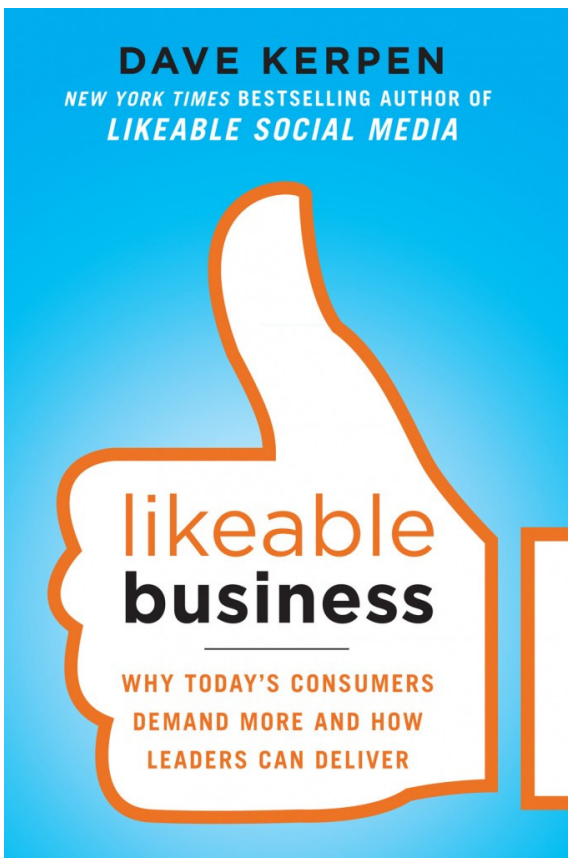




BOOK EXCERPT



Likeable Business

WHY TODAY'S CONSUMERS DEMAND MORE AND HOW LEADERS CAN DELIVER

Dave Kerpen

You can have a rock-solid business strategy, unlimited resources, and the most talented people on staff. But only one thing is guaranteed in today's hyperconnected society: If your business isn't likeable, it will fail.

Likeable Business lays out 11 strategies for organizations of all sizes to spur growth, profits, and overall success.

Learn more about Dave and his book:
<http://likeablebook.com/likeable-business/>

Chapter 1

Listening

One Mouth, Two Ears, Many Opportunities

When people talk, listen completely. Most people never listen.

—Ernest Hemingway

I finally decided to take my own advice and shut up and listen. For five years I'd been leading a company in social media marketing, preaching about the value of listening using social media. I had written *Likeable Social Media*, which featured “Listen First and Never Stop Listening” as the title of Chapter 1. I had spoken to thousands of people at live events about the virtues of listening to customers and colleagues. Yet I suffered from the same syndrome as many leaders: I have a lot of ideas, and I liked to share them. That meant talking, which, unfortunately, by definition, meant not listening. I wanted to better understand how my team could work without me. I wanted to begin practicing what I preached. So I shut up and conducted an hour-long management team meeting without saying a word.

At first, people were shocked. They weren't sure what to say. They asked me a few questions, to which I just shook my head to silently say, “I'm just listening today. Carry on.” What followed was amazing: Managers rose to the challenge and led without me. People shared their own ideas—some of which I didn't like, but others I absolutely loved. A few people remained silent, which was okay, but people who probably wouldn't have spoken in the meeting

spoke, and others spoke more—they had the time to, because I wasn't talking. My listening was a gift in that it gave others the chance to be heard. Of course, it was also invaluable to me, as I gained insight into people's thinking and problem-solving skills, ideas and wishes, even strengths and weaknesses. All from one hour of shutting up and listening.

Practice makes perfect, and months later, I now have a lot of practice listening, but I'm still far from perfect. I'll always be a bit of a crazy-idea-guy entrepreneur, and I think I may always struggle with the listening-versus-talking challenge. But the more I listen, the more I learn.

What Is Listening, in a Business Sense?

