



# AudioTech

## BusinessBook Summaries

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### Big Ideas from Sold!

### The Art of Relationship Sales

by Paul C. Darley

A summary of the original text

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#### In this summary:

##### **Understand...**

why customer focus is so crucial to business success.

##### **Discover...**

why IQ contributes only about 20% of the factors that determine success and where the other 80% come from.

##### **Learn...**

why all but a few of the world's most successful CEOs have a background in sales.

##### **Explore...**

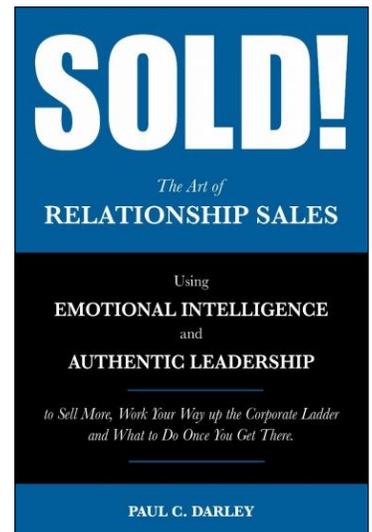
Paul Darley's "Fifty Ps" of sales success.

##### **Master...**

the four traits that set great CEOs apart from the rest.

##### **Unleash...**

the power found in making the world a better place, while making a fair profit.



## **VISION, MISSION, CORE VALUES, & STRATEGIC DIRECTION**

Let's start with an explanation of what W.S. Darley & Co. is and what makes them so special. Darley is a preeminent supplier of "fire, emergency, and tactical" products, and while a lot of that may have to do with product quality, Paul Darley argues that what their customers really choose them for is the trust they have in the fact that Darley will create the perfect product experience for them. This is quintessential salesmanship, and it can be easily seen in their mission statement, "To passionately serve the world's first responder and tactical communities by providing high quality, safe, and innovative products with unmatched commitment and service."

### **VISION STATEMENT**

To be a global, family-owned and professionally managed company with a long term perspective for our stakeholders as the first choice of fire, emergency and tactical professionals worldwide.

### **MISSION STATEMENT**

To passionately serve the world's first responder and tactical communities by providing high quality, safe and innovative products with unmatched commitment and service.

### **STRATEGIC DIRECTION**

#### **DEFENSE · GOVERNMENT FOCUS**

We will continue to pursue state and federal government opportunities to support our US Military and Homeland Defense markets to help make our country safer.

#### **CORE MARKET EXPANSION**

We will continue to grow our core fire and pump markets, while expanding in high growth adjacent markets such as water markets, disaster response, EMS and Rescue.

#### **EXPORT**

We will continue to build on our role in the global economy as we service existing markets and pursue new emerging markets.

#### **TECHNOLOGY**

We will continue to embrace new technology to stay ahead of the competition, scale our business and bring products to market in a timely and cost effective manner. We will develop new products that are designed to meet our customers' future needs.

#### **EMPLOYEE & BUSINESS DEVELOPMENT**

We will continue to build partnerships with our customers, suppliers and employees that develop opportunities and continue to make us competitive. We will foster an environment of teamwork while continuing to create a professional high tech image

An important element of Darley's professional culture is how its mission statement is taken so seriously. Because their pumps and trucks are often being used by soldiers and firefighters to make American life better and safer, Darley salespeople are taught to treat their professional decisions and jobs as if they served a vital purpose for the world. This often leads the advertising to be patriotic and passionate, which reflects empathy towards the customer, and makes the salesman feel as if every appropriate action they take is changing the world for the better. Darley ads even feature Paul Darley's home and cell telephone numbers. Darley is proud that all products are 100 percent manufactured here in the USA.

As Paul Darley said in March 2018, "We have a proud past, a great team, we know where we are headed, and we are honored & humbled to serve those who protect us all so selflessly."

Here are the Darley core values:

## **CORE VALUES**

### **INTEGRITY**

We will act in an honest, ethical manner, and we will do what we say we are going to do.

### **PASSIONATE CUSTOMER FOCUS**

Everything we do will be focused on taking care of our customers in a prompt and fair manner, while meeting or exceeding their quality expectations.

### **RELATIONSHIPS BASED ON RESPECT**

We will strive for relationships built on trust and mutual respect - with our employees, customers and suppliers.

### **TEAMWORK • EMPOWERMENT • RECOGNITION**

We will foster a culture of teamwork and encourage an environment that empowers our employees to make the right decisions for our customers. We will recognize the efforts of our employees on a job well done and encourage their input for continuous improvement while maintaining a family business environment.

### **INNOVATION**

We will continue to develop innovative products and embrace technological advancements based on solid engineering and testing.

### **CELEBRATION**

We will take time to have fun and celebrate our Team Darley victories and special efforts.

- First, integrity. Darley employees “act in an honest, ethical manner, and will do what [they] say [they] are going to do”
- Second, customer focus. Everything at Darley is focused on taking care of customers in a prompt and fair manner, and continually meeting or exceeding the customer’s quality expectations.
- Third, respect-based relationships. These especially require trust, where all product and sales details will be upfront and transparent.
- Fourth, empowerment and recognition. Darley believes in creating an atmosphere that encourages employees to perform the very best and most ethical service for their customers.
- Fifth, Innovation. Darley believes in continually embracing technological change, yet still making sure each improvement is really for the better results of the customer experience.
- Finally, celebration. Darley believes that success with one department is a success for the whole company, and they take time to recognize these achievements together as a corporate family.



