

About trust. And delivering on promises.

“First, corporate officers who personally benefit from false accounting statements should lose all the money gained by their fraud... Second, corporate leaders who violate the public's trust should never be given that trust again.”

President Bush, in his weekly radio address
June 29, 2002.

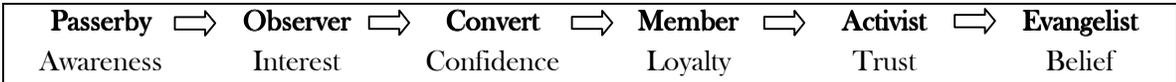
The June 30 edition of San Jose Mercury News, the Newspaper of the Silicon Valley, carries a front-page article that goes on to list “Corporate America’s 2002 Hall of Shame” – Worldcom, Quest, Andersen, Waste Management, Tyco, Peregrine Systems, Enron, Global Crossing, Dynegy, Adelphia Communications, Imclone Systems, and Rite Aid. “Business Leadership is ‘taking a beating’,” says the headline.

Acquiring and retaining business relationships has always been a challenge. Prospective customers are almost always asked to take a leap of faith. A customer relationship develops over time, and you can only hope it will go in a positive direction. However, against this backdrop of distrust of anything corporate, we must consider the impact on business relationships.

And what about global relationships? Where you have to take this leap of faith with a business partner who is located on another continent? Technology is helping bridge barriers of time, and distance. Can it build trust, surpassing the language and culture barriers?

While trust is a level reached between two parties at an emotional level, a foundation of sound, rational justification for it is usually necessary before that level can be reached. In development of a customer relationship, the customer’s perception of the company changes over time, from being aware and interested to loyal and trusting. (See figure below).

The critical stage in this continuum is when a conversion happens, because of ‘confidence’. Confidence is derived essentially from information. Lack of information leads to lack of confidence. In these days of information overload however, too much information obfuscates reality, and it also becomes counterproductive.



Source: Information Technology Services Marketing Association

Good systems and processes that provide the appropriate level of information to support and nurture confidence and trust, are critical to globally distributed relationships. Project management systems, collaboration and groupware systems, content management and ‘dash

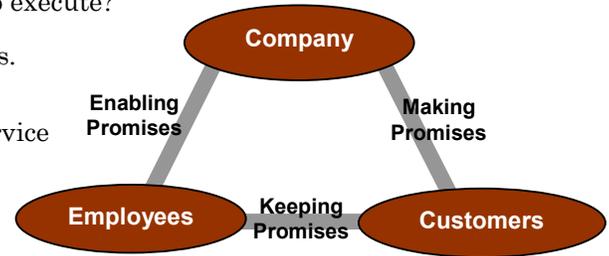
board' type scorecards are being used by many process mature organizations. These provide the necessary visibility into the information about a relationship, and what makes it work – providing aggregations and drill down capabilities. This provides the 'confidence' to the customer without placing on him or her the burden of getting into the details to gain the confidence. More importantly, these systems alert the customer when something is about to go wrong. Or when it will not happen as promised.

"Our work is judged by the quantity and quality of the promises we make, by how well we fulfill them, and by how we deal with the promises others make to us."

Thomas Stewart
Columnist for Business 2.0 magazine

How do you reach a stage of trusting someone? The person has developed a 'reputation' of making and keeping promises. You expect that the person will continue to do so. You also look into the capabilities he or she has, to deliver. You look at the promise pyramid. Is there a willingness to make a promise, a commitment to stake one's reputation? Does the person making the promise have sufficient power to ensure fulfillment of the promise? And finally, is the willingness and genuine intention, built on a foundation of real capability and resources necessary to execute?

In its essence, all business is about promises. Marketing and sales make a promise to customers. Production, distribution and service deliver on that promise. If the original promise was made based on real capability to deliver, we have a successful business.



Source: Services Marketing, Mary Jo Bitner Valerie Ziethami, McGraw Hill, 1996

Once again, we are back to the basics – “Honesty is the Best Policy” seems like a radical concept!

"If you are honest in your business dealings you will be one less deceptive player in the scheme of things and set yourself apart from others"

Debra Benton, Executive
Leadership Coach and author of
'How to Think like a CEO'
(Warner Books).

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