Merriam-Webster defines listening as “hearing something with thoughtful attention: giving consideration.” Listening is clearly more than just hearing. It is the act of consciously paying attention to someone else, with an attempt to understand, to consider. It is the process of thinking about what is important to someone else rather than what may be important to you. It is the act, at any given moment, of caring more about what someone else has to say than anything else in the world. Listening is hard—a lot harder than you might think. There is also ample evidence that listening is more difficult for men than for women.¹ Think about how challenging it is for some of us to shut up and listen while dating and in relationships. So half of us are off to a challenging start.

Why Is Listening So Difficult for Leaders, Yet So Important?

Leaders, businesspeople, and entrepreneurs are full of ideas. Many of you have ideas all day long every day about how to make the world a better place, make money, and solve problems. The

very nature of active listening requires us to put aside our ideas completely, if only for a moment, in order to focus on what someone else has to say.

As difficult as that can be, it's through listening to customers, prospective customers, colleagues, employees, and others that we can better understand what their needs and motivations are—and ultimately make our ideas better and more executable. It's leaders like you who need to learn to listen better, even more so than the world's followers.

When I first started out, as a salesperson for Radio Disney at the age of 22, I was young and foolish (well, even younger and more foolish than I am today). I thought that I had a great product to sell and that people would love to listen to me talk about it. I thought that I could be charming and persuasive and convince decision makers why it made sense to use my product to solve their marketing problems.

I thought wrong. I was failing miserably, despite what I considered my charm and persuasion. A few weeks into the job, my mentor, Peggy Iafrate, said to me, “How well are you listening to what your prospects have to say? How many questions are you asking them to better understand them? How are you showing them that you care about them more than you care about selling to them?”

I hadn't been doing a very good job of listening. In fact, by my very nature, I'm one of the people I described above: full of thoughts, running a mile a minute, an impatient New York male who always has something to say and never slows down. So it took some real dedication and practice to listen to what Peggy told me about listening and heed her advice.

I began asking my prospects more questions. Listening to their problems, listening to their interests, listening to their every word became my obsession. I thought very little about how

to sell them on advertising with Radio Disney and instead focused on listening attentively to everything they had to say so that I could better understand them as people and better understand their organizational needs and challenges. Once I understood them, I could do a much better job of delivering what they wanted and needed, both in the product I was selling and in the way I sold it.

Things quickly started to fall into place once I started listening. Within six months, I was the number one local salesperson in the country, and a year later Peggy awarded me the Mickey Award for sales success. All for shutting up and listening.

Netflix Screws Up, but Listens

Netflix executives made a series of very unpopular decisions during the summer of 2011. They began with a price hike for all their services, and then they announced that Netflix services would be splitting in two: DVD rentals and streaming services would each get their own account information, billing information, passwords, and queues. To top it off, the DVD mailing service would be featured on a new site call Qwikster. Netflix customers were outraged. They took to Facebook, Twitter, and message boards, sharing their anger and dissatisfaction. Not long after the announcement was made, Netflix CEO Reed Hastings made a surprising move: instead of forging ahead with his unpopular decision, Hastings posted a short blog post on the Netflix website, stating the following: “It is clear that for many of our members two websites would make things more difficult, so we are going to keep Netflix as one place to go for streaming and DVDs. This means no change: one website, one account, one password . . . in other words, no Qwikster. While the July price change was necessary, we are now done with price changes.”ⁱⁱ

Hastings could have hidden himself away, buried his head in the sand, and refused to change the policy. After all, businesses becoming arrogant about their products is nothing new. All too often, businesses will take a bad idea and run with it—only to have to come back later and pick up the pieces. But Hastings decided to cut his losses rather than draw them out. He admitted that the idea was a bad one and moved forward. In short, Hastings chose to listen and to be honest. Not only was his decision refreshing, but it proved to be the best plan for his business in the long run: after losing 800,000 after announcing Qwikster, Netflix gained a net 610,000 customers in the fourth quarter of 2011. The lesson is simple: when you don’t listen to your customers, you seriously risk losing them.