## **EMOTIONAL INTELLIGENCE**

Let’s first discuss **emotional intelligence**, which is a huge pillar that the book’s message rests on. In his acclaimed 1995 titular book on emotional intelligence, Dr. Daniel Goleman points out that “At best, IQ contributes about 20% of the factors that determine life success, which leaves 80% to... emotional intelligence, or EQ.” This is especially true of sales.

Emotional intelligence is made up of four elements:

1. Self-Awareness: Understanding who you are, including your strengths and weaknesses, and how people perceive you. Do you know how to take tough advice and reconcile it with your own self-perception? If not, these are the things that self-awareness can bring in EQ.
2. Self-Management: Being able to control your emotions and impulses. Do you know how to follow the rules of the social spaces you inhabit? Do you make sure to listen to what others are telling you rather than focusing on what you’re going to say next?
3. Social Awareness: Being able to understand the needs of others and respond accordingly to them. Do you carefully and accurately read facial cues and gestures to understand what people think of you in that moment?

4. Relationship Management: Being able to get the reactions you want from others. Are you able to keep friendships healthy over several years? Do you make an effort to remember the names of baristas at the coffee shops you go to in the morning?

Related to emotional intelligence is the idea of **authentic leadership**, or the way someone can lead effectively just by being themselves. Just like with emotional intelligence, authentic leadership involves being self-aware, appropriately communicating with the team about what needs to be done. And in the end, it's all based on building trust and making what needs to be done seem fun and powerful.

Leaders also need to realize how multifaceted a successful organization's business model needs to be. Many business theorists teach that a company must be *one* of the following:

- Cost-Effective, like WalMart.
- Innovative with products, like Apple,
- Intensively consumer-centric, like Nordstrom.

Paul Darley argues you must be all three just to *enter* competition, and the Audio-Tech editors agree. With cost-cutting, another firm will always be able to go lower than you. With innovation, you need the products to be easy to purchase and get support for; and of course, you need a strong, price-effective product in order to be in the competitive range. And you must build a customer centric business and customers will stay with you for life.

However, a 2006 study from the University of Chicago suggests that three different traits are needed for a company to avoid plateauing.

The first trait is **relentless customer focus**. "If you get nothing else from this book remember this," Paul Darley exclaims, "Focusing on the customer is the key to success. Everything else flows from that simple concept!" Darley obviously is a customer-obsessed company, and he especially emphasizes that yours should be too.

The second trait of businesses that don't plateau is an **information-sharing culture**. When employees (or even shareholders and other stakeholders) are involved in the planning process, kept up-to-date with what's going on in the company and industry, they implicitly realize how progress and evolution is indeed happening, and they remain engaged with your mission. According to Paul Darley, too often CEOs only spill information when news is bad, missing out on the morale boost that could come with regularly sharing the good, and the bad. It's showing authenticity and a high EQ.

In addition to quarterly in person company addresses, Darley uses a “Board of Praise” and has had a lot of success with short, monthly videos, produced-in-house, showing everything from sales tips to changes in the field that get emailed to roughly 30,000 customers, employees, and others with staggering “open rates.”

Finally, **avoid analysis paralysis**. Data-collection is absolutely essential in today’s business world, but too often executives are hesitant to act on this data, causing the knowledge to go completely to waste as competitors leave them with scraps. This is especially true in our fast-paced world where “failing in public” is the norm. When you come to a conclusion you feel somewhat confident in, act on it immediately. As Paul Darley adamantly explains, “Companies can survive small mistakes; they can’t survive indecision.” If you need time to think of it, simply “sleep on it” one night and nothing more; the sleep-enabled processing will make a big difference in keeping your emotions from getting in the way.



## **PAUL DARLEY’S 50 PS OF SALES**

Just as there are “Four Ps” in what we normally think of as the “marketing mix” (which stand for product, price, promotion, and place), Paul Darley teaches that there are *fifty Ps* for sales. Before getting into them, though, he points out that there are only three basic ways of increasing sales:

1. Selling new products to current customers
2. Selling current products to new customers,
3. Selling new products to new customers.

Selling new products to new customers is the most expensive and difficult of these, but you may very well need to focus on that to get the audience you need. The longer you keep customers happy, though, the harder it will be for them to leave, giving you a great advantage.

With that, here are some of Paul Darley’s 50 Ps of sales.

The first P is **People**. Darley makes clear from the outset that “building and maintaining relationships is [both] Business 101 and Life 101.” Relationships are built on trust, and the more customers trust you, the more comfortable they will be buying from you. To put things in *real* perspective, Darley suggests you view meeting each customer like your “first date with the girl of your dreams.” In that moment you’re discovering that amazing per-

son, you are entirely focused on asking questions about *her*, listening closely to what her voice is communicating in that moment. Similarly, consider making a list of things to talk about before contacting your best and more important customers, making sure that none of what you think they'd enjoy talking about gets left out. Sales trainer and speaker Roy Bartell once said that "Most people think 'selling is the same as 'talking.' But the most effective salespeople know that listening is the most important part of their job."

If you would like to be a better listener, Paul Darley suggests three steps for improvement whenever you are thrust into a conversation.

