



## **Business is a Contact Sport**

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### **Noteworthy info regarding contents and chapter titles:**

#### **Principle 1 – See Relationships as Valuable Assets**

- . A company's relationships are valuable assets because, like other assets, they enable the business to reach its goals.
- . Every relationship the company has, even those with competitors and government agencies, is important.
- . Relationships with former stakeholders should be viewed as assets.
- . To develop a RAM strategy management must first define organizational goals, assess the key factors involved in achieving those goals, understand all critical risks and identify stakeholders who can help the company reach the goals, enhance the success factors, and mitigate the risks.
- . Every relationship must have an owner, or eventually it will die.
- . Each company has a unique Relationship Web and therefore a unique set of relationship assets that cannot be appropriated, duplicated, or stolen.
- . Relationship Asset Management is a systematic, win-centric means of initiating and building relationships that help companies and individuals reach goals, enhance success factors, and mitigate risks.

#### **Principle #2 – Develop a Game Plan**

- . Your Relationship Universe includes every person or entity you know. In addition, anyone who can help you achieve a win is a potential member of your Relationship Universe.

- . When you evaluate stakeholders or potential stakeholders for their ability to influence your wins, keep an open mind, but make explicit decisions about their possible roles. Not every stakeholder can help with every win.
- . Gap analysis charts the difference between an organization's current position and where it wants to be, as well as what relationship assets will be necessary to get there.
- . Cost-benefit analysis weighs the cost of developing relationship assets against alternative methods of attaining objectives, and then considers the benefits of RAM strategy against traditional methods.
- . No marketing, financial, or operating strategy can be considered truly complete without a RAM strategy in place because relationships will be instrumental in implementing any of those strategies.

### **Principle #3 - Create Ownership for Relationships**

- . To get anything accomplished in an organization, you must have someone accountable for it. Thus, the relationship owner and the chief relationship officer (CRO) are accountable for implementing each RAM strategy.
- . The relationship owner-usually the main contact with the stakeholder-"owns" the relationship asset, while the CRO owns the relationship environment.
- . The CRO "co-owns" the company's relationships and is the primary architect of its RAM strategy. He also acts as RAM missionary, teacher, coach, adviser, and trouble-shooter.
- . To realize the fullest benefits of RAM, a company should appoint a full-time CRO. If that's not possible or the company is very small, a qualified senior manager can fill the role.
- . Knowledge of the company and its business and stakeholders is extremely important but is not an essential qualification in a CRO. Essential qualifications include maturity, integrity, ability to communicate, ability to balance emotions, a genuine interest in people, and the ability to create mutual wins in business situations.

### **Principle #4 - Transform Contacts into Connections**

- . Successful people view working to develop relationships as an essential aspect of business life. They understand the "business agenda," and so do the people they approach. If friendships develop, that's wonderful, but if the relationship remains at a business level, that's fine, too.

. Preparation-researching a potential stakeholder and planning an approach to the initial contact and to follow-up contacts-dramatically increases the chances of igniting a relationship. Information that needs to be gathered begins with the basic facts which can be found on a website. Next is historical information on founders, key changes such as mergers and acquisitions; and major success and failures. Goals and situation - business and financial objectives, mission statement, reputation, regulatory issues, competitive position, strengths and weaknesses, chief competitors, and current problems and risks. Management and personnel - biographies of senior executives, makeup of work force, corporate culture, and hiring criteria.

. If an introduction through a mutual acquaintance isn't possible, a letter sent by mail, e-mail, or FedEx can warm up a cold call. Pleasant persistence pays off when pursuing a potentially worthwhile stakeholder.

. An initial contact offers scant opportunity for building a relationship. Use early contacts to gather more information about the stakeholder, while laying the groundwork for subsequent contacts.

. Connection begins with more focused discussions of how you can help one another toward mutual wins. This should begin early in the process, at least on a broad level. You want to set expectations with the precision of a diamond cutter, which could require time and patience.

### **Principle #5 - Move into the Win-Win Zone**

. As is the case when making contacts and connection you cannot wait for wins to develop. You have to pro- actively develop them.

. The financial wins in a business relationship are always important, but non-monetary wins can be equally important-and sometimes even more important.

. Non-monetary wins take a variety of forms, ranging from the practical, such as flextime for employees, to the emotional, such as increased status or a greater sense of affiliation.

. Spoking out-putting yourself in the other party's position and then considering his goals, success factors, and risks-can enable you to find wins that the other party might not even think of. Other reasons to think from their perspective: you might hold a different position in the scheme of things, than you thought. You will better the pressures and opportunities they face. You can clearly see ways that you can lose as other parties in their web might offers wins you can't. When you survey the Relationship Web from someone else's point of view, you might well see that a potential

stakeholder of that person is someone you have a relationship with and can introduce or influence in his favor.