Listening Builds Relationships

I went on enough first dates in my twenties to learn about how listening can make or break relationships. A first date is very similar to a first business interaction with a prospect, potential partner, or colleague: both parties size each other up, trying to quickly determine if there's chemistry. The better you listen in that first interaction (and in every subsequent interaction, for that matter), the better you can understand the other party, get to know his or her wants and needs, find common ground, and create chemistry.

When people feel listened to—in dating, in business, and in life—they open up to you, which in turn helps a real relationship form.

Listening to Prospects Versus Customers Versus Colleagues

Listening to prospects enables you to understand what problems and pain points they have so that you can solve them with your product or service. Moreover, it helps you build an initial relationship—we all know that people do business with people they know, like, and trust, and listening is essential in building up likeability and trust. Listening to customers helps you continue that relationship, but it also helps you understand how you can deliver more to them and what changes you may need to make to your products and services. Listening to colleagues and employees allows you to build the culture of your organization, make it better, understand what holes need to be filled, and help everyone on the team feel important.

Build-A-Bear Listens to Everyone—Even Kids

Maxine Clark, founder and CEO of Build-A-Bear Workshop, is an avid listener. Clark firmly believes in the business value of listening to her customers because, at the end of the day, their opinions are what drive sales. Since the early days of Build-A-Bear, Clark has had an advisory board made up entirely of kids. The members of the Cub Advisory Board, as it's called, are always willing to offer up their opinions about Build-A-Bear products. Clark uses the input of her child board members and customers in general to find out where to open new stores, which products to create next, and which products to discontinue. Because she is such an avid listener, Clark has developed a keen attention to detail. For example, Build-A-Bear's teddy bear sneakers are equipped with tread bottoms for traction, and the miniature teddy bear binoculars are actually functional. Those might seem like minor details and extra expenses to us adults, but to a child, they make all the difference in the world.

Clark listens to her employees as well. She encourages her associates to try new and creative things all the time, because there's no telling whose big idea is going to pay off. When Build-A-Bear gets ready to launch a new product, Clark contacts the stores with the highest new-product-launch sales rates and asks for input and advice to relay to the rest of the team. Clark's commitment to listening is evident in her business results. Over 60 percent of Build-A-Bear customers are repeat customers who plan their visits in advance, and the 400 Build-A-Bear locations worldwide brought in over \$394 million in 2011. That's quite a price tag to put on listening.

Big brands like Build-A-Bear aren't the only companies that believe in listening. Vincent Cannariato is the CEO of Vincent Limousine, a national if boutique very-high-end ground transportation service. Vinnie told me of listening, "I listen to the input of our clients, because

they know better than me. A good manager doesn't know the answers; a good manager asks the right questions to the right people. No one can know everything. I don't expect all my managers to know everything, but I do expect them to ask the right questions to the right people, and then sit back and listen. That's where the answers lie."

The Art of Listening

Is listening in business an art, a science, or both? Richard Levychin is the managing partner of KBL, a New York City accounting firm that has worked with Fortune 500 companies, nonprofits, and small businesses. Richard leads KBL's pitches and, through the years, has developed a practice he calls "the art of listening": "Listening to someone' requires that you 'hear' what they say to you and be able to repeat it back to them if not exactly, then in a format that provides a clear understanding of what they said."

"Listening to someone" goes much deeper than that. It involves using all your senses when engaging with others. It includes the ability to read and interpret body language accurately—taking people in and feeling them internally. It requires being extremely present to people as individuals and to the environment that they have created around themselves, which includes their own culture and makeup and the culture and makeup of their business. Finally, it requires taking the information amassed from these processes, internalizing all the information, and assessing and interpreting it in a way that causes you to be able to truly read people so that you can create the relationship that you desire with them.

Richard further breaks down the art of listening into four components: research, feeling, intimacy, and mirroring.

