

# Trust and honesty

Business schools teach a lot of things -- managerial economics, accounting, marketing, and retailing, among others. Nowadays, they're also trying to instill something they should have been teaching all along -- plain old fashioned honesty.

They call it "ethics," and a few of them call it "business ethics" (as if that was a something different than "regular" ethics), but they are all trying to counteract the loss of trust that has been formed by the massive business frauds of the last few years.

One telecommunications company, which will remain nameless here, was recently barred from competing for new governmental contracts -- because the company apparently engaged in -- let's use a softer term here: "unusual accounting."

I got a call from a "representative" of this company the other day. She was trying to sell me long distance service.

"I will never purchase anything from your company," I told her, like I told the person who called me from the same company some six months ago.

Why not?

Because companies who intentionally use misinformation, misrepresentation of facts, and "creative" accounting to talk with their customers, shareholders, and competitors, don't deserve anybody's business.

And it's that way with people too.

Let me ask you a question -- are you honest? Are you trustworthy? Do you tell the truth? Do you do what you say you'll do? Are you someone people can count on -- or someone they stay away from?

Trust is a big thing -- and it's big in business.

Thirty years ago, the small town where I grew up only had one bank. It was the "local bank," until it was purchased by a bank holding company from 100 miles away.

One day, a new bank came to town. This bank didn't build a new office, with brick and mortar, and a big steel safe. They banked out of a large Winnebago, which

moved among several small communities. When they came to town, they'd go over to the old bank and get their money out of a safety deposit box -- odd, but true.

The new bank never seemed to make much penetration in our little community. As I thought about it, I could see why -- their storefront, interesting though it was, didn't provoke a feeling of trust among the locals. It was sort of like banking with Greyhound. I always had the feeling they were going to drive away with my money, and never come back.

Eventually, the new bank stopped coming -- they said there wasn't enough business for two banks. A few years later, though, another bank came to town, built a location with brick and mortar, and did great business. Our little town soon became a two-bank town, as it remains today.

The newer bank understood something that the Winnebago bank didn't -- that in banking, as in life, trust is everything.

Can people trust you? Do you "stretch" the truth a little bit, to make your product sound better? Do you tell people something that you really don't believe?

When I purchased my current car, I went back to see the salesman who I had dealt with before. As part of evaluating the "trade-in," he looked at the rear tires of my car. "Looks pretty good," he said. "You must have bought new ones, huh?"

"Nope," I said. "Those are the original tires -- they've only got 56,000 miles on them."

He was astounded. "You're kidding," he said. "I've been telling people that 'these here' tires will last for 60,000 miles, but I never believed it!"

Will he get my business in the future? Probably not. He was cooking the books, and that makes me wonder what other tales he was telling me.

Of course, to tell you truth, the only reason I kept going to him was because I liked negotiating with him -- I found he would eventually give in to what I wanted.

Perhaps I shouldn't expect a car salesman to be honest -- but I do.

In one of his radio programs, Earl Nightingale once said that to companies, honesty was such a strong business advantage, that the business advantage it provided alone was enough justification to be honest.

It's all about our "trust" level. Think of yourself as an example -- would you prefer to purchase a product from an honest company, or a dishonest one? Would you

be more likely to purchase a product from a company you trust, or one you mistrust?

Let's get more personal here -- would you prefer to marry someone you can trust, or someone who is not trustworthy? Would you prefer your spouse to tell you the truth, or to lie through his/her teeth? Would they prefer the same thing, you think?

Like the Winnebago bank, trust is something that can be lost easily. It's something that takes a lot of time, effort, and energy to acquire -- and yet it can vanish in a moment, never to be found again.

For some time now, my car's oil has been changed by the local branch of a giant oil company. I drive a lot, so I'm a pretty good customer for the store. I'm not quite up to "fleet" rates, but I usually give this store about \$500 worth of business in a typical year.

They've always been a good place to go -- usually pretty fast, ordinarily quite honest.

A month ago, though, I ran into their "upsale" man, and left with a nasty taste in my mouth. For the last eight months or so, this franchise has been using an employee to try and sell you more than just an oil change. Although this technique irritates me a bit, I don't really mind; I'm usually bored to death waiting for the oil change, anyway.

This time, however, the employee irritated me. Trying to sell me on a transmission fluid flush, he told me the transmission fluid "smelled burnt."

I've heard this one before; I change the fluid on a schedule, but what he didn't know was that the fluid had been changed by the dealer two days prior.

I pointed his error out to the guy. "Well, I'd say they either cheated you or did a bad job," was his response.

Now, I'm left with a decision -- do I trust the factory-trained mechanic, who has 25 years on the job, or do I trust this nineteen-year-old, who's being paid a commission for each upsale he makes, and who wasn't the person who serviced the car (I watched).

It's obvious. I trust the professional who has **earned** my trust.

The other day, I decided to give the place one more chance. The kid wasn't on that day -- perhaps the manager got wise. The person I talked to said, without prompting, that the transmission fluid looked "very clean."

Temporarily, this place has retained my business -- but it's a good example of how one slipup can eliminate a customer.

On a personal level, one "little lie" can destroy a marriage, a job, a career, even a life. Trust is such a fragile item -- it doesn't take much to damage it.

How then do we earn the trust of others? Simple -- we do what we say we'll do. We tell the truth, even when it's difficult (except when a wife asks "Do I look fat in this dress?" -- she doesn't want to necessarily know the truth; she wants to be told that she looks nice).

If we work for honest companies, and are honest ourselves, in our business and personal lives, we will earn the trust of others.

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