- First, **stop** everything else you're doing to communicate that they are the most important person in the room in that moment, and that their life matters to you more than the task you're currently working on.
- Second, **look** them in the eyes and have your body face them. Try to communicate with your facial gestures that you're paying attention to what they're saying and find significance in what they have to say.
- Finally, **listen** to what they have to say, only butting in to positively affirm their experience and give support. If you have a similar story or experience, make sure it's absolutely appropriate for what they have to say. Often what the person needs isn't advice or facts, but empathy, so make sure that whatever you say is about them and not about you. If you *really* want to speak, ask them a question about their experience that shows that you are listening and you care.

Harvard Business School professor Amy Cuddy argued in 2015 that the first two questions people try to figure out when meeting someone new is whether they trust and respect them. The quintessential importance of trust and respect should also make us think of legal agreements differently. When legal parties are too focused on a contract, it shows a lack of trust for the other person and has been shown to intimidate and turn off the other party. This is why Darley makes most contracts based on a handshake, so that the exact parameters can be open to future negotiation, and people know they aren't being forced into a contract that will trap them.

The second P of sales is **Private Conversations**. Avoid gossip, because negativity, in general, breeds suspicion that the customer can be next. And don't "puff," either by exaggerating the benefits of a product or making promises you can't keep.

The third P is to **Pacify Customer Pain**. Late in life, Steve Jobs often talked about not focusing on *features* with his products, but on "customer *needs*" to be solved; in sales, these needs are often *emotional*, just as they are in other areas of the "real world." Whenever you meet a customer, try to listen closely to what their core needs might be. To illustrate, Paul Darley brings up the infamous "sell me this pen" interview question, concluding that the best answer isn't from describing the design or the smoothness of writing or other features, but in simply asking what the individual customer wants in a pen. Before bringing up what you have to offer, make sure you know what to focus on by listening to what your

customers have to say (both verbally and nonverbally) about their needs.

The fourth P in sales is **Process**. In sales, it's so often the little daily rituals you do which make a huge difference in your success. For instance, the better documented your sales calls are, the better you'll be able to reach for the right information when you need it. A good friend of the author's, James Owens, is a partner at LSV Asset Management, a \$120 billion investment firm. He is responsible for their sales and client relationships and has a practice of calling a customer every day just to see how they're doing with their products or to follow up on projects they recently discussed. He is a meticulous note taker and has found this practice to be critical in his business when it's easy to get distracted by running the business. The personal touch of a phone call can be so much more powerful than an email or social media message and this contact helps him stay on his game.

The fifth P in sales is **Prospecting**. You are almost always greeted by Caller ID when cold-calling, so become adept at leaving elegant-but-personal voicemail messages that will make the customer want to give you a chance and call back.

Of course, some prospects have more potential than others, and it's important to look at market segmentation to make sure you're focusing on the right people. For instance, Darley company has five different categories for current and potential customers:

- First, **Darley Disciples**, are the biggest fans of Darley Industries who tell everyone about how great their service is.
- Second, **Darley Demanders**, are those who explicitly *need* and demand Darley products for their organization to run smoothly.
- Third, **Darley Don't Knowers**, are those who don't know who Darley Company is, but may very well be in the market if they did. This is the biggest of the "new customers" segments.
- Fourth, **Darley Don't Carers**, are those completely outside the market for fire-fighting and tactical gear . They may choose Darley when they need these products, so Paul Darley makes sure the Darley name is on their mind when that time comes.
- Finally, **Darley Despisers**, are those that are adamantly against Darley. Paul Darley does not spend any time on this market, because it's usually a red ocean where the sharks (competitors) are swimming around taking shots at each other. He finds blue ocean opportunities that are more profitable and more enjoyable.

The point is that by segmenting your customers with memorable names, everyone in the organization can quickly identify the customer classification. This will help ensure that you treat all your customers fairly, but not equally. A secret that Strategex CEO, Peter Philippi, has been sharing with many mid to market B2B organizations by specializing in

implementing 80/20 policies

There is also the issue of how to handle these prospects once they're onboard. Sales experts will often split salespeople into hunters (who are laser-focused on closing a sale) and farmers (who take time to know their customer). Too often there's a handoff that happens in firms, where just as the customer is getting attached to a hunter, they are forced to then work with a farmer when they finally get onboard with the company. To eliminate this problem, Darley company's best salespeople know how to work in both hunter and farmer contexts, so that no handoff needs to be made.

The next P is **Pre-Call Planning**, or what you do to make sure your calls and meetings go smoothly.

- Make appointments well in advance, and the moment you make them, send them some sort of digital confirmation (whether in Outlook or Google Calendar or a private Facebook event) to make sure you're both of the same page. Make sure you know the time-zone difference that could be there. Ask them what materials they need (and deliver them early), and always confirm the appointment 24-48 hours in advance.
- Before the call, make sure to have the company file or CRM open so that you can see the customer's full history with your firm. If they're with a company you're not familiar with, read up on what they do so that you can better suggest what to do for them.
- Practice your pitch and make sure it's authentic. As Darley points out, the secret of the pitch is that it can't sound like a pitch.
- Also, if you're visiting them in person, try to make them feel like the visit is just for them. Otherwise they might assume you're also visiting the competition.

Another sales P is the **Primary Point of Contact**. First impressions can so easily make or break a sale, so be sure to get off on the right foot. With handshakes, make it strong but not too strong, and don't forget to look the other person in the eye and say their name. Keep systems of authority in hand, too; if someone is clearly of a higher rank than you, be willing to put your hand below theirs in a handshake (this is literally what the term "upper-hand" originally referred to), for this will show that you're easy to work with.