- . Asking directly about the wins that the other party would like to achieve in a deal-and being willing to discuss your target wins-can move the relationship forward.

- . When seeking stakeholders, look everywhere in your Relationship Web and beyond, to everyone in the vicinity. You'll be astonished at how many bystanders will become stakeholders if you can make them winners.

### **Principle #6 - Getting To Know Your Stakeholders As People**

- . Getting to know your stakeholders as people rather than only in their roles as your employees, customers, suppliers, or Investors will Increase the Wins and the fun in doing business with them.

- . You'll accelerate the process of bonding with people you meet in business by arranging to see them in non-business settings.

- . It's impossible to force a bond between two people, but you can create the conditions in which bonding can occur.

- . Use the information you've gathered in making contact and forming a connection to find events, activities, and interests that you and the stakeholder would both enjoy and that would let you get to know one another.

- . In maintaining contact, vary the types of touches and also consider frequency, appropriateness, and boundaries.

- . Remember that friendship itself is not the goal of building a bond with your stakeholders. Rather, close business relationships enable both stakeholders to achieve more goals, enhance more success factors, and mitigate more risks-and that's the purpose of RAM.

### **Principle 7 - Build Bonds of Trust with all Stakeholders**

- . Trust is essential to good business relationships, yet people regularly make decisions and take actions that undermine their stakeholders' trust.

- . Mutual liking and mutual trust form the strongest bonds between people. Mutual liking either occurs or doesn't occur, as a matter of chemistry. But trust can be earned.

- . You can take many actions to establish and build trust, including making only commitments you can keep, sharing credit, respecting confidences, and supplying a win proactively. Working with customers and the media to build your reputation can accelerate the trust-building process.

- . Trust everyone, but cut the cards. Always know whom you are doing business with, check their references thoroughly, and understand how they view the boundaries and unwritten rules of the game.
- . The RAM process reinforces trust because practitioners enter only win-win relationships and avoid exploiting others as diligently as they avoid being exploited. These moral underpinnings of RAM render the process itself trustworthy.
- . The reputation of a person or company is the sum total of what stakeholders know, feel, experience, and say about that person or company. Therefore, any negative knowledge, feeling, experience, or statement in any quarter detracts from that person's or company's reputation.

Golden Rule-treat others, as you want to be treated. Be friendly and ready to see everyone as a potential partner in a worthwhile endeavor. Be open about your desires and honest about what you can contribute. And do everything possible to deliver on every commitment that you make.

### **Principle # 8 - Banish Relationship Killers**

- . Type I Relationship killers tend to arise from business matters rather than personal ones. Most of these barriers to good relationships can be addressed by putting RAM practices- setting expectations precisely, conducting proper maintenance, and so on-into action.
- . Type II relationship killers arise more from personal beliefs and behaviors. These killers are usually harder to deal with because they arise from our personalities.
- . Often people are shadowed by a relationship killer all r their lives without knowing it. Self-examination, as well, as listening to feedback from others, can help you identify any that might be tailing you.
- . Executive coaches and other professionals, as well as particularly good managers and mentors, can usually help someone address their own Type II relationship killers.
- . The deadliest relationship killer is betrayal because it undermines trust, which is the foundation of every relationship, business or personal.

### **Principle # 9 -When Something Breaks, Fix it Fast**

- . RAM aims to avoid broken relationships by means of regular maintenance. However, even having a RAM strategy cannot prevent the occasional

breakdown of a relationship, which is why ways of repairing them is included as a principle.

. It's easier to fix relationships than most businesspeople think; yet it does take effort to discover what's wrong and then to fix it. Communication within the company and " with the stakeholder represents the main tool for finding and fixing the problem.

. Monitoring stakeholders, as individuals and as groups, constitutes an ongoing activity for the CRO, relationship owners, and everyone on the contact team. . The faster you repair a suddenly damaged relationship, the f better. To do so, accept your part in the matter, apologize, and suggest and implement remedies. . To revive a dormant relationship or one damaged long ago, review the history and identify both when and why it was at its peak, and when and how it deteriorated. Then develop new wins based on current realities.

. When you are on the losing end, you must methodically review the expected wins on each side and compare them with the achieved wins on each side.

Then have a serious discussion with the stakeholder. If the stakeholder will not be reasonable, you might have a permanently broken relationship.

. Some relationships must be ended. Non-performers take up space, cause aggravation, and exact a price from the company. People who betray others or lack ethics are worse still.

. Virtually all relationships go through difficulties. Those difficulties don't mean that the relationship should be discarded, but that it needs repairs.

### **Principle # 10 - Get Rolling and Maintain Momentum**

. For any endeavor to succeed, the right people with the right plan must work together on the right things. RAM provides an overall philosophy, a general approach, specific guidelines, and practical tools for employing win-centric relationships to achieve success.

