

*The 11 Old Rules*  
**of Business**  
**That Still**  
**Matter**



Steve Miller

*The 11 Old Rules of Business That Still Matter*

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# **The 11 Rules of Old Business That Still Matter**

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The 11 Rules of Old Business That Still Matter

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## **Rule #1**

### **It's All About the People**

I was lucky enough to pioneer CompuServe's first "online seminar" back in 1993. Compared to today's webinars, it was like teaching via the Pony Express. I "spoke" to the Business Forum, typing in Part 1 of my presentation, and responded to comments and questions over the next two days. The process repeated with Part 2 and on down the line. In this way, the seven-part seminar took two weeks, but it was well attended and popular.

However, something unsettling emerged during the Comment & Questions phases. A handful of people—without any cause—posted malicious messages attacking me and my presentation. I was baffled. It's one thing to disagree but the hateful messages were completely unnecessary. It soon became clear these people were posting spite simply because they could. Those who came to my defense, to my astonishment, fired back with equal vitriol. I found myself in an early "flame war."

The Internet shows great power to connect the world in ways never before imagined. It lends consumers the heretofore unavailable power of limitless information. Political movements around the world have ignited massive change online and toppled regimes. Historical events are reported, often hours before traditional media can z. Cyberspace offers equal footing to small businesses and previously untouchable mega-corporations alike. We are only a click away from escaping advertisers.

The Internet 's strengths often pave the way for equal weaknesses. Our privacy is disappearing fast. The parameters of individual personhood are being blurred by online personas and digital moguls. As Douglas Rushkoff states in his book, **Program or Be Programmed: Ten Commands for a Digital Age**, *"We are making choices not because we want to, but because the programs demand them. The more we learn to conform to the available choices, the more predictable we become. We train ourselves to stay between the lines."*

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More than that, we've become dislocated. My parents were born and raised in Jamestown, North Dakota. In the 30s and 40s, its population was around 8,000. 98 miles separated Jamestown from the nearest "city," Fargo. You can imagine the life growing up there; Jamestown was their world. No TV. No interstate. No Wal-Mart. No cable. No 16-screen cineplex. No Internet .

People connected with people via a strange medium: face-to-face. They went to church, participated in the PTA, attended Jamestown High football and basketball games. They gossiped over backyard fences, pigged out together at the county fair, took turns over party lines. Everyone knew where every teenager was on Friday night. There was one radio station, run by Bob Ingstad—grandfather of American Top 40 DJ, Shadoe Stevens—and one newspaper. The paper often competed with the local gossip mill to see which could spread news faster.

Like generations before, constant face-to-face interactions required courtesy, respect, and manners. Children were taught to call adults Mr., Miss, and Mrs. We learned to say please and thank you. With these manners came other rules of etiquette: be polite, punctual, do not point or stare, remove your hat indoors, hold the door and stand up when you meet someone. We learned to keep conversations civil by not losing our temper, swearing or shouting. We learned rules of grammar: sentences begin with capital letters and end with punctuation marks. We learned the Golden Rule.

Why were all these mores necessary? Because every person deserves respect, care and consideration. My parents and generations before them were connected to people LOCALLY. Even if you didn't personally know all 8,000 Jamestown residents, the odds indicated you'd run into everybody else at some point. Society needed these unwritten rules to function.

Technology has changed that. We are now a dislocated society. Our growing distance from face-to-face interaction has lessened manners and courtesy. The flammers who attacked me in 1993 knew there was no way I could personally confront them. Add the Internet 's shield of anonymity and we have a new ballgame. Dislocation has given us the power and permission to be jerks. We say things on-line we would never say in person. Boorish online behavior has become common, and worse: acceptable.

These attitudes have spilled into the real world. Not long ago, hand-written thank you notes were the norm. This is no more. My wife and I recently sent money to a friend's daughter for her graduation. After several weeks without

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response, my wife emailed our friend asking if the daughter had received the gift. The reply? "Yes."

As technology shrinks our world, we forget the core of every interaction is still people connecting with people. Just because the distance separating our connections is expanding doesn't mean civility, courtesy and manners should change. In addition, it should make no difference if these connections come in the business world. Yet, for some reason, many of us view business relations as completely separate from personal relations.

People don't do business with companies. People do business with people. Period. This is not up for discussion.

The overused maxim, *"It's only business. Nothing personal,"* is beyond stupid. EVERYTHING is personal. It's all about people. It doesn't matter whether you're with someone on the golf course, playing bridge at home, sitting next them on an airplane, behind them on the freeway or across a board room table. It. Doesn't. Matter.

For the business-minded (I assume that's most of you), this cyber de-personalization gives you an amazing advantage. You stand an excellent chance of separating yourself from the competition! Unbelievable, but true. Being nice...being courteous...having good manners...using proper grammar...all this makes you stand out from the crowd. What a concept. And best of all, manners are practically free!

This behavioral shift I first experienced in 1993 has only grown worse. Impolite emails sent as response to prospecting queries are meant to make us feel "lucky" we weren't ignored. Many hide behind pseudonyms to mask their "real" feelings. Cyberbullying is an international problem.

Am I suggesting we return to the "good old days" of 1940's Jamestown? Heck, no. I like our new toys.

I do suggest, however, that before we get enamored with the New Rules of Business... Marketing... the Economy... Work... Real Estate... Investing... Spamming... Channel Surfing... Body Waxing... we should ensure a solid foundation underneath us.

Who cares if this sound old-fashioned? This, Rule #1 of the OLD RULES OF BUSINESS THAT STILL MATTER, isn't just Rule #1... it's also the most important.

**RULE #1:**

**PEOPLE DON'T DO BUSINESS WITH COMPANIES. PEOPLE DO BUSINESS WITH PEOPLE.**



## **Rule #2**

### **X over Y**

I've been fortunate to have awesome personal and professional mentors in my life. In my days as a PGA professional, I also had the luck to play with some of the world's greatest golfers. When spending time with someone successful, here's a great tip: keep your mouth shut (unless asking a question) and keep your eyes and ears open.