Saying someone's name at the right times can work wonders, for it really *is* the sweetest sound to that person. If you need practice, keep this in mind whenever waiting for an Uber or Lyft ride, and be sure to thank the driver warmly while saying the name given in the app. And of course, in any situation of introduction, make sure your face and body are facing them because it shows your reverence. Paul Darley's wife Heidi likes to point out that "People won't always remember what you said, but they will remember how you made them feel." These first impressions aren't to make you look successful, but should lay the path for you to earn their business and trust by being professional and respectful. for

*them to feel* that way about themselves. You do that, and that you'll be surprised how much more dedicated they become as customers and friends.

The next P of sales after that is **Presentations**. This isn't just for PowerPoint speeches, but for regular consultations as well; in the latter scenario, make sure as much as ever to listen much more than you talk, almost always stopping yourself before you cut the other person off. In either scenario, make sure to show up at the site at least a half-hour in advance. Spend maybe a little over half the time you have looking over notes, and then become emotionally prepared by listening to music or meditating so that you're in exactly the state-of-mind you want to be in during the meeting. If the meeting is at your office, make sure to always offer them something to drink. And always make sure to delicately ask them what's on their mind and how are things going in their life before you get down to business. These are often times where you can create what Darley calls "Code-shifts." Code-shifts are building blocks that help to build and deepen relationships.

Knowing the audience for the presentation is essential. Try to adjust your speaking style to how professional the other person seems to want to be and try to figure out how much they feel like talking. Sometimes they just want to sit back and hear your presentation, other times they will want to unload their personal or corporate needs on you in the hopes you're able to somehow help them. Be guided by the "Chameleon Effect" in your communications—take their lead and adjust yourself accordingly.

If you're going to take notes, make sure that it's not invasive, and that you're still communicating that their presence is your utmost priority at that moment. Finally, when the meeting is almost over, be sure to summarize the action items. Also be prepared with "an ask." This could be anything, perhaps another meeting, a referral for anyone who they know you should talk to, and perhaps even the order! Then, immediately follow-up with email correspondence and send them a hand-written note which shows them how important their time was to you, and separates you from all those who don't.

Tied into all this is the next P, **Professionalism**. As Paul Darley points out, "everything from the clothing you wear at trade shows to the thickness of the paper used on your business cards to the cleanliness of your buildings" plays a part in how you and your business are perceived by others. Some of these things don't seem substantial, but they add up to how the world sees you.

Basic dining etiquette is a big part of sales professionalism. Whether you're having dinner at a fancy bistro or at a family diner, make sure to wait until everyone's received their food to start eating, and if someone asks you to pass the salt, include the pepper with it, remembering to *not* use them yourself as you pass them. If you're not sure which is your water and bread plate? Think of BMW, bread, meal and water—go left to right.

Your vocabulary also makes up a lot of how others perceive you. If you don't already have

“magic words” like “please” and “thank you” and “you’re welcome” or even “understood” in your everyday dialog, adding them in will make all the difference, especially over text where things can often be misinterpreted. If you’re having trouble telling when to use “I” or “me” when using a sentence like, “Me and John are going on a sales call,” briefly remove the other person from the sentence in your head and ask if it sounds professional. “Me are going on a sales call” sounds incorrect, obviously, so use “I” instead. Likewise, if you were going to say “Do you want to go on a sales call with John and I?” you obviously wouldn’t say “Do you want to go on a sales call with I,” so use “me” instead, even if it doesn’t sound as fancy. Paul Darley also is passionate about avoiding the phrase “to be honest,” for it implies that you aren’t *always* being honest.

Finally, don’t forget to keep up this professionalism (and the kindness that it should be based on) as you rise in an organization. Don’t be mean towards those who are below you just because you have power, because you might need them eventually if they rise to your same status. And of course, being insensitive makes customers, peers, and superiors distrust you.

The next P is **Punctuality**. If you’re going to be late, make sure to inform the person you’re meeting with well beforehand. And just as you shouldn’t use the phrase “to be honest,” don’t use “as soon as possible” either, for it can mean anything from “literally one minute from now” to “when I get around to it,” and that vagueness ends up frustrating everyone else.

Another P stands for **Personal Service**. There are a lot of ways to show your current customers that you care; giving small gifts is a great way, for it shows that you know their interests and pleasures even beyond the products you sell them. If you actually *receive* a gift from a customer, be quick to send a handwritten thank-you note within two weeks to show your appreciation. And whatever way your customers want to communicate (whether it be through LinkedIn or Snapchat), try to accommodate them by talking to them in the mode they’re most comfortable with.

The next couple of Ps act like a wellspring of “sales power” from within that you can easily harvest if you just set your mind to it. We’ve already seen how the first “P,” **Purpose**, gives Darley salespeople a huge reason beyond themselves to put their whole selves into their work, where no amount of sacrifice is in vain because it leads towards making America safer. Paul Darley repeats the cliché, “You will rarely succeed at anything unless you truly enjoy doing it,” and our natural happiness with work leads us to apply all our energy to it. If you have trouble finding this happiness or purpose in the work itself, then you can use the next P, **Positivity**, to inject it into your own life by keeping a gratitude journal of things that you’re thankful for (find at least three per day over several weeks), and conducting random acts of kindness towards people you see. When you build up a reservoir of happiness and hope in your life, it becomes a magnet not only for good actions to happen towards you, but for customers looking to have that happiness themselves. And these may be the very easiest sales you’ll ever make.