Research means getting as much background information as possible on the person and company you'll be meeting with. This might not sound like it's related to listening, but the truth is, the more prepared you are for an interaction, the more you can practice focused listening when the interaction occurs. As you perform your research, identify potential intimacy areas, which may not play a huge role in the company's success or failure but which are central to the company's culture or personally important to the individual you're meeting with—issues such as diversity, a paperless office environment, flexible schedules for working parents, or a favorite charity the company supports.

Feeling means listening to how you feel when the person is speaking. Are you excited by the person's presentation? Suspicious of what she or he is saying to you? Uncomfortable for reasons you cannot quite put into words? Listen with your gut, keep asking questions, and keep experiencing what the person has to say.

Closely aligned with feeling, creating and maintaining intimacy is very important to the listening process. Look for common areas that you can speak about intimately and in detail—ideally, areas that are related to the business. You don't need a lot of areas, just a couple. Consider giving up intimate knowledge about yourself briefly; then sit back and continue listening as your conversation partner opens up in response. The intimate feelings that you create have to be authentic, not canned.

Finally, the act of mirroring involves showing the other party that you are truly listening, reflecting back what you're hearing not only with words but with tone and body language. Nonverbal cues may account for as much as 90 percent of any communication, and so the value of mirroring cannot be overstated.

When I asked Richard for business examples of the art of listening in action, he said, “Pretty much every client we’ve won is a result of this process. I attribute the huge success of our firm to the art of listening.”

Listen Like Children Watch Television

Dr. Gerald D. Bell, founder and CEO of Bell Leadership Institute and a professor at the University of North Carolina’s Kenan-Flagler Business School, has over 40 years of experience working with top business leaders. He has seen firsthand the impact great listening skills have. Said Bell, “When you listen to people, they feel valued, respected, happy, and productive. They feel more motivated, inspired, and eager to solve problems and produce good results.” He also notes the effects of poor listening skills. “When we don’t listen to people, they feel hurt, rejected, demeaned, disrespected, and de-motivated.” Simply put, listening skills can make or break any interaction in business (or relationships).

After conducting years of research on the most effective and least effective traits of leaders, Bell advises leaders to “listen like children watch TV.” Children sit up straight, slightly leaning into the TV. Their eyes are glued to the screen. Bell calls it the Achiever Listening position, and he recommends it as a first step in improving your listening skills.^{iv} When my daughter is watching the Disney Channel. I could be jumping up and down right in front of her and she wouldn’t notice. Can you listen as intently as my daughter watches *The Wizards of Waverly Place*?

Listening at Scale Through Social Media

Larger companies have always struggled with how to listen at scale. After all, in the past you could really listen to only one person at a time. Perhaps if you organized a focus group, you

could listen to dozens of people in one day. But with the arrival of social media, for the first time, organizations can listen to hundreds, thousands, or millions of people at once.

Your prospects and customers are on Twitter, Facebook, LinkedIn, and other social networks right now. It's your job to find them, listen to them, and then engage. If you don't believe me, take a few minutes now, go to [Twitter.com](https://twitter.com), and enter into the search bar the name of your company, product, or category. If you work for a large company, enter the name of your company and the words "I wish." If yours is a small company, enter the name of a product or what you do. For instance, if you're a dentist, enter the words "dentist" and "looking for." You'll find lots of people talking right now about you, your competitors, your products, and your services. Now, depending on your resources, you can join the conversation and keep listening and engaging with dozens, hundreds, or thousands of people each day.

IBM is an American multinational computer, technology, and IT consulting firm—the world's fourth-largest technology company and the second-most-valuable global brand. In an interview with [eMarketer.com](https://www.emarketer.com), Ed Linde II, who works on the IBM website team, described the formal steps that a company as huge as IBM has taken to listen to customers and prospects on the social web. Said Linde:

We also have a program called Listening for Leads, where we have people called "seekers" who on a voluntary basis go to particular social media sites where they listen to conversations and determine whether there's a potential sales opportunity . . . Seekers listen to and look at conversations. For example, if someone says, "I'm looking to replace my old server" or "Does anyone have any recommendations on what kind of storage device will work in this type of situation?" or "I'm about to issue an RFP; does anyone have a sample RFP I could work from?"