. Implementing RAM requires changes in thinking and behavior in relationships, and people and organizations resist change. Therefore, the RAM Sell justifies the effort and generates momentum.

By now you know the benefits of RAM: It enables a person, department, or company to achieve goals, enhance success factors, and mitigate risks. It helps you identify and cultivate relationships with people who can help you succeed. It makes people stakeholders in each other's success. It generates long-term relationships that grow in value over time. It creates closer, more

personal relationships, which make a business run more smoothly and make business more fun.

The RAM sell relates the benefits of RAM to a specific person or entity by revealing the gap between current and potential performance. It also shows the costs and benefits of RAM compared with more traditional methods of getting things done.

. Gap analysis gauges the difference between the current Relationship Web and the ideal one or the one you actually need. To measure the gap, take each goal, success factors and risk, and then examine your Relationship Web. Next, take some time to identify which current relationships could help you achieve the goals, enhance the success factors, and mitigate the risks. The look beyond the relationship Web and determine what relationships you would need to develop to achieve all your goals, enhance your success factors and mitigate risks. On the performance side, you also measure the added value and contribution you could extract from current relationships. Seeing what it takes to close the gap and achieve the results you want are usually a great justification and motivation for the RAM initiative.

. Cost-benefit analysis compares RAM to other, more traditional methods of accomplishing tasks. For the tasks that RAM is suited to, it will generally be the most cost-effective method available. Most RAM strategies entail minimum out-of-pocket expenses - phone calls, networking, lunches, socializing, business entertaining etc. Most RAM strategies mainly require an investment of brainpower, creativity, and interpersonal energy rather than large sums of money.

. A RAM assessment, done to set up a program or to monitor an ongoing one, reveals the condition of the relationship, the balance of wins, and the value and potential value. (A series of questions should be applied to each identifiable stakeholder relationship in the various stakeholder groups).. Relationships change, and losing one is a setback. RAM insurance in its various forms aims to prevent such losses.

. RAM insurance includes creating multiple links, using written contracts, making stakeholders part of the business, high switching costs and conducting solid maintenance.

. Much of the actual, ongoing work of implementing RAM comes down to actively maintaining relationships rather than just letting them happen. Maintenance consists of a series of actions you take to protect and improve your relationship assets.

. The maintenance activities are:

- Developing ways to stay in touch and building the relationship
- Determining the touch frequency and implementing the contact schedule
- Defining and delivering wins consistently
- Resolving issues as they arise
- Adjusting the plan iteratively and, whenever possible, involving the stakeholder in the adjustment effort.

. In order for RAM to become fully integrated into a company's infrastructure and to be as efficient and effective as possible, systems support at some level is necessary. Every RAM plan is unique to the company undertaking it because every company has its own set of goals, success factors, and risks, and its own Relationship Web.

### **Principle # 11 -Maximize the Long-term Value of Relationships**

. Taking a long-term view of business relationships might run counter to what Wall Street rewards (in the short term) and to what U.S. culture reinforces, yet long-term value represents the most accurate gauge of success.

. Dollar valuations can be calculated for some relationships, notably those with customers and employees, while for other stakeholders they will be more approximate. Nevertheless, if applied consistently, any reasonable means of valuation will give you an idea of the relative value of your relationships.

. Investing in relationships means putting resources into cultivating and maintaining relationships. Although near-term payoffs do occur, it's best to adopt a long-term investment horizon.

. Key considerations in prioritizing relationships include urgent problems, historical and potential value, and potential for conflict, third-party issues, and personal connections.

. A stakeholder's priority for allocation of RAM resources can change. Therefore, the priorities of the company and the relationship owners must be flexible.

. Relationships must be prioritized periodically as well as constantly, in response to changing conditions.

. Each of us has myriad opportunities to form win-win relationships. To let those opportunities slip through our hands is literally to throw money out the window.

### **Principle #12 Keep the Wins Coming.**

- . RAM's applicability to all stakeholders stands among its greatest benefits. In fact, the system must be applied to all stakeholders in order to be a true RAM program.
- . Employees and customers represent the core of the relationship asset portfolio. Moreover, satisfied customers are strongly linked to motivated employees.
- . Many companies settle for a purely financial connection with their investors and lenders. Both of those stakeholders have more to offer than money alone.
- . The media influence all other stakeholders and must therefore be cultivated actively and consistently.
- . Competitors and complementors are worth knowing, if only because they represent potential strategic partners of a company.
- . Strategic philanthropy aims to build visible, win-win relationships between companies and nonprofit organizations. It's easy to leave relationships with universities and the community undeveloped. However, they can be extremely valuable stakeholders provided a company gets to know the people in the universities and the community and the wins that they want and need.

**Author's main point** Relationship Assets are just as important as financial, equipment and information assets. New companies only have relationship assets and little else. Large companies forget how important they are for success.

**Reviewer's recommendation:** Wow! What a concept. I love it.



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