Of course, this positivity needs to be balanced with the next P after that, **Practicality**. For instance, avoid saying you “have” a sale until it’s in writing, for you never know if things will change at the last minute, and then you’re essentially just “puffing” in ways that are dishonest to others around you.



## **IT’S ALL ABOUT “GETTING TO YES”**

The next set of Ps are all about “Getting to Yes.” This might seem like the spot where breaches of ethics most often happen, but that’s why you have to learn the best way to do it. And strangely enough, the most ethical way is often what leads to the most sales.

One of the first of these Ps is **Palpability**, or giving the right answers when people ask about features. In today’s information age, the customer can always search all sorts of blogs for what they think of your product, so you need to be all the more educated. If someone asks you a more in-depth question about the product, don’t make a guess on the spot, but make it clear that you’ll get back to them about it and ask the engineering department or whatever other experts are around you. Going through this trouble will show that you care about giving them the perfect experience, and they’ll trust you all the more. Also, make clear what the refund periods are for the products they’re interested in, just in case they have any regrets; if there are any clauses that often trap people, don’t hide them from the customer.

Storytelling is a great way to build palpability, but in order to tell customer stories, you need to *hear* their story first.

Another way to gather this data is found in the next P, **Probing**. If you are trying to sell a new potential customer, ask questions and encourage direct feedback on concerns they have relative to buying your product; as they state the objections, write them all down and continue to ask them if there are any others. If there are none, begin to address each concern on the list one-by-one. Don’t leave that topic until they say you’ve addressed or alleviated that concern. By doing so, you can make them feel more comfortable with the fear of high “switching costs” that so many prospects have—particularly in high stakes contracts.

As your relationship grows, use your face-to-face visits as an opportunity to create “code-shifts” that can take your relationship from simply business to personal. This almost always benefits all parties. Begin to ask them *probing*, “high Emotional Intelligence” questions. Some potentially probing questions you can ask customers include:

- If we could change one thing to help make you more successful, what would it be?
- Is there anything a competitor is doing that we should do, too?

- What worries you about our industry?
- Where do you see your company in five years?
- What keeps you awake at night?

Obviously, some probing questions can be rather personal, which is why you need to build a relationship with your customers first.

The next sales P, **Perceptiveness**, is obviously tied to these questions, but it is much more fundamental. Paul Darley tells a sobering story about a family drug store that decided to get rid of its magazine section because of low revenues. What they failed to realize, though, is that those who bought magazines almost always bought something else. When the candy section was eventually cut, young Paul Darley stopped showing up, and the store closed down soon after. If the drug store owners just knew how to advocate for their customers, they would have been able to eventually learn how important these sections were, but by only thinking of simple balance sheets, they missed the most important rules of sales. Don't be like them. Be perceptive of the needs of your customers.

The final P for “getting to yes” is **Poise**; here, most salespeople have a long way to improve. You might have polish when selling to someone, but are you able to keep that confidence and joy when rejected by an important customer? It's moments like these that really show the EQ of salespeople, and if you treat rejection as just an opportunity to improve, then it's so much easier to take it gracefully. Without a hint of irony, thank whoever points out your flaws for being so honest, and take action immediately to put their suggestions into practice. Authentic leaders get this and are constantly looking for ways to hone their leadership style.



## **PROFITS AND PRICES**

The next set of Ps, based on making profits and choosing the correct pricing, aren't nearly as much fun as the others, but they're important to keep in mind if you want to stay in business.

Take one of these Ps, **Pricing**. If you have a potential customer who is overly price-focused, be wary: They probably aren't going to be sufficiently loyal, and it will inevitably become a transactional relationship rather than one based on emotion and empathy. And of course, competing purely on price is almost inevitably a losing game, so make sure you have other things to sell on. When people object to you about your price, ask them to set that aside and assume for a moment that you have the lowest price, or at least are competitive. Then ask probing questions to find out what else is important to them—look for

areas where can you create economic value that allows you both to win. Focus on the things they really *do* need, and how you can deliver a better value in the end than your competitors. Don't ever "put down" your competitors when you do this; simply explain how the bundling of your products will provide more value in the long run.

Another P that's important in terms of how you distribute a product is **Perambulance**, or walking in someone else's shoes. Market research definitely shouldn't be ignored, but the best way to truly understand a market is to spend personal time with customers and see what their lifestyle is like. For example, if you're selling medical equipment to surgeons, ask to sit in on an operation and observe the complications they have with their tools. Get in your customer's environment and breathe their air. If you are part of larger supply chain, be sure to meet with *end-users* to see how your product is actually being used and to learn about brand perceptions.

Returning to the theme of stressful situations and poise, the P of **Placation** similarly shows your true character. As Paul Darley explains, "How you deal with that customer to calm the situation and regain [their] confidence is the difference between losing a customer [and] building one for life." It's a scary moment when customers are furious at you and your company, but this is a great time to turn lemons into lemonade. Mistakes or misunderstandings can make an upset customer furious. These are often defining moments in a relationship. So many companies don't get this. Even if the customer is acting irrationally, if you listen, err on their side with corrective action, and apologize, you can keep them for life.