Those are all pretty good clues that someone's about to buy something or start the buying process. We try to identify those leads, get them to a lead development rep who is a telephone sales rep who has been trained to have a conversation with the lead to qualify and validate the opportunity. They'll qualify and validate it and then pass it to the appropriate sales resource to follow up . . . I would say Listening for Leads has been our best initiative so far. We have uncovered millions of dollars' worth of sales leads through our intelligent listening program and we've closed a lot of business and we expect to do more. That's going to be a big growth area. ^v

According to Linde, IBM has uncovered "millions of dollars' worth of sales leads" through its social listening program. It's not just listening for customers talking about IBM; it's listening for people using key phrases and words that identify them as great potential customers.

While you may not have the resources to do this level of listening, surely you can dedicate some resources to getting your share of the pie. Remember, it's not just leads you're listening for. It's potential problems or challenges with your products or services; it's customer sentiment; it's customer questions; it's what people are saying about your competition. Depending on how big your company or brand is, there is a virtually limitless number of conversations and topics that you can tap into.

What Happens When You Don't Listen?

What happens if you don't listen carefully? Your competitors will, and they'll scoop up your customers and prospects, even if you have a better product or service. The market will change, and you won't be paying attention. Your staff and colleagues will feel unheard and start caring

less, and your culture will suffer. No matter how amazing your product is or how great your ideas are, business is about people; and if you can't listen to people, nothing else will matter.

Blockbuster Didn't Listen

Dr. Natalie Petouhoff is a business strategist who has spent her career studying how businesses interact with their customers and employees. Petouhoff studied Blockbuster's plummet to bankruptcy to figure out the root of the problem. Her finding was simple: Blockbuster wasn't listening. "If we examine what was being said about Blockbuster in social media prior to bankruptcy, the negative conversation was around late fees," Petouhoff explained. "Clearly, there was something not working about the delivery of movies. Customers had to come in, rent the DVDs, and remember to return them on time. Or else the 'evil' late fees would consume their positivity around the brand." ^{vi}

However, Blockbuster was either not listening to its customers, unwilling to shift its business model, or both. Petouhoff created a word cloud to illustrate the social media conversation concerning Blockbuster. The larger the word appears, the more often it popped up in conversation.

Negative sentiments about Blockbuster's late fees were driving the conversation. If Blockbuster representatives had been listening to the conversation on social media, it might have been able to spot critical issues before they exploded into huge problems. Instead, competitors such as Netflix and Redbox stepped in, and Blockbuster filed for bankruptcy on September 23,

2010. This business failure could have been avoided if Blockbuster had been willing to listen to its customers.

Verne Harnish, Michael Dell, and the KPIs of Listening

I had the honor of talking with Verne Harnish, the founder of the Young Entrepreneurs' Organization (now the Entrepreneurs' Organization), the author of *Mastering the Rockefeller Habits*, and one of the great business leaders of our time. Of the 11 principles of a likeable business, he believes listening is far and away the most important. Verneshared with me the legend of Michael Dell, founder and CEO of Dell and one of the best ever, if not the best, business listeners: "All those that have ever worked with Michael Dell, and have experienced him firsthand, have said he's one of the most intense listeners you'll ever meet. He just insists upon listening over talking. I worked with a Dell country manager from the Netherlands who had a meeting with Dell. He didn't say anything at all for 45 minutes. When he finally spoke, he asked one question that simply cut through the BS."

Verne went on to tell me he's seen a direct correlation between the experience level of listeners and their ability to listen. He's even used data to prove this. As leaders mature, two specific key performance indicators (KPIs) can be used in any important meeting with a customer, supplier, or internal team. First, measure the number of minutes you spend listening compared with talking. As you mature, you'll see a rise in the ratio of minutes listening to minutes talking. Second, measure the ratio of questions you ask versus answers you give. The more questions you ask, the better you're listening.