I learned this lesson from an old friend in Las Vegas, Jack Libby. As a struggling young golf pro and Tour rabbit, I spent a lot of time in Vegas. Back in the 70's, the PGA Tour didn't pay the mega-millions it does today, so we looked for every opportunity to make a few extra bucks. Vegas had a lot of those opportunities.

Jack was a very successful, self-made guy. I'd give him a call whenever I landed in Vegas and he'd set up a golf game for us at the Las Vegas Country Club. More often than not, one of his local business partners or friends would join us and he'd seal a deal or two by the back nine.

Jack taught me a lot about business: how to negotiate, how to handle tough situations, how to deal with difficult people. He also dropped many pearls of wisdom. For example, the night before one of our outings, Jack called, saying, *"I'll pick you up at 9:00am. I'll be out front between 8:50 and 8:55."* When I asked why he was so exact in scheduling a simple pick up time, he said, *"Your time is just as valuable as my time. When I set an appointment, I show respect by arriving a little early. I am never late for anything, if I have control."* I've followed Jack's advice ever since.

I once asked Jack to share his secret for success in business. He took out a napkin and wrote the simple formula: X over Y. *"It's pretty basic,"* Jack said. *"X is income. Y is outgo. Make sure X gets most of your focus and is always bigger than Y."* This sounded a little too obvious, so Jack explained further:

*"Every day, you have a choice of which part you spend your time on. X represents the revenue coming in to your business from customers—both new and*

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*current. Y represents the time and money it costs to run your business. The objective is to make X as big as possible and Y as small as possible. Most business owners fall into the trap of thinking they should focus their efforts on Y, on keeping costs down.*

*"The fault in that logic is that Y can never go to zero. On the flip side, X can go infinitely high! X can be 50 percent higher than Y. 100 percent higher. 300 percent. 10,000 percent! There is no limit. So if Y has a definite basement and X can rocket into the stratosphere, which side of the equation would I be wise to spend my time and money on?"*

Well, duh. It's so obvious. It's brain-dead simple. It's common sense. I'm insulting you by writing about something so basic.

Unfortunately, for most of us, this logic is not common practice. Ask yourself: *"In the last 30 days, what percentage of my time was spent on the X side of my formula? What about last week? Yesterday?"*

X represents revenues and growth. Y represents costs and operations. X represents the time and money you INVEST when working ON your business. Y represents the time and money you SPEND when working IN your business. Look at your To-Do list for this week. Put an X next to everything representing income and growth. Put a Y next to everything else. Which has more?

Now look at how you prioritized your list. Does your #1 top priority have an X or a Y beside it? What about #2...#3?

When businesses are new, we work non-stop generating sales. We have to! We've invested huge amounts of cash (at least it's huge to us!) and require a return on investment. So we beat the bushes and pull out all the stops to generate sales. We struggle through this Startup phase hoping to reach the Growth phase. Even in Growth we still invest in new customers, but as we grow, focus slowly shifts to operations, to the Y side. Somewhere along the way we cross into Maturity. We lose the frantic drive of a hungry startup and take the cautious air of an established market leader. Jack's equation was meant to keep focus on the Startup mentality even into Maturity. Stay paranoidly hungry (Ok, maybe 'paranoidly' isn't a real word, but dang it, it fits).

**Rule #2:**

**Focus most of your time, energy, and resources on the X side of the equation.**

Here's a good guideline for following Rule 2. We're all familiar with classifying tasks as 'Urgent' or 'Vital.' Often we focus too much on the 'Urgents,' when we know the 'Vitals' are much more important. Even knowing this, it's sometimes difficult to choose between the two.

Instead, focus on IMPACT. Which of your To-Dos, projects or tasks, have the most IMPACT on X? Prioritize your efforts by IMPACT.

Of course, we know Y is important. We should always pay attention to the Y side, making sure we don't waste money and time. But as some very smart guy (I think it was Tom Peters) said many years ago, "You can't cut your way to growth."

**Focus on the X.**

## **Rule #3**

### **Be Like Disney**

*"This can't be right" I said to my buddy, Doug. "It's looks like we're heading into a swamp."*

Doug guided the RV onto Exit 64 West from Interstate 4 in Lake Buena Vista, FL. It was Spring Break 1972. Doug and I, students at the University of Arizona, thought it would be "fun" to drive non-stop from Tucson, AZ to Orlando, FL for the week. We planned to check out Florida's beaches and Disney World (WDW) .

Disney World opened just a few months prior in October 1971. For some reason Doug and I got a burr in our behinds to see what Walt dreamed up before he died. We'd been to Anaheim's Disneyland several times, but heard the new park was really different.

Exiting I-4 we quickly realized this WAS different. I thought we'd gone the wrong direction. As soon as we merged onto World Drive, the scenery went completely lush and green. There weren't lines of cheap motels like those surrounding Disneyland. Only an occasional sign shaped as Mickey's head confirmed we were heading in the right direction. Despite driving through a seeming wilderness, the Magic Kingdom was indeed straight ahead.

We approached the parking lot expecting to see the spire of Cinderella's Castle. It was nowhere in sight. Shuttled to the ticket booths, we discovered we still had to take the Monorail to the main entrance. We'd already driven six miles from the interstate and STILL had a couple of miles to go!

Disembarking the Monorail, we presented our tickets and walked into the Magic Kingdom. NOW came the familiar sights: Mickey's giant flowered face smiling down on us; hundreds of guests jostling for the perfect camera angle. Doug and I headed through dark entry tunnel, past large posters advertising the Jungle Cruise, the Haunted Mansion and the Pirates of the Caribbean, and exited into the bright sunshine of Main Street!

