realize that, ultimately, those interactions become the relationships that comprise the backbone of salesmanship in a service business.

Ten Tips for Relationship Selling

Along the way, I've come to believe that certain tenets are critical to this "relationship selling." What

Selling Relationships

follows are what I consider the top 10:

1. **Always be honest and open.** A lot of our business is referral business, and if Joe is going to tell Mary at a different company to use our services, then the story that I tell to Mary needs to be the same one that Joe heard.

2. **Along with being honest and open, be consistent.** With referral and relationship-based selling, you are often not the first person telling your story. If you change your rates, for example, depending upon whom you are talking to, you'll stop getting referrals. You need to be the same to the Inc. 500 company as you are to the Fortune 100 company.

3. **Listen.** And then listen some more. A sales call is all about careful listening. I listen, write down what I heard, summarize what I heard, and let the person know what I will do based on the information that I heard.

4. **Follow-up.** This means deliver accurately and on time. If you do what you say you are going to do, when you say you will get something done, you start building trust from the beginning of a sale.

5. **Take pride in what you have to sell.** If you know what you have to sell, inside out, and you also know background information about your client, you'll close a sale faster. Be educated. Take the time to know both your service and your client's needs. Then practice what you have to say. And remember, the worst that can happen is that someone will say "no."

6. **Know when not to sell and whom to refer a sale to.** Sometimes you aren't the right fit for a sale. Nothing is better than being able to tell a prospective client that you aren't the right fit, but you know someone who is the perfect fit. That client will call you time and time again if you always "do right" by them.

7. **Care about your clients.** Respect your clients' time. Always ask if they have the time to meet or talk, and always (always!) be on time. If a client has an urgent need, a vexing problem, feels lost and intimidated, help out! No problem is too small to get help. If you are genuine about what you want to do for your client, you will have a lifelong client.

8. **Never make a client feel like "just a sale."** You are there first, to take away your client's pain, and second, to add the client to your quota list. At the same time, you are in business to make money. Explain to your client what comprises your costs and fees so that the client understands your business, too. If asked to compromise value for cost, take the high road and let the client know that you pride yourself on your values and can't compromise them even for the biggest sale.

9. **Stay focused.** To be consistent and timely and reliable, you need to be organized and focused. Manage your time, allocate the right amount of time to making a sale so that you are able to be on time and not rushed.

10. **Have fun!** If you don't have fun doing your job, you'll sell less! Selling isn't about pulling one over on someone. It's about problem-solving and working with a client toward a solution. A client needs something from you. You have a service (or product) that solves a problem that the client has. The client has something you want—a problem that the client will pay you to solve. Remember that it's a two-way street.

I consider myself a sales person. At the same time, I don't consider myself a "used-car salesman," and

*"Be honest,
consistent,
listen, follow-
up, take pride
in your
product, care,
stay focused,
have fun"*

Selling Relationships

for the longest time, I thought that meant that I wasn't a sales person. No longer.

I don't look the part, but I listen well, follow up with timely, accurate information, provide consistent guidance, work to solve a client's needs in a cost-effective way, provide top value to people and often win the sale!

This article provided by The Kauffman Center for Entrepreneurial Leadership (KCEL) through its

small business Web site www.entreworld.org. EntreWorld is an online information resource for entrepreneurs and supporters of entrepreneurship. EntreWorld provides a solution to information overload on the Web by providing highly filtered information coded by stage of business development. This and more articles like it can be read on the SCORE national Web site at:

www.SCORE.org

Financing Your Start-Up Business

The key is planning. Your financing strategy must make sense to both you and your prospective lender.

Identify Your Needs

Estimate what you will need to launch and sustain your business—equipment and supplies, inventory, office or manufacturing space, franchise fee, etc. Then, consider what portion you can reasonably provide from your own resources (e.g., savings, contributions from family or friends). Be careful. You don't want to over or underestimate your needs, nor do you want to endanger your family's financial security and relationships.

Look at the Options

Commercial banks are the most visible lenders to small businesses, offering a range of conventional loans, as well as Small Business Administration (SBA) guaranteed loans. You can also look to venture capital firms, commercial finance companies, partnerships, etc. Be sure to learn as much as you can about the evaluation criteria and payback requirements for each.

Build Your Case

Most lenders will require a business plan, a resume detailing your education and practical business experience, a credit history with references and

specific loan documents. Develop your business plan with sections describing the nature and type of your business, available resources and how they will be used to meet specific goals, timelines, financial objectives, analysis of your competition and how your business will fit in the marketplace.

Fill in the Blanks

Lenders may also request cash flow projections that illustrate both the viability of your start-up and your ability to repay the loan. Remember that the data plan needs to be realistic and supported by facts to validate your estimates and projections. Don't cut corners on research.

Practice your Pitch

Every request for start-up financing will involve some sort of presentation. Even if you're comfortable in these situations, organize your thoughts and practice with people who will provide objective feedback. Fielding any and all types of questions ahead of time will build your confidence and prepare you for any issue that may arise.

Ask Questions...and More Questions

Talk to your potential lenders about their processes and loan expectations. Your local chapter of SCORE also has a wealth of resources and expert counselors to guide you through the steps of start-up financing.