Finally, Verne left me with a lasting analogy: Every time a leader talks rather than listens to his or her team, he or she is creating monkeys, destined to carry out orders rather than create,

innovate, and problem-solve on their own. The more you talk, the more monkeys you get on your back. The more you shut up, the fewer the monkeys.

Listening: Social Tools and Principles

[TX-FL]As your organization better embraces the tidal wave of change that social media and the new web represent, social listening will be at the epicenter of your listening activity. First, a personal pet peeve: let's strike the word "monitoring" from the social listening space. Monitoring is what the CIA and FBI do. No one wants to be monitored, but everyone wants to be listened to.

So how do you go about listening as you build a more social business? There are two categories of social listening: internal and external. Internal social listening allows for semipublic conversation among employees through a social networking platform. Two such platforms I recommend are Jive Networks for large enterprises and Yammer for smaller organizations. Both allow employees to easily communicate and collaborate with one another while allowing leaders to listen in and build a better company by using what they learn. Before committing to paid tools such as Jive and Yammer, consider using free tools. Set up a closed, private Facebook group or LinkedIn group for your employees and customers. You'll be able to listen to the conversation and learn from it.

External social listening is an immensely growing field. SocialMediaAnalysis.com lists over 300 social listening companies. Four I recommend are Radian6, Sysomos, Lithium, and Crimson Hexagon. What these companies essentially do is compile and analyze the mounds of data from Facebook, Twitter, blogs, and other social networks using any keywords you want to track. In other words, they listen for people communicating in social media about you, your

products and services, your competitors, and your industry. And for large companies, there truly are mounds of data. With over 350 million tweets per day, Twitter alone provides massive data. What you choose to do with the data is up to you—but surely you can use the information to build better products, find more customers, and improve your brand’s reputation.

If you have a small business, you can do external social listening entirely on your own through Twitter searches, Google alerts, and other free products. The bottom line is, no matter the size of your organization, going social means listening at much greater scale than you’ve listened in the past.

Action Items

1. Think about what words or expressions you should be listening for in your conversation with customers, prospects, and colleagues. Write down a list of 10 things worth listening for.
2. Write down three ways you can better listen in face-to-face conversations and three ways you can better listen using social media.
3. Research potential vendors and tools for listening at scale using social media.
4. Write down five potential pitfalls of not listening better than you do today in your business.
5. Practice active listening. Start by spending one meeting listening more than you talk; next spend a meeting talking 10 percent or less; then try to talk 10 percent or less for a full day. Take notes along the way, since you’ll be talking less!

6. Practice the art of listening with a prospect or partner: research, feelings, intimacy, and mirroring.

Shut Up and Listen

We've all been listening our entire lives, to one extent or another. Now the challenge is to focus on more and better listening in a business setting. Listen to your prospects, customers, and colleagues and truly pay attention to them all. Demonstrate empathy in your listening, and you will build real relationships over time.

If Michael Dell can go 45 minutes in a small meeting without speaking, we can all talk less and listen more to the people around us in face-to-face meetings. If IBM can generate millions of dollars' worth of business from leads generated from social media listening, then we can all benefit from listening at scale.

Shut up and listen, with all your heart. Seriously.

ⁱ <http://www.nydailynews.com/life-style/better-boss-men-women-experts-females-tops-today-economy-article-1.431291>.

ⁱⁱ <http://blog.netflix.com/2011/10/dvds-will-be-staying-at-netflixcom.html>.

^{iv} http://www.bellleadership.com/pressreleases/press_template.php?id=12.

^v <http://www.emarketer.com/blog/index.php/case-study-ibm-drives-millions-dollars-worth-sales-leads-social-media/>.

^{vi} <http://www.drnatalienews.com/blog/could-social-media-monitoring-have-saved-netflix-blockbuster-from-themselves#>.