To say Disney World blew us away is an understatement. We rode Space Mountain about 15 times (They didn't have THAT in Disneyland!). The most

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thrilling rides required what was then called the E-Ticket. We hit every one of them, occasionally choosing a slightly tamer D-Ticket ride. The A, B, and C tickets, used on kiddie rides, we threw away. We literally ran from Main Street to Tomorrowland, then to Frontierland and Adventureland. From there we ran back to Tomorrowland and started over again. We immersed ourselves in WDW, collecting photos, stories, and memories for back home. Yes, we were a couple of typical college guys, but the Magic Kingdom transformed us to wide-eyed ten year olds. I think we even bought some ears.

Disney World was cool! And even though 95% of Disney World was pretty much the same as its west coast cousin, I believed it was way cooler than Disneyland! It was different.

What I didn't understand at the time was Walt Disney felt dissatisfied with Disneyland. Walt hated the environment outside the park. Unmatched, cheap motels, low budget fast food restaurants and souvenir stands swarmed around the Anaheim park. These cheap businesses didn't exist when Disneyland opened, but sprung up as tourists poured into Anaheim.

Walt hadn't controlled the environment. He realized that. Walt felt the swell of grubby businesses gave a negative first-impression when families came to the Happiest Place on Earth. He felt the surrounding area could only lessen a customer's overall experience and vowed stricter control if he built another park.

Disney's clandestine trips to central Florida buying tracts of swamp via dummy corporations became legend. He wanted to own enough surrounding property to ensure nobody could encroach on his Magic Kingdom. Disney wanted to control every guest's experience, starting with the moment they pulled off Interstate 4. He knew first impressions have enormous impact on a customer's ultimate experience.

This attitude of managing the entire customer experience permeates the Disney business model. It informs every decision from DVD sales to merchandising, but nothing epitomizes their attitude toward customer experience like their theme parks around the world.

Whether designing a new park, a new ride, a new restaurant, a new hotel, or even a new retail store, the Disney "Imagineers" have two missions, one spoken and one unspoken. The spoken mission is to deliver "Awesome Arrivals and Fond Farewells." An *Awesome Arrival* manages a guest's expectation and influences their mood. As Doug and I drove through the uncluttered greenbelt

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surrounding WDW, our anticipation grew. We became focused on having fun. We knew we were going to have fun.

Our anticipation grew when we parked and realized we still had a ways to go. It grew more as we boarded the Monorail and bulleted through center of the futuristic Contemporary Resort, catching a quick glimpse of the 90-foot, floor-to-ceiling ceramic mural. We knocked over slower children and strollers as we ran to the front entrance.

I don't think either of us was aware the concrete in front of the giant flowered Mickey was painted red, as a red carpet welcome to the Magic Kingdom. And we were probably too excited to realize the dark tunnel plastered with posters served as a sort of "coming attractions."

Out from the dark tunnel Main Street exploded with light and color! It was exactly like the first time I walked through the tunnel at Comiskey Park, blown away by the stunning green grass and the enormity of a major league baseball park.

How could all this NOT put us in the best mood for Disney World fun? Have you noticed that when you go into an experience expecting fun, you usually have fun? And when you go into an experience with dread, expecting a bad time...well, bad is what you usually get.

Disney brilliantly manages the entire experience. We arrive to an *Awesome Arrival*. We walk down the RIGHT side of Main Street where all the shops are designed to enhance your arrival and create expectation. These shops sell simple things like snacks, hats, sun screen and cameras. These are things you may have forgotten and none of it is too big to carry during your day.

The *Fond Farewell* is the other side of Main Street. As you leave, you can buy souvenirs, clothing, jewelry, golf apparel, logoed dinnerware and Mickey's Moonshine (ok, I made that up). All these are designed to enhance the memory of your day in the Magic Kingdom...and make you want to come back.

But the spoken mission is only half of the grand design. The "unspoken" is actually greater.

Customers are not called customers. They're Guests. Employees are Cast Members. The rides are a blast, but for many the wait in line is just as entertaining. That delicious aroma emanating from the Bakery? It's artificial -- pumped outside through a vent over the door. There aren't even any ovens in the Bakery. Have you ever seen a Frontierland cast member walk through

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Tomorrowland? Nope, you haven't. And you won't; it would be incongruent to allow any mixed messages. The underground Utilidor is a tunnel system connecting the Magic Kingdom. It allows cast members to appear and disappear through innocuous doorways.

There's a reason why Disney is so often used as a great business example. They get Rule #3 of the Old Rules of Business That Still Matter:

### **RULE #3**

### **EVERYTHING WALKS THE TALK.**

Disney is different from other theme parks because of diligent and constant work. They understand the critical importance of a first and last impression. They also understand how everything else connected to their name—their Brand—has an impact.

You say you're different from your competition, but does everything walk the talk? What does your business card look like? Is it different? Do you answer the phone the same as everyone else? What is the first impression from your company? From your "cast members?" From you? What about your literature, your website, your email signature? Are you different? As Seth Meyers would say on *Saturday Night Live*, "Really?"

Look at your company through the new eyes of prospects and customers and remember: EVERYTHING WALKS THE WALK.

## Rule #4

### **There's No Such Thing as a Squirrel Proof Bird Feeder**

I'm not sure why, but when I was young, Dad decided to put a bird feeder in our back yard. Although he enjoyed watching the birds out back, I never thought of him a bird-lover. Then again, my father was known for sometimes acting outside the bounds of sense. He was an eccentric inventor, of course.

Dad picked up a DIY kit at the local hardware store. It was a pretty simple project which—thankfully—didn't require my help: a small feeder attached to an eight-foot pole. He dug the hole near the window, so he could watch the birds while enjoying a morning coffee or evening libation. He drove the pole down, filled the feeder with seed and headed indoors to watch the bird show.

