



# Empower your employees and grow successfully

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REPRINTED FROM SCOTSMAN GUIDE COMMERCIAL EDITION, JUNE 2005

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## Q&A

### Question:

Business is pretty good. The real-estate market is thriving. As the owner of a three-person company, I would like to use this growth and expand my mortgage business. My sales are growing, so I need to add more employees. But I am somewhat hesitant to increase overhead for fear of a business slowdown. Is now the best time to expand? If so, what is the best way to expand my company?

### Answer:

To answer your question about the best time to expand, recall the axiom: "There's no time like the present." Sometimes, you must believe in yourself and trust that fate or destiny will take you in the right direction. In writing this particular column, I did exactly that.

But success is more than just chance. In order to expand your business and at the same time, protect yourself from overhead eating you alive, go slowly and focus on increasing and maintaining your customer base.

The pleasure principle tells us that people run toward things that give them pleasure and away from things that cause pain. The following is a real-life story illustrating these principles of chance and pleasure.

Recently, my family and I were at a well-known, national-franchised, upscale restaurant where we dine

regularly. I had been reviewing the many questions we received in order to choose an article topic for this month. In fact, I had just finished reading your question and was struggling over how to answer it. But chance played a major role in my decision.

As I read, I enjoyed a beautifully prepared garden salad. Suddenly, a roach scurried across the edge of my salad plate. Shocked, my family abruptly stopped eating. We called the manager over to show him the roach now in my salad. To our complete surprise, the manager said, "We keep a clean kitchen, so it couldn't have come from here."

Dazed by his remark, all we could do was stare at the roach dancing through my food. What the manager didn't say spoke volumes. His disclaimer that the roach did not come from the restaurant kitchen implied that it must have come in with one of the customers.

Finally, the manager asked if I would like another salad. Immediately, my wife let him know that his matter-of-fact attitude, coupled with the roach, had spoiled our dinner — we

than 90 percent will come back.

Word of mouth can make or break any business. Typically, if there is a problem, 10 people will find out. In fact, on our way out, we told our story to at least that many people whom we knew in the restaurant. To this day, all 10 have not returned and have told others of our experience.

This is the kind of problem you must avoid. There is, however, a simple fix: reward, reward, reward.

First, do not hire a person to simply do a job. Hire a qualified individual who can become a quasi-partner in the firm with a guaranteed reward for growing the business. This corporate attitude will trickle down through the new employees and to your customers — your most valuable resource.

The restaurant manager showed my family and me that he did not receive proper rewards at his company. If he did, he would know that loyal, repeat customers increase sales and create firm flooring. If appropriately rewarded, the manager would have responded differently and said, "I am truly sorry for the problem. We typically have a very clean kitchen. I am

going to solve that bug issue, but I would like your return business. I want to make this right for you." By asking for

a chance to earn the business back, he would have validated his customer's disgust and shown that he is a capable problem-solver. An appropriately rewarded professional is interested in the well-being of the company and recognizes the value of its customers.

Second, do not be one of the jealous CEOs who bankrupt their com-

**"Success is more than just chance."**

were leaving. The manager watched as almost \$120 walked out the door. But he lost more than money that night.

The next day, a marketing friend of mine shared the following statistics. Seventy percent of complaining customers will do business with you again if the resolution is in their favor. If the problem is resolved immediately, more

panies. Let me illustrate this advice with another true story. Bob, a top salesman, had worked for the same company for six years and cultivated a large, loyal customer base worth millions in revenue for the company. Jealous of Bob's high commission, the CEO fired him and kept his outstanding commissions. Viewing this as an opportunity, Bob applied for a job with a nearby competitor, who hired him immediately.

On day one of his new job, Bob proceeded to schedule visits to each of his original customers. He carefully explained his situation and offered his competitor's products at a slightly reduced rate. Bob's service history was superior, so customers immediately signed up with Bob at the expense of his previous employer. Customers even explained that they would have changed accounts even without a price break. They thanked Bob for notifying them of the problem and providing a fair solution.

Then, they canceled all future orders with the old CEO. Bob's previous company later filed for bankruptcy.

As these experiences demonstrate, your success depends on how you treat your employees and how your employees treat your customers. By providing superior service and solving problems, you reward customers. To solve problems, you must ask questions such as "What do you have now?" and "What do you need?" For your salespeople to ask the right questions, you must empower them with the right tools.

There are some customers, however, whom you will not be able to keep, no matter what you do. But if you follow my advice, your business will keep more of its customers. By trying to make each customer feel like a partner, your company will flourish.

Thank you for the many questions. I look forward to receiving even more from readers.

*Al Auger is a 22-year veteran of the commercial-real-estate industry. He has appeared on numerous radio shows. In addition to writing Pure Profits: Pinpoint Winning Properties, Think Like an Investor and Succeed in Commercial Real Estate, he is a developer and real-estate financier who has worked with many national clients. Visit his Web site, [www.alauger.com](http://www.alauger.com). ❗*