## **CUSTOMER-FOCUSED LEADERSHIP**

The final third of the book is dedicated to transitioning from being a salesperson to being a *leader*. Once again, Paul Darley makes clear that leaders use the very same skills as salespeople, with the latter just being much more focused with them. For instance, *Harvard Business Review's* June 2017 issue related a study highlighting four factors that set great CEOs apart:

- First, **Decisiveness**. They know how important it is to be able to make decisions with limited information.
- Second, **Engagement**, continually looking at what customers and shareholders want and going to great lengths to make it a reality.
- Third, **Adaptivity**, using each mistake as a happy chance to improve.
- And finally, **Reliability**, being able to consistently follow up on any commitments made.

These four steps use the same sort of emotional intelligence and work ethic that sales does, which helps to explain why CEOs with a sales background consistently do better than CEOs without one.

According to Paul Darley, the first step to becoming a leader is to get noticed. “Exceed expectations, follow up, deliver results, and don’t complain unless you have a suggestion that is fair to all parties.” Also, make sure you learn how to play well with others; too many sales “rock stars” lose their credibility because they refuse or are unable to cooperate with everyone in the company.

After that, follow Paul Darley’s “20 Lessons About Business [He’s] Learned the Hard Way”, starting with #1: **Take Care of Customers at All Costs.** We’ve already discussed how, even when the customer *isn’t* right, treating them like they *are*, leads to a wonderful relationship with the customer. But great leaders realize that to make sure this advice is always followed, it needs to be encouraged. This is why Ritz-Carlton allows employees to spend up to \$2000 on any unhappy customer to make sure they have a better experience. Similarly, Nordstrom allows customers to return almost anything after they buy it, knowing that the products and service are so superior that the “endowment effect” will lead to most customers wanting to keep items that they may originally have purchased with the intent of returning for one reason or another. Some customers err on the side of negativity and buyer’s remorse after spending money on something, and the better you take away those feelings right then and there, the more they’ll want to return to a place where they won’t have those negative feelings.

In case it wasn’t clear, a big part of the Ritz-Carlton and Nordstrom systems is to underpromise and overdeliver, which is obviously the opposite of puffing. Paul Darley tells the story of when he was in high school and his father had a horrible toothache. He called up his dentist around midnight, hoping to make an appointment the next day, but this dentist did something even better: He took Darley’s father right to the office that night and took care of it. To take care of customers at all costs, you have to think outside the box of a simple guarantee.

At the same time, though, Darley’s second rule of business is about **Understanding Your Financials and being fiscally responsible.** Try to negotiate with suppliers the very best you can to get optimal pricing, and though it’s obviously important for your employees to have their needs met, pay market rates and reward them with bonuses and profit sharing when things go well. And don’t even *try* to expand your business unless you have cashflow under control already; as Darley’s friend John Szykiel (former CEO of Spartan Motors) likes to say, “Companies don’t go out of business because they lose money; they go out of business because they run out of cash.”

The third lesson is to **stay with a long-term vision while still being adaptable and pivoting quickly.** This seems so “contradictorily difficult” at first, but when we think about

why so many big businesses are slow to adjust to change, it is often *because* of their focus on quarterly Wall Street earnings reports instead of following five-year business and strategic plans that show where they want to be. To move forward, you need general signposts of your destinations, but be wary of things that could make it more complicated. “Concentrate your efforts on things that add the most value to the organization and ensure that your employees are informed, empowered, and working on the most important things.” Paul Darley tells us. If you’re doing the same thing today that you were doing two years ago, you need to step back and make sure you are focused on what’s most important now.”

Fourth, once you have your plans in place, you have to **hold employees accountable on execution**. The 2002 business book *Execution: The Discipline of Getting Things Done* by Lawrence Bossidy and Ram Charan argues that as soon as you agree to an organizational goal, you should immediately record who is going to take every small step towards making it a reality, and their roles in this should be taken deathly seriously. To use another business cliché, this is part of what makes goals **SMART**, which stands for being simultaneously: Specific, Measurable, Achievable, Relevant, and Time-limited. If you don’t have all five of these elements documented for each goal when you first decide to do it, it’ll be that much harder to hold your team accountable for it.

Lesson #5 is to **build a strong team that collaborates**. As our business world is so intuitively linked to our individualist society, it’s easy for aspiring leaders to see their success only in terms of what they see *themselves* accomplish; but that completely defeats the point of leadership. If you only think about your own success as you rise-up the corporate ladder, nobody will trust you when you get up there. “It’s paradoxical,” Paul Darley explains, “but the only way to earn or keep power is to give it away and empower others.” When talking about your company’s recent successes, be careful about how often you use the term “I,” and try to point out the successes of other teammates too. If you continually interact with, encourage, and congratulate them along the way, this should be all the easier when you finally make a breakthrough. Also, be mindful of sales people who say “they” instead of “we” when referring to their own company.

The next lesson is to **empower your people, then delegate**. We all know the inevitability of delegation as a leader, but we don’t nearly as often think of it in the context of “teaching your team to fish” instead of just handing them one filet at a time. Even more than just empowering your employees to make the right decisions when an issue comes up, make sure that they know how to empower themselves. The U.S. Navy uses a system called “intent based leadership,” where instead of people asking leaders for advice, they tell them what they intend to do, and 99% of the time, it’s the right decision. When Darley implemented a similar system to this in his own company, he found that their employees were right 95% of the time. When you teach them to make their own decisions, they become much more focused and take more pride in their work.