What Dad didn't think about, however, were the squirrels. The second he walked inside, a couple of little varmints scooted up the pole and gorged on birdseed. As soon as Dad saw this, he blasted through the screen door waving and yelling at the squirrels. They ran away. Dad went inside. They came back. Dad attacked with a broom. They ran away. He went inside. They came back. Dad threw things at them—rocks, his baseball cap, his shoe, our cat, 8-track tapes—whatever was nearby.

The squirrels came back every time, so Dad escalated his efforts. When he built a barrier below the feeder, they climbed around it. When he greased the pole, they jumped from the roof. I would say Dad resembled Bill Murray's Carl Spackler trying to rid Bushwood Country Club of gophers, but this was years before *Caddyshack* came out.

Dad finally stormed into the hardware store and confronted the clerk who sold him the bird feeder kit (Dad was very even tempered in that he was ALWAYS angry).

"I didn't buy this to feed the squirrels! I bought this to feed the birds! I want a squirrel-proof bird feeder!"



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The salesman looked at Dad and calmly responded, "Well, I can sell you one that's advertised as a squirrel-proof bird feeder, but the squirrels will eventually get in. There's no such thing as a squirrel-proof bird feeder. You see, you want to put up a feeder and forget about it. You want to go to work, go to sleep and go about your life without thinking about that feeder. But once you put it up, those squirrels will focus 100 percent of their attention 100 percent of the time on getting food from your feeder. And they won't rest until they succeed."

My Dad's squirrels might be a wild example, but wouldn't you love to have a target market that wanted your products/services as badly as squirrels want food? Wouldn't you love 100 percent of a customer's attention 100 percent of the time? Sure you would. We would ALL love that situation!

The answer lies in the Old Rule of Business That Still Matters #4:

### **Rule #4:**

### **Where Value is Clear, the Decision is Easy**

The problem, of course, is the shifting definition of "Value." Value is in the eye of the beholder (our target market). The trick is to somehow get in that eye! I speak on this constantly; that's why I call my blog Two Hat Marketing. We must put on the hat of our prospects and customers. We must get in their minds and see the world through their eyes.

This is much easier said than done! We see the world through our own eyes, based on our own perceptions, experiences, situations, wants and needs. Our eyes are not our prospects' eyes. Our prospects see things differently. How often—and I include myself, here—have we said, "What our prospects need to understand is...?" They don't NEED to understand anything. We do.

Where value is clear, the decision is easy. I've hammered this into my clients' heads for many years. It seems we're always searching for the answer—what is Value? There is no simple answer. We must constantly explore the definition of Value. We must be vigilant in our efforts to wear the customer's hat. We must understand THEIR world and learn their wants and needs. In this way we can deliver products, services, solutions, and experiences that have clear, meaningful, relevant, and needed value to them.

Dad's squirrels saw extreme value in his bird feeder. They would move heaven and earth to get that value. And when Dad finally tore down the feeder,

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the squirrels simply looked for another supplier. The way I see it now, the squirrels were actually my Dad's target market, not the birds.

## **Rule #5**

### **Why Spaghetti Factory Gets it & the Yard House Doesn't**

Not too long ago, my golf phenom daughter, Kelly, and I were in Palm Springs for a tournament. While there, we met my sister and her family for dinner at the Yard House restaurant. The greeter said for our party of seven the wait would be about 35 minutes. The place was crowded, so we took the Your-Table-Is-Ready buzzer and waited outside.

The 35 minutes actually went by pretty fast, but our buzzer didn't buzz. We paid little mind; the restaurant was very busy and a few more minutes weren't going to kill us.

At the 45 minute mark, I went to check on our table. The greeter chirped that our table should be ready very soon, so I went back out.

Fifteen more minutes go by. I check again. "Almost ready!"

Fifteen more minutes. And finally, after waiting 90 minutes, our buzzer lit up. We went inside and were led to our table. No apology was offered.

As counterpoint, my wife Kay, Kelly, and I recently went to the Old Spaghetti Factory nearby in Tacoma. Like the Yard House, it was really crowded.

We were told, "There's about a 30 minute wait right now." The Old Spaghetti Factory doesn't have nifty buzzers, so we slalomed through the crowd and found a place to stand in the corner.

After only fifteen minutes we hear, "Table for Kelly is ready!" Smiling at our good fortune, we walked to our table and sat.

Kay and I later talked about how nice it was not to wait the full 30 minutes. She remembered the same thing happened when we last visited the Old Spaghetti Factory. We soon realized what was going on. I've since confirmed it in conversations with friends.

The Old Spaghetti Factory KNEW our wait would be less than 30 minutes. They KNEW they could sit us sooner and, as a result, we felt BETTER about the

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wait. It put us in a BETTER mood during dinner. Was the table service great? I don't remember. Was it fast? I don't remember that, either. I only remember we were seated sooner than the quoted 30 minutes and that made me happy.

Which brings me to the Old Rule of Business that Still Matters #5:

### **Rule #5:**

### **Under Promise & Over Deliver**

This is an old concept in Louisiana. They even have their own word for it: lagniappe. Lagniappe is a custom of giving the customer a small gift beyond what's expected, like getting a 13th donut when buying a dozen (the "Bakers Dozen"). And it's easy to deliver.

Technology can be a wonderful thing, but it's also created more and more commoditization. If a product can be copied, it will be copied. Companies used to advertising on product superiority have lost that competitive edge. Now they must find a different reason to entice a customer's business.

Unfortunately, too many companies now promise big benefits that are often difficult to deliver. These companies fall into the black hole of Over-Promising & Under-Delivering.

This is not a good thing, folks.

What I didn't tell you about Kelly's and my experience at the Yard House was that we'd had a similar experience at another Yard House location during another golf tournament. Even though we liked the food and ambience, we actually expected our wait to be beyond the quoted time. If the Yard House hadn't been chosen by our relatives, we would have gone somewhere else. You see, the Yard House practiced the Over-Promise & Under-Deliver model.

