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INSIGHTS...IN SIGHT



Inertia: fierce competition

by Dennis Schrag

I am up very early. Yawn. I need to catch the first plane of the day. I travel like a flying circus. I usually tote a large briefcase with two laptop computers. Then there is the bag that contains a couple three-ring seminar notebooks and my computer projector. I stumble from the TSA insecurity area through the TSA security area. We are still at orange, by the way. At the gate I learn my flight is cancelled. Fifth time since January.

I have a couple hours until the next departure. I struggle with the intense decision: should I go back into the "TSA unsecured area" and have breakfast? Hot breakfast vs. TSA. This is no small assessment. Going into "insecurity – orange" and then back into "secure – orange" is a time-consuming and humiliating process: the suspicious flashlight examination of my driver's license. Shoes off. Bags up. People behind me wondering how many more electronics I would produce.

I made the decision. Two hours wait time at a very early hour deserves a hot breakfast. It is the most

important meal of the day. The airport grill not the snappiest place. However it is the *only* place to eat.

I walk to the counter with all my traveling gear. The fellow behind the counter wears a name badge that includes the title "Shift Manager". No one else is working at the grill. Ah, another example of a title instead of a raise. Been there...I can relate.

He does not greet me. I study the menu board on the wall behind him. This place is nothing like Wolfgang Puck's. It is real, real, real ordinary

grilled food. The shift manager drums his fingers. “So...like....man... you want a breakfast? We got eggs and we got omelets.” He is impatient. There is no one else in the place. No other customers. I ordered a breakfast worth \$6. My cost at the airport grill: \$12.

I hand the shift manager my cash. He does NOT say “thank you.” I am an old-fashioned guy – I like to be thanked when I spend too much for too little. It feels better, even if it does not taste better.

Then, an afterthought. “Could I have a cup of water?” The shift manager handed me a plastic cup – kiddie size. He punched in \$.10 into his point of sale device. I asked him what that was about. “We charge for water.” I said I couldn’t understand. Overpriced, ordinary breakfast *plus* a charge for a kiddie water? Wait. What’s wrong here?

We chatted. He is, after all, part of the management team. I want to negotiate the up-charge. I stayed calm but firm in my resolve. It is against my religion to pay for free food or WATER. I told him the ten-cent kiddie cup was a deal breaker. He shrugged. I asked for my money back. Order cancelled.



Lessons learned:

1. Customers hate surprises, (especially without the benefit of morning caffeine).
2. The client’s ability to do nothing – inertia – is a powerful force. In tough times, inertia grows in popularity.
3. When the client is ready to buy, sustain your relationship to fight the possibility of inertia. Explain your value proposition. Be nice. Say “thank you” for example. You can fight buyer’s remorse. This requires employee training.
4. Customers hate being over-charged by even a dime. It’s not the money, it’s the breach of trust. I don’t get “taken.” Most customers don’t. They walk instead.
5. If your price is high, and your product is a commodity, your service better be superb. The customer wants some sense of value. High price, ordinary product, ordinary or poor service – the customer will implement dig-in-your-heels inertia.
6. The shift supervisor was not empowered, not trained to negotiate less than 1 percent of the sale. The reality is that 99 percent of something is better than 100 percent of nothing, except at the airport grill. For most transactions 75 percent of something is better than 100 percent of nothing.
7. How would the Starbucks employee handle this situation: “Is that free water with ice or without? Will that be in a paper cup or a glass? Do you want the water now or with your order? Let me put the free grande-sized water on a tray with



a napkin.” Starbucks has over-priced products that are commodities – but they provide superb service. They have loyal customers. They have high profits. They train their employees.

8. The loss of one \$12 sale may not be significant. I probably buy 15 airport breakfasts a year... and will for a number of years. Put that last sentence into the past tense and do the math. If you are reading this, you will think twice about your airport breakfast. Word of mouth works for you and against you. Do the math again. That was an expensive kiddie cup.
9. Greed makes little business sense. Greed does make inertia.

You may be lucky enough to have a monopoly. But you still have stiff competition: the customer’s ability to do nothing.

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