In extension of that, another lesson is to **Lead from the Front**. It’s so natural for us to base our performance on the department’s mean average, but part of earning your status

as a leader is making your own standard for yourself. Paul Darley was able to become President at age 35, but long before that he had to earn it by “being the first one at work and the last to leave for years.” Become the pace-setter in your organization. According to Paul Darley, to lead from the front, a great boss should:

- Put a lot of thought into hiring;
- Look for and celebrate wins by anyone on the team;
- Be empathetic;
- Be accountable for any problems that happen with the firm;
- Say “thank you” as often and earnestly as you can;
- Not forget that people have lives outside of work;
- Be a great communicator;
- Create other leaders both by example and by direct mentoring.

Another lesson Paul Darley has learned the hard way from business is to **Hire Slowly and Fire Quickly**. When people finally win a job interview with the CEO, he tries to ask offbeat questions that get to how they think and work with others. Some of these include:

- “What kind of music do you listen to?” (if they have wide taste, they probably know how to deal with a lot of different kinds of people)
- “What is the population of the U.S.? Or the World?” (You can’t believe how many candidates have no idea that the population of the U.S. is about 325 million and the world has roughly 7 billion people.)
- “How many gas stations do you think there are in the U.S.?” (This helps you find out how people logically come up with the assumptions in their heads)
- “What do you typically do when approaching a traffic signal that turns yellow?” When hiring sales people, Darley looks for those who will “accelerate,” while he prefers those who “stop” when filling positions such as accounting and engineering.

There are times when even well-vetted employees might not live up to initial perceptions or need to get back on track. In such cases, address things immediately when you see them happen, with the understanding that you do not have knowledge of *all* circumstances. Paul Darley recommends a system from the Liataud Institute’s *Eight Steps for the Emotionally Intelligent Reprimand or Correction Action Consultation*.

- First, **make it private**. During a moment when you’re emotionally calm and not angry at the person, politely ask them to meet you in another room. It is also great if you do so while they’re by themselves, so you don’t need to worry about other employees gossiping.

- Second, **make them comfortable**. Point out things that make you feel like the employee has promise with the firm, and what you appreciate in them so far.
- Third, **define the issue**. State what you think happened and ask them how they interpreted what happened. Give this step time so that you can both agree on what happened.
- Fourth, **agree on the consequences**. This isn't about punishment, but about showing how this could've cost the company a lot of time, money, and respectability; they need to realize how their actions have very real results that they probably would never want for their employer.
- Fifth, **agree to the correction**, agreeing on a way you can minimize the chance of this happening again.
- Sixth, **agree on a date** to make sure progress is being made.
- Seventh, **confirm belief in the other person**, showing your trust based on their other good qualities that they'll be able to make the changes necessary.
- Finally, **congratulate the other person's success**, so they know that this isn't personal at all, but just a way to make sure they can function as a healthy team that accomplishes their goals.

The next lesson is to **Praise Others**. Studies have continually shown that most employees (particularly millennials) prefer verbal praise of accomplishments over monetary compensation, yet most CEOs don't praise nearly as often as they should. If you see something being done "right" by an employee, make it clear how much you appreciate it, and you can be sure they'll try their hardest to keep doing it. This is related to the exhortation discussion we just had, for as Paul Darley points out, "They're more receptive to criticism when it's not all they hear." You need to make sure that all your praise is genuine, though, and this means that you also have to pay close attention to how your employees are doing.

Just as your employees need to know what you think of them, you need to know what they think of you, which is why the next lesson is on **Employee Evaluations**. So often employees will be too scared to be honest about your company policies or other areas for improvement, so exit interviews are great for this, as they have much less to lose if they're going somewhere else, and will continue to be more honest if you make clear that you won't use it against them. Of course, this also means you have to be able to take the harsher criticism, but if you swallow your pride, you'll get a lot of priceless advice in return.

The final three lessons are extremely important once you become a leader. First, **don't panic**. When things inevitably go wrong with your organization, you have to show faith that things aren't all over, and if they see you panicking, the risks that can come out of that often go far beyond the issue you're worrying about. When you see something scary, let them know the very real risks that can come from the problem, but remind them of the potentiality of overcoming it, or even an upside to come from it.

Next, **take care of yourself**. Putting in eighteen-hour days is sometimes necessary to have a project deliver the results you want but realize that it can all backfire if you burn yourself out. Paul Darley makes clear that “To have healthy business relationships, you need to have a sound mind and strong relationships at home.” In fact, he even tells a story of going to a Jack Welch talk and learning that, in order to make sure people learn from you, you need to occasionally take a step back and let them be in control. Make time to be with your family, and also have hobbies outside of work, for it’s often in these extraneous intersections that you come up with your best ideas for products.

Finally, **continue to learn**. If you entered your company after getting your bachelor’s degree, find out if they’d be willing to help pay for you to get your MBA. After that, you’ll understand so many details of financial statements and strategy meetings so much better. And long before that, be on the lookout for business books and webinars. In fact, Paul Darley even plugs the product you’re reading in the book, saying that “I still travel a great deal for business, so I subscribe to Business Book Summaries and Trends Magazine on CD, which I listen to while in the car and on airplanes.” And of course, surround yourself with the smartest people you can find, so you’ll continually be stretching your knowledge and maturity.