It's interesting to me how businesses focus on finding that Next Big Thing that's supposed to rocket them past the competition. These Big Thing are usually difficult to implement. More often than not, they cause Bigger Problems, Bigger Headaches, and quite frankly, Unhappy Customers.

I am becoming more and more convinced that a great way to separate yourself from the competition today is not to make a Big Promise you may not be able to deliver. Look instead for the promise you can Over Deliver. Customers

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HATE being promised something and having that promise fail. They LOVE it when you make a promise and then exceed those expectations.

The best way to exceed these expectations is to consistently Under Promise & Over Deliver. Apparently, the Old Spaghetti Factory understands that.

## **Old Rule #6**

### **Remember the United Airlines Commercial?**

Of course, I'm not the only expert here. These rules, originally posted to my blog, [www.twohatmarketing.com](http://www.twohatmarketing.com), saw an awesome response. Lots of clicks and comments. With such a large pool of knowledge, I sent out a call for suggestions, "what are some other old rules of business?" My BFFs—that's you, readers—came out in spades with some great suggestions.

BFF Dr. Goerge Melnykovich said, "Always hand write thank you notes and put a real postage stamp on the envelope."

BFF Kathleen Shchmatz wrote, "A significant mentor of mine, Tom B. Babcox, an entrepreneurial business publisher, told me to 'take the time to write a short letter. What he meant was taking a long breath before writing an angry letter, to ensure a sincere and literate reply."

BFF Mark Winterbottom shared, "...adapt the face to face courtesy of old to the digital age. Start e-mails with, 'thank you for your enquiry,' or 'I hope you are well.' Finish e-mails with, 'if you should need any further help then please feel free to contact anyone of our friendly office team...'"

BFF David Sims wrote, "If people don't feel better about themselves after meeting with you than they did before they met with you, you won't get them as a client."

One of BFF David Vandenburg's Founding Principles is, "The secret to SUCCESS is CONSISTENCY"

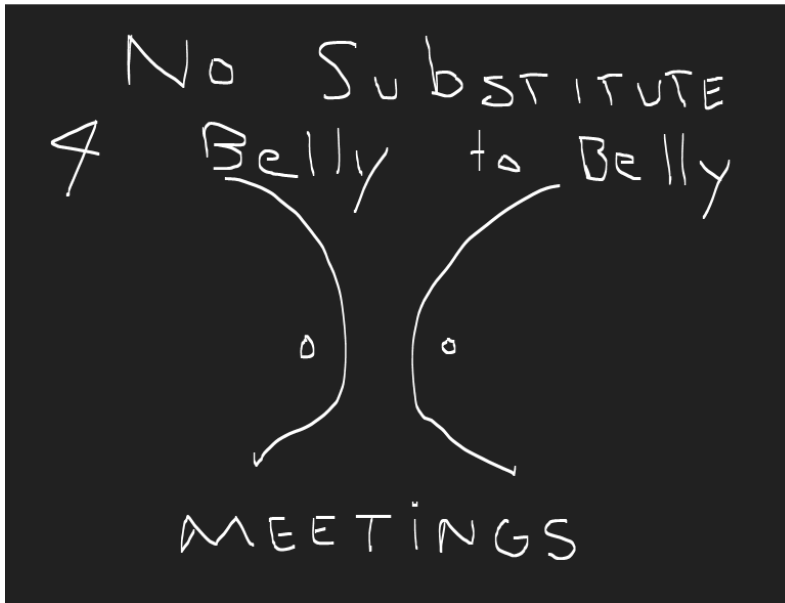
Pacific Northwest BFF Craig Weindling sent, "Open Ears. Close Mouth. Engage Brain."

BFF John Wolfe commented, "I want everyone in our store to make EVERY customer feel special and cared for, no matter how small or how large the transaction."

BFF John Turnbull sent, "You are in the business of solving people's problems."

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BFF Jeff Moormeier didn't write anything, but sent this:



Most of these comments connect back to Old Rule #1: People Do Business With People. But there's also another congruent message and that brings me to the Old Rule of Business That Still Matters #6:

### **Rule #6:**

#### **Be Brilliant at the Basics**

**Be trustworthy.**

**Do what you said you were going to do.**

**Do it when you said you were going to do it.**

**Do it right the first time.**

**Tell your customer immediately if you cannot deliver.**

**Answer the phone when it rings.**

**Don't be late.**

## **Say "Please" and "Thank You."**

Follow the advice of my BFFs above. Be brilliant at the basics and you might be surprised at how much you separate yourself from the competition.



## **Rule #7**

### **How much is an \$85 haircut worth?**

Every four weeks I pay \$85 for a haircut. \$85. I'm told that's actually a DISCOUNT off my barber's stylist's regular price.

Here's the kicker. I'm HAPPY to pay this.

I've been getting my hair cut and styled by Rick Brassfield for over 23 years. Yes, Rick is responsible for making me that bon vivant, irresistible-to-women hottie that so many men strive to be.

Rick's barbershop salon is called the Hair Lounge. To be perfectly accurate, I believe Rick started the Hair Lounge with Marv Smith and RJ Jones, but for some reason Rick takes all the credit.

Several years ago I started asking myself why I was paying so much for a haircut. I couldn't rationalize the price. So I decided to get a \$25 haircut. I did this only once, going back to Rick the next time.

Did I get a bad \$25 haircut? Not really. I received a decent cut, which for most men is more than adequate.

I went back to Rick because my going to the Hair Lounge is like Norm going to Cheers. Everybody knows my name. I walk in and hear hairdressers call out "Steve!" They look and act happy to see me, and I think they are. As soon as Rick, Marv or RJ see me, they approach with a hearty handshake and man hug. Going to the Hair Lounge is like going to therapy, I suppose. It's an hour of guy talk and decompressing. The pressures of the outside world don't exist in the Hair Lounge. I'm a happy guy.