5 Tips for Business-to-Business Selling

1. **Listen well.** Let your customers talk so you can learn their needs and determine how your products or services can help them.
2. **Learn as much as you can about your prospects' industry.** You may come up with ideas to help them that they haven't thought of before.
3. **Make yourself a part of their team.** Demonstrate that you are there to help them increase their bottom line.
4. **Emphasize the benefit of your products or services.** Show how you can help customers cut costs, increase profits, or beat the competition.
5. **Follow up.** Keep customers coming back by making sure your products or services work well for them. If not, show concern and fix things cheerfully.

Free and Low Cost Workshops

FREE (see www.scorechapelhill.org for details):

- Developing A Business Plan
- Create A Competitive Advantage
- e-Commerce
- Technology

Low cost workshops for the start-up: Six 90 minute on-line interactive learning sessions that cover everything you need to start or improve your small business, see our Web site for details.

We partnered with Chatham County Small Business Center to offer, free:

- **Writing a Business Plan**, Tuesday, October 9th, 6:30-9:00pm
- **Do Your Research**, Tuesday, October 16th 6:30-9:00pm

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Mentoring and Advisory Boards

Many ways: a mentor can guide you, take you under his or her wing, and teach you new skills. Research has shown that mentoring relationships succeed and are satisfying for both parties when both the mentor and mentee take an active role in developing the relationship.

Here are 10 tips you can implement to ensure you get what you need out of your mentor-mentee relationship.

Be clear on why you want a mentor and why you are meeting. Define what type of help you're looking for in a mentor. Are you looking for someone with similar skills or someone with a very different skill set who can coach you? Are you looking for someone who has gone up the corporate ladder and can advise you on the ins and outs of corporate politics?

Establish goals for the relationship. Discuss and

Continued on page 6

Mentoring and Advisory Boards

agree upon the goals of the relationship and what you, personally, are doing to make it a successful venture. Review these goals from time to time to be sure the relationship is working; if not, adjust and refocus.

Network, network, and network to find a suitable mentor. Once you decide on the type of mentor you need, participate in functions and professional associations where you might find this type of person. For example, scour your Chamber of Commerce events, alumni and professional associations, or even your own company. If you do choose someone from your own firm, it's best to select someone other than your direct supervisor.

Don't limit yourself to one mentor. You can establish multiple mentoring relationships with individuals who can help you grow in different aspects of your life. Think of it as building your own personal Board of Directors. Also, don't underestimate the value of a "peer mentor" or someone at your level who has complimentary skills and experiences -- even if you think you're on the same level, you can learn a lot from their previous experiences.

Establish communication methods and frequency of contact from the beginning. Talk with your mentor to determine the lines of communication that will work for both of you. Will you meet face to face or communicate mainly through e-mail and the telephone? Make sure you meet/talk enough to suit both of you.

Manage expectations and build trust. Mentoring takes time and implies sacrifices for both the mentee and the mentor. Be respectful of your mentor's time and the other priorities in their life -- family, travel, and community activities. Avoid any trust-breaking behaviors such as canceling appointments or not following through on leads and contacts given to you by your mentor.

Acquire mentoring skills and competencies. Pay attention to great skills that you notice in your men-

tors; these skills include listening, guidance, recommendations, and wisdom. When you receive corrective feedback from your mentor, don't be defensive. Listen, digest, and take immediate steps to apply what you have learned.

Be respectful of your mentor's time.. Do not overburden him or her by demanding too much in terms of their time and/or contacts. Understand that when you decide you need information might not be the best time for them, so be patient.

Express your gratitude. The mentor may tend to give a lot more than you do in the relationship in terms of time and/or contacts. Be sure to express regularly that you value and appreciate your mentor's guidance.

Vary the activities you do together. There are numerous activities you can do with your mentor, including talking about your past experiences, goals, plans, and skill development, and attending meetings, conferences, and other events. You can also shadow your mentor at work or exchange and discuss written materials like your resume or an article one of you has written.

*“With
SCORE you
don't have to
Network,
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Randi Bussin, founder and president of Aspire!, is a career coach and counselor with 25 years of business, entrepreneurial, and career counseling expertise.

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SCORE "Counselors to America's Small Business" is a nationwide nonprofit association dedicated to entrepreneur education and the formation, growth and success of small business. SCORE is a resource partner with the U.S. Small Business Administration (SBA.) This chapter was founded in 1981. The counselors of SCORE Chapel Hill Carrboro are experienced business owners and managers who volunteer their experience and knowledge to help small business owners and potential small business owners achieve success.

www.SCOREChapelHill.org

Questions To Answer Before You Start A New Business

- What am I truly passionate about?
- What are my most important, personal values?
- What motivates me?
- What am I ultimately trying to achieve?
- How do I want to be remembered?
- What's my greatest strength?
- What's my most differentiated and valuable skill?
- What makes me stand out among my competitors?
- Who needs to know me so I can reach my goals?
- Whom do I need to know so I can achieve my goals?

“Being an owner/manager of a small business is more than a job. You will increase your odds of success by honestly discussing the answers to these questions with your SCORE counselor. There are no right or wrong answers and the answers will help you develop a business strategy that will increase your chances for success.”

Walt Brittle

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