## **SOCIAL RESPONSIBILITY**

Paul Darley ends the book by talking about **CSR**, or Corporate Social Responsibility. While most business schools teach that the main reason for businesses is to make a profit, Paul Darley’s father believed the goal of a great business was for something much more than that. “[Darley is] about serving our customers, creating good jobs, and giving back,” he explained to the rest of the family. “If we do that, and treat people fairly, the profits will come.”

In fact, the relationship between profit and social responsibility is symbiotic in the other direction as well. Just as contemporary wellness experts repeat the adage that “you can’t love others until you first love yourself,” a business can’t reliably help society unless they remain financially healthy, and that comes through profits.

In the end, just make sure that you’re not thinking *only* about profits, for those CEOs almost always fail, especially when it leads to cutting corners on the product or unethical behavior. You should still make sure you care about profits, but when discussing them at meetings, frame it in terms of growth and improvement, not just in terms of making more money.

In John Brown's 2016 book *Connect: How Companies Succeed By Engaging Radically With Society*, he argues that just tacking CSR onto an organization isn't enough; improvement of society should be integrated into the actual products the firm offers. Darley does this naturally; as discussed earlier, the firefighters and soldiers using Darley equipment are already making the world a better place. Some of the new markets they've entered in the past few decades, include water purification and fire sprinkler systems; whenever they enter a new market they try to make sure they can *inherently* do good to the world through it.

Paul Darley's friend Chris Herschend, a family owner of several amusement parks and the Harlem Globetrotters, suggests having a "Triple Bottom Line" (or TBL) for figuring out whether to go into something, and the one he uses is based on "People, Planet, and Profit".

This doesn't mean your business shouldn't give to charities, though. Darley gives about 10% of their after-tax profits to a collection of over 200 charities, and Paul Darley adamantly believes that when you give to others, your reward exceeds that. However, if you're not currently making a profit, then, as Paul Darley puts it, "You're the charity," and you need to help yourself until you are making enough money to support others.



By this point in the program, it's clear that to be a great salesperson is a mark of honor and integrity. And, the skills of salesmanship will serve you well at every level in your career. Applying the lessons presented in this summary imply three overarching priorities.

**First, make your sales interactions (and business interactions in general) completely relationship-driven.** When working with a customer, your goal, beyond getting a strong contract, should always be to make the customer happy. What does that mean in practice?

- Next time someone you're working with is adamant about an assumption that's incorrect, remember that "the customer is always right," and that giving them the benefit of the doubt will show how much you care about them and will create a great sense of trust.
- Next time someone is telling you about their experiences with your product, try to gently probe them on how the product made them feel, and ask what they think would make it even better. Don't say anything unless it absolutely applies to them instead of you, because often what a customer wants isn't a clear answer, but catharsis and empathy.
- Next time a person in your firm focuses too much on price, be wary, for that undermines the relationship with customers and turns it into a transactional system without any emotional connection.
- Next time a customer has a complaint, really try to see how far you can go to

make them happy. Think about the Ritz-Carlton and Nordstrom, and remember the “life-time value” that results from all that work in the moment.

**Second, plan-ahead to make relationships even smoother.** What does that mean?

- Plan-ahead for meetings so that you know all the details of your product and can directly zero-in on what each customer *really* wants to know.
- Next time you have a big meeting, think about the kind of impression you want to make on your customer, and base all your clothing, hygiene, and even technical decisions, like the kinds of business cards you’d use on that. Do this at least two weeks in advance.
- When there’s a decision at work that you don’t honestly know the answer to, consider sleeping on it, then making a solid decision the moment you come into work the next morning. This will fight analysis paralysis and show you experientially how effective decisiveness can be.
- Make sure that your company’s financial health is doing well. You can’t apply all this support to your customers if your own business is struggling, so be willing to accept budget cuts even if they seem uncomfortable at first.

**Finally, look beyond your firm and your customers and try to make the world happier, too.**

Ideally, connect your main business to a greater purpose that gives you the drive to put in your best every day. Darley focuses on the citizens kept safe by the firehouses and military people who use Darley products; they’re an essential motivator for Darley. But, don’t *just* look to your customers to define your corporate mission, but think about *their* customers (and their families and friends) who will be bettered by your products.

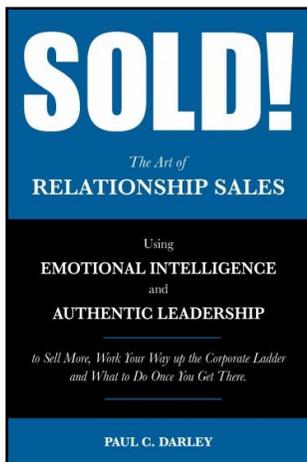
Perfecting these sales skills (and the emotional intelligence that comes with them) takes a lifetime to achieve. And, Paul Darley makes clear throughout this book that everyone, including himself, has a long way to go. Keep working at these fundamentals day-after-day, and you’ll find that salesmanship really *will* make a positive difference in your life and the lives of others.



## About the Author

**Paul C. Darley** is Chairman, CEO & President of W.S. Darley & Co., an award-winning family business that has been manufacturing and distributing fire trucks, and related equipment for military, law enforcement, and fire departments around the world for over a century. He holds a BS Degree in Marketing and Finance from Marquette University and an MBA from Northwestern University's Kellogg School of Management. He earned a two-year graduate degree in Emotional Intelligence from the University of Illinois.

He currently serves on the Board of Directors for several civic, corporate and charitable organizations.



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