

Reference Letters...

PROSPERITY PLUS MANAGEMENT CONSULTING, INC.

By Jim Kahrs

Take Away Points:

- THE DIFFERENCE BETWEEN PUBLIC RELATIONS AND SALES.
- HOW REFERENCE LETTERS BOOST CREDIBILITY
- POSITION YOURSELF AS A SOLUTION-ORIENTED COMPANY

Can You List 10 Ways to Use Them?

You finally have an appointment scheduled with that big account you have been trying to land for the past three years. You are going through all of the preparation making sure you have everything you will need to make that great first impression.

You have copies of your new company brochure, information on the manufacturer and the products, sales brochures, a list of current customers and reference letters from a couple of the more notable accounts. Of course, you realize as you are putting this together that the reference letters are from 2002.

The collection and use of reference letters is among the most overlooked tools in many dealerships. I often ask dealers if they can name 10 uses for these letters.

If you have trouble coming up with 10 than read on.

At one time or another, most dealers have had a program in place that encouraged and possibly rewarded sales reps for getting customers to provide them with these testimonial reference letters. Having done this a number of times I am writing this article with two distinct purposes in mind.

The first is to outline the top 10 uses for reference letters and the second is to provide some simple ideas you can implement yourself.

Before discussing reference letters any further it is important to outline the sequence of actions that must be followed to really ensure success in acquiring new customers. The first step in the process is public relations (PR).

As a consulting and management training company much of what we do is based on the Hubbard Management System. Developed by L. Ron Hubbard, a world acclaimed author and administrator, the system provides a series of management tools intended to make any organization successful.

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Too many dealers feel that a strong sales team replaces the need for public relations and promotion. This could not be further from the truth.

In the Hubbard Management System public relations is defined as “a technique of creating states of mind in different types of audiences or publics.” You are looking to create a positive state of mind with your prospects and customers relative to your dealership and your capabilities.

From public relations you move into promotion. In the Hubbard Management System promotion means “to make something known and thought well of — promotion consists of getting names and addresses and contacting them and offering services to get them in.”

With these two areas properly handled, the job of the sales team becomes much easier. Sales is the area that meets with prospects to analyze their needs and gets prospects to actually purchase the products and services that you are offering. Too many dealers feel that a strong sales team replaces the need for public relations and promotion. This could not be further from the truth. If you look at the most successful dealers in the country you will see that they do not rely solely on their sales force for these activities and, in fact, have successful PR and promotion plans in place.

Now that we have covered this all-important sequence of actions let's get back to reference letters. One of the most basic PR actions is the use of press releases. If you do business with any widely recognized customers like large corporations, colleges, local

sports franchises, etc., a reference letter can be used to create a joint press release.

For this example let's say your dealership name is Service First Inc. and you supply copiers for the University of Podunk. You could write a press release titled: "The University of Podunk has selected Service First Inc. as its copier/printer supplier." The press release would then include an excerpt from the reference letter like, "The outstanding service response and team of sales and service professionals at Service First have truly been an asset to the university." The press release would go on to outline the problems that you solved for the university. The purpose of this is to show other prospects what your capabilities are and to position yourself with a well-known and well-respected organization. You should first get permission from the customer, but this is usually not difficult.

Another very successful PR action is the use of open houses at your dealership. If you are going to have an open house or an in-house demo you should have recent reference letters framed and posted in the demo room. Framing can be as simple as 8 x 11-inch Lucite holders. A company newsletter that is sent to customers and/or prospects is another excellent form of PR. These newsletters can and should include reference letters or excerpts from them. There are other PR actions that can involve reference letters but these should get you started.

The second step in our sequence is promotion. Promotion includes advertising, direct mail campaigns, company website, etc. The best way to start is to post reference letters on your website. You can scan the letters into a digital format and post them as a PDF file that can be opened and printed should the site visitor wish. Again, make sure to get approval from the customer prior to posting his or her letter. When it comes to advertising and direct mail campaigns you can take excerpts from reference letters and build ads or mail pieces around them.

When writing a reference letter people will usually include the things that you helped them with most. The good news is that other companies will be suffering from the same issues.

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For example, if you get a reference letter that says, "Service First really listened to our needs and provided us with the most reliable equipment we've ever had," you could create an ad or flyer that asks the question, "Are you looking for reliable equipment from a dealership that really listens?" Then include the quote from your letter in the promotion piece you are creating. Including the name of the company that provided the reference will add credibility to the ad. Including quotes with initials only will show that it comes from someone other than you and allows the source to remain anonymous. Like PR, promotion offers many other opportunities to put your reference letters to use. Do not be afraid to experiment.

The third step in our sequence is sales. It is the job of the sales team to find prospects and/or meet with prospects who have responded to promotion, successfully move them through the sales cycle and get them signed on as customers. Reference letters can be a very valuable tool in this task. They can be sent out as personalized mailers to prospects.

For example, if you have a letter from a well-known accounting firm you can send copies of it with a personalized letter to other accounting firms. This can be a tremendous help when calling to schedule appointments. Many people will take the time to meet with you when they see that you have helped their biggest competitors.

Sales reps should also include reference letters in their pitch books. You know, that book that usually has a bunch of loose price sheets, copies of old sales promotions and some outdated brochures. A well-organized, up-to-date pitch book would include reference letters from your most notable customers. This gives instant credibility in the eyes of the prospect who does not know you from Adam. Reference letters should also be included in proposals. When you present a solution to a prospect, reference letters from others that had the same or similar needs will help close the sale. It allows the sales rep to provide an unbiased viewpoint of how this solution will solve the prospect's problems.

The last area that I will cover is related to your employees. Incentive and reward programs can and should include reference letters. Programs can be created to reward employees for soliciting reference letters or being named in them for the outstanding service they provided to a customer. You can also use reference letters during the interview process. Copies can be given to applicants to show them your company's commitment to both employees and customers and to build your image in their eyes.

Those of you who were counting know that I covered ten different uses for reference letters. I can assure you that there are many more. If you are not using this valuable resource it is not too late to put a program together.

Keep in mind that to ensure the necessary supply of letters you will have to ask for them. You will be surprised how many people are willing to give you a great letter if you only ask and, conversely, how few you get if you just sit back and wait for them to come in.

So, get the ball rolling and let me know how you do.

Reference letters from others that had the same or similar needs will help close the sale.



Jim Kahrs

About the Author, About the Company

Jim Kahrs is the Founder and President of Prosperity Plus Management Consulting, Inc.

Prosperity Plus works with companies in the office systems industry building revenue and profitability and improving organization structure using the Hubbard Management System. Jim can be reached at (631) 382-7762 or jkahrs@prosperityplus.com.

Prosperity Plus Management Consulting is dedicated to helping office systems dealers. We provide consulting and seminars designed to improve everything from cash flow and profits to organization and people issues to sales and marketing. Our comprehensive approach to business consulting focuses on teaching the dealer owner to get a better handle on the business.

Dealers get tremendous results from our financial benchmarking programs. We work with you to determine exact financial goals and help you put the plans in place to achieve these goals. The results of our financials programs have been tremendous improvement in cash flow, significantly increased profits and stabilizing business.

Our organization programs have helped dealers get themselves out of the day-to-day grind. One of the common goals here is to have the structure in place that allows the dealer owner to take a two or three week vacation without the business crashing.

To learn more about our products and services, call 631-382-7762, or visit us online at www.prosperityplus.com