Like I said, the \$25 haircut was okay, but nothing else happened. The hairdresser didn't ask if I'd seen the movies *Horrible Bosses* or *Thor*. She didn't tell me about her latest trip to Vegas, causing us to swap excellent "What happens in Vegas stays in Vegas" stories. (The Vegas stories are all RICK, I assure you, Kay!)

So what am I actually paying \$85 for? Certainly, Rick is a world-class hair stylist. I suspect he keeps me as a client more for pure comic relief. I don't think I've ever even seen Rick cut another guy's hair. The appointments before and

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after me are usually amazingly beautiful women. He reminds of Warren Beatty in Shampoo (now I'm REALLY showing my age).

It's pretty clear why I'm paying. It's Old Rule #7 of Business That Still Matters:

### **Rule#7:**

### **A Richly Imprinted EXPERIENCE Wants to be Repeated.**

Much like previous Old Rules, the crux of this rule is that a sale is not solely about the product. I'm not going to Rick for an \$85 haircut; I'm going for getaway time. I'm going because I can zone out from my pressure-packed world and get my blood pressure down for an hour. I'm going for an \$85 Experience.

This is a huge deal for businesses today. The actual product or service has less and less to do with the customer's perception of value and their continued business. It has everything to do with the experience around the product/service.

In reality, Space Mountain, Big Thunder Mountain and the Matterhorn at Disney World are just roller coasters. They're not even world-class roller coasters, really. But each is wrapped in a memorable must-be-repeated experience that transcends a simple ride to create an event.

Experiences are based on the intangible deliverables. Intangible deliverables are usually difficult to copy. As I shared in the previous Old Rules, "Everything Walks the Talk," and "Be Brilliant at the Basics," paying attention to intangibles greatly impacts customer experience. This special attention might be the only necessity in creating what I call Uncopyable Superiority.

Having products and deliverables that are superior to the competition are often short-lived (does anybody remember which hotel put irons and boards in the rooms FIRST?). We don't want to be easy to copy. We want to be uncopyable.

For me, my experience with Rick and the rest of the zany cast at the Hair Lounge is great. I'll also say that my experience is uncopyable. It looks like I'm stuck with that \$85 haircuts hair styling.

And I'm happy to pay it.

## **Rule #8**

### **I Hate Pushy Salespeople & Marketers**

We're ALL trying to grow our business. We're ALL looking for ways to generate new prospects and customers. We use email, phone calls, direct mail, skywriting, phone hacking and flags in dog poop.

And yet we ALL hate salespeople.

Salespeople are pushy. Salespeople are annoying. Salespeople can't be trusted. Salespeople care more about our money than us as people.

Rationally, we know these statements don't apply to all salespeople. Most would agree salespeople are generally kind and considerate.

But we've all had isolated experiences with pushy, annoying and untrustworthy salespeople. Those bad apples impact our feelings about the whole bushel of salespeople.

WE aren't like that, are we? We don't do those things that could be construed as pushy or annoying or untrustworthy, right?

Right?

We've all heard the phrase, "Find a need and fill it." We identify a target market that can use our product or service. Translation: "They NEED us." We develop a marketing and sales plan designed to contact these people and sell them our stuff, thinking they clearly NEED us.

That phrase is BOGUS.

I often get emails from one particular company telling me I need SEO to rank higher on Google. I told them long ago I didn't want their help, but they keep emailing me. I'm sure they practice the "Buy or Die" strategy: hounding me until I finally buy from them or I finally die. They think I need them.

This "Push Marketing" mentality is common in all industries. We push our message to prospects over and over, hoping they will eventually buy from us. We think our market needs us.

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We hate salespeople because they keep trying sell us something they think we need. I don't think I need SEO help, so I'd prefer the SEO company leave me alone. They've done nothing to get on my good side. They haven't educated me why a small, two-person office even needs SEO help. They haven't shared information how SEO has profitably grown similar businesses. This company only cares about the sale. As a result, I view them as pushy, annoying and by transference, untrustworthy.

What if I changed my mind, though? What if I learned about the power of SEO? What if I shared a beer with a BFF and she told me of her 300 percent sales increase from an SEO campaign?

If that case, I might decide I need help with SEO. I might decide to find help. But will I contact that pushy, annoying and untrustworthy company? No chance. I'd instead contact the company my friend uses.

What if my annoying pest had used a different tactic? What if they'd asked to send me a free whitepaper about the power of SEO? What if they'd requested permission to send an occasional newsletter highlighting case studies with tips for maximizing site traffic?

In this case, when that lightning bolt struck to make me say, "Hey, I NEED help with SEO!" ... would I have thought about contacting that company?

Yes, I would. My positive impression of that company and my newfound need would lead me to do business with them.

Which brings me to the Old Rule of Business That Still Matters #8:

### **Rule #8:**

## **The Purpose of Marketing is to be on the Mind of the Prospect When the Prospect is Ready to Buy**

(and by extension, be viewed as a *Welcome Guest, Not an Annoying Pest*)

Do you practice "Buy or Die?" Have you identified a target market and bull rushed with push-marketing communications, hoping they will eventually cave? Or, are you building relationships BEFORE they become customers?

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It doesn't matter if YOU think I have a need for your product. It only matters if I think I do. When I do have need, will I think of you first? Second? Will I think of you AT ALL?

## **Rule #9**

### **I've Never Cashed a Check on Awareness**

Quick, write down all the automobile brands you're aware of. I'll wait.

Done? Now cross off every brand you've ever owned. How many are left? Probably quite a few.

Now cross off all those cars you MIGHT consider purchasing in the future. How many are left? The answer is still quite a few.

Awareness is a very wishy-washy affair. You could argue building awareness is a critical step towards generating sales and you would be right...sort of.

Unfortunately, there is a hitch in the giddy-up with this perception. For most companies it's difficult—bordering on impossible—to prove a solid connection between awareness and sales.

Companies spend big bucks on full-page ads in their industry's big trade pub. They know the average reader has \$25,000,000 in annual spending authority with an average of 2.3 pass alongs. They heavily invest in growing Followers, building "Like" campaigns, and producing "Will It Blend" copycats. They buy a 10,000 square-foot exhibit at the annual trade show. If they've got a few million bucks laying around, they blast out a Super Bowl ad. All these build awareness.

Trade pubs? With magazines readership declining, the spin now is "controlled circulation." One industry wag said, "Circulation is not a major factor. It's the efficiency of the circulation that counts - advertisers reaching their target audience." To which I ask, "Say what?"

Social media? Your company may have 50,000 Twitter Followers, 6,000 Facebook Fans, and 100,000 views on YouTube, but how has that translated into new revenues?

Trade shows? You build a spectacular display for the big National Widget Show at McCormick Place. You design a custom die-cut, four-color preshow promotion. You fly in 150 staffers. Your budget is busted. I ask what your goal is. You respond, "We want huge traffic!"

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These are all-too-common examples of using media to build awareness. When you ask how many proven new sales came from that trade-pub ad, from Facebook, from Twitter or from that trade show and you get a lot of blank faces.

Most marketers confuse awareness with persuasion. These words are not synonyms. Awareness is getting someone to know who you are. That's it. Studies have proven over and over (and over), connecting awareness to revenues is darn near impossible.

The difficulty of correlating awareness and revenue is so great, marketers have invented a myriad of methods to "prove" value.

We can measure "impressions." We can measure badges scanned. We can measure email opens and click-throughs. We can track sub-domains. We can count how many sat through a demonstration. We can track engagement through clicks and comments. We can use Google Analytics.

Too many of these "measurement" methods are worthless. The statistics don't connect to provable results.

The way to separate effective from ineffective methods is to ask if it measures Awareness or Persuasion. Awareness measures whether our target market is conscious of us. That's ambiguous.

Persuasion measures the correlation between our actions and the discrete steps leading to a customer's purchase. A prospect letting you scan their badge and then walking away is Awareness. Handing a prospect your business card and saying, "Call me on Tuesday at 10:00, so we can set up an appointment." is Persuasion.

Which leads me to Old Rule #9 of Business that Still Matters:

### **Rule #9:**

### **Focus on Persuasion, Not Awareness**

By the way, if you produce an ad for the Super Bowl, well...that's just God's way of saying you have way too much money.

## **Rule #10**

### **Don't Start Believing Your Press Releases**

Most of you probably remember the Cabbage Patch Kid craze. For the 1983 Christmas Season (this was before we started using the politically correct "Holiday Season"), the Cabbage Patch Kids were the hottest toy under the tree.

For you fresh-faced whippersnappers too young to remember, Cabbage Patch Kids (CPK) were 16-inch tall plush-and-plastic dolls (complete with "birth certificates!"). The brainchild of a guy named Xavier Roberts, he sold distribution rights to Coleco Toys (you can read the full story on Wikipedia).

To say the Cabbage Patch Kids were "a little hot" that Christmas would be like saying Kim Kardashian has had "minor cosmetic surgery." Riots and fist fights erupted in toy stores across the country over the hard-to-find dolls. The Cabbage Patch Kids taught Elmo everything he knows about managed scarcity.

While the Cabbage Patch Kids dominated the girls' side of Santa's deliveries, I was personally involved in one of the hottest selling toys on the boys' side. I worked for a small Japanese manufacturer named Shinsei Corporation, manufacturing radio control (RC) toys. In a brilliant move, we licensed the rights to manufacture a 1/8 scale replica of the top-selling Honda 250 3-wheel ATC (All Terrain Cycle), naming it the Dust Runner.

Unlike most low-cost RC toys (under \$100) at the time, the Dust Runner was rugged and well-built. It was fast, popped wheelies, cornered on a dime, could go off-road and took a serious beating. Demonstrating it to prospects, I would grab the Dust Runner by its antenna and chuck it across the pavement. Then I'd hit the gas and off it went. We created a new category for the stale RC toy industry. Kids and dads loved it and the Dust Runner became a giant seller.

All of a sudden, this 31-year-old was recognized as a toy industry wunderkind. I was on the cover of trade magazines, touted for my foresight and lauded for "knowing" what boys wanted. Oh yes, I was a smart cookie.



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Clearly, I had the Midas Touch. Looking for the next smash hit, I discovered another type of RC toy never manufactured before - a radio-controlled ball. That's right, a BALL. It was about ten inches in diameter with no external antenna. Watching this ball roll over the parking lot made it seem the ball had a mind of its own.

I KNEW I had my next Dust Runner. I ordered my new "GoBall" into production with new, expensive die-cut packaging, confident it would beat the success of our Dust Runner. I was so smart, I didn't need to take a prototype to Toys-R-Us, K-Mart and Montgomery Ward.

It bombed.

My "can't miss" GoBall sold worse than the Zune and Tinkles the Toilet Cat. More boys probably bought Cabbage Patch Kid dolls the next year than bought my brilliant product.

The GoBall failed for many reasons. Most of all, though, it failed due to my blind arrogance. One big hit convinced me I had the magic touch. In other words, I broke the tenth Old Rule of Business that Still Matters:

### **Rule #10:**

### **Don't Start Believing Your Press Releases**

More recent examples of this include Netflix's head-shaking (and very brief) decision to split their mail-order and net-streaming movie service into separate companies. CEO Reed Hastings quick retraction and bizarre non-apology made us wonder if he's blind to how he damaged his brand. Bank of America's addition (and eventual subtraction) of a \$5 monthly charge for debit cards, announced around the same time, smacked of the same arrogance.

These examples served to remind me of my own GoBall debacle. My unwarranted conceit taught me a lesson I'll never forget and—I hope—never repeat. It's okay to pat yourself on the back and develop self-confidence. It's not okay to convince yourself that you're smarter than everybody else, especially your customers.

None of us are that good.

## **Rule #11**

### **He Who Cares The Most Wins**

Not too long ago, I gave a speech to a group of auto repair shop owners. Beforehand, I sent out a survey on my web site, [twohatmarketing.com](http://twohatmarketing.com), and received 559 responses chronicling users' auto service and repair experiences. This kind of feedback and guidance was extremely helpful in shaping my talk (so if you're one of the 559... Thanks!).

For those who didn't take the survey, my audience consisted entirely of female auto repair shop owners. Obviously, women are a minority in the aftermarket automotive industry, so this was a unique bunch. I had a blast. Women are ALWAYS a great audience.

In my survey, I asked where users got their cars serviced and how they selected that service center. 53.7 percent of respondents said they go to an independent auto repair shop. I asked these patrons of independent auto shops how they found their shop and exactly 80 percent reported they were REFERRED by a friend or peer. I followed up with one open-ended question: WHY do you keep going to this shop?

There 229 responses carried a common theme:

- We have established a good working/professional relationship with this local shop owner.
- I am much more likely to meet the owner before I need a repair.
- Know the Service Writer personally.
- They make me feel comfortable. They also do not try to sell me stuff I don't need.
- They proved they weren't just trying to run up the bill. I trust they're just interested in keeping my car in good shape.
- Owned by local family in business for over 50 years. A reputation for being completely honest and reliable.

My wife and I have had a similar experience servicing our VW Super Beetle Turbo (our motto: You'll run out of guts before you run out of car!) My best buddy referred us to European Auto Repair, so we took the Bug there for some brake

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work. Paul (the shop owner) was outstanding. He's not yet 30, but he's already built a thriving business. He understands European cars and how to take care of customers. If we have a problem, my wife Kay calls Paul.

Read Paul's reviews on Google Maps (enter "European Auto Clinic loc: Federal Way, WA" in the search) and you'll see comments mirroring those in my survey. Paul must get much of his business from referrals. So what's his secret?

I think Paul cares—truly cares—about his customers.

This is no small thing. It amazes me that Paul gets it at such a young age. In my not-so-humble opinion, most companies—even older, established companies—don't. Paul shows integrity by not taking advantage of customers...by helping customers save money...by showing customers how to fix a problem themselves rather than pay him to do it...by getting scheduling my wife ASAP rather than making her wait days for an appointment...by learning more about us every time we are there...and by asking about what we'd shared in previous visits ("how's Kelly doing at Portland State?").

Does your cable company care about you? How about your wireless company? Credit cards? Bank? Insurance company? Drug store? Department store? Gas station? Car dealership? Some might, but most likely, most don't.

When I say "care about me," it goes beyond simple trust. Trust is relying on somebody to keep their word and do the right thing. A supplier can develop a trusting relationship with me, but that doesn't mean they care about me.

Care is being concerned about me. Care is looking out for me and my best interests. Care leads to action not because it's the right thing to do, but from a desire to better my life. A client who cares almost makes you feel that if you had the flu, they would bring chicken soup. And maybe some would.

Am I getting all touchy-feely, kumbaya here? Well...maybe. But I don't even LIKE Joan Baez or Pete Seeger.

I am coming full circle. In my first Old Rule of Business That Still Matters, I reminded, "People don't do business with businesses. People do business with people." And this final rule adds one more line: People want to do business with and want to tell their friends about people who care. Which brings us to the Old Rule of Business That Still Matters #11:

## **Rule #11:**

### **He Who Cares The Most Wins**

Do you care about your customers? Do you know their kids' names and ages? Do you know if your customers sing in the Sunday choir or if they're leaving for China to adopt a baby girl? Do you know that your customer was in the Navy and always dreamed of building a school in Kenya?

Does true care require you know these things? Probably not, but caring about people leads you to naturally learn about them. And they, in turn, learn things about you. You become friends. Maybe not I-can-call-them-to-get-me-out-of-a-Mexican-jail friends, but friends nonetheless.

Of course, I don't WANT to be friends with my cable company or credit card company. I just want to trust them. (HA! That's not going to happen!)

But you aren't the cable company, are you?

## ABOUT STEVE MILLER



Steve Miller calls himself Kelly's Dad. That's who he *is*. What he does is grow businesses by teaching and guiding them to success through *Uncopyable Superiority*.

[Meetings & Conventions Magazine](#) calls him an "Idea Man."

He's an author, a professional speaker, and business advisor, known for his edgy, no-spin-zone style (be sure to read his [Rules](#)). He's the son of the inventor of the 8-track, played on the PGA Tour, worked in the copper mines of Arizona, and even worked in Hollywood (all of which means he can't hold a job). Through speeches (both live and online)

and consulting, he delivers growth and success for [corporations and associations](#).

Since founding The Adventure LLC in 1984, Steve's consulting clients have ranged from solo entrepreneurs to Fortune 100 mega-corporations. Steve has presented over *1400 speeches and workshops* for corporations and associations in *123 different industries*, most states in the U.S., and several international destinations. He's even spoken in Canada. He has spoken at the prestigious [TED Conference](#), and featured on MSNBC.

His marketing blog, [Two Hat Marketing](#), has been listed as one the top marketing blogs by AdAge Power 150. Besides his six books, he has written for, and been featured in, over 250 publications, including *Fast Company*, *Business Week*, *Fortune*, *the Wall Street Journal*, *the Washington Post*, *Sales & Marketing Management*, and *Highlights for Children*. (OK, he made that last one up.)

His [clients](#) are unquestionably elite, including:

- Caterpillar
- Coca Cola
- KODAK
- Starbucks
- Boeing Commercial Airplane
- Philips Electronics
- Assn of Equipment Manufacturers
- Assn for Manufacturing Technology
- International Housewares Assn
- National Assn of Home Builders
- National Assn of Broadcasters

For further information about how Steve can help your business, [please contact steve@theadventure.com](mailto:steve@theadventure.com).