

John Ruhlin: And what I found is that if you don't brand the item with your logo and you make it all about them and their family, even companies, you know, big companies, Google, whatever else, where we've sent gifts, they tend to keep them if they're personal and you're not trying to make it flashy.

(Intro Music)

Robert Glazer: Welcome to Elevate, a podcast about achievement, personal growth and pushing limits in leadership and life. I'm Robert Glazer, and I chat with world class performers who have committed to elevating their own life, pushing the limits of their capacity, and helping others do the same.

Lenox Powell: This episode was previously recorded and published as part of the Outperform Podcast

Robert Glazer: I'm Bob Glazer, I'm the founder and Managing Director of Acceleration Partners. Very excited to introduce today's guest, a friend of mine, all around great guy, John Ruhlin, the Founder and CEO of the Ruhlin Group, and the author of Giftology. Welcome John.

John Ruhlin: Hey Bob. Thanks for having me, man.

Robert Glazer: Great. We've been trying to make this happen for a while. Excited to talk to you about the subject of gifting and something that we both talk about a lot, and that's why companies need to be better and how they can get better at nurturing their referral sources and customers, which are often their best source of new leads. Before we dive in, why don't you just share a bit about your background? I know you mentioned you were one of the top sellers at Cutco knives back in the day. You can tell us a little bit about that as well and what you learned there, and what your secret was, because I know a lot of great sellers have come out of that organization.

John Ruhlin: Yeah. I grew up not on either one of the coasts. I grew up in the middle of the country on a farm doing what I didn't want to do the rest of my life. I'd milk goats every morning, so I was pretty motivated. That was the reason that drove me into Cutco. It was more out of desperation. It wasn't like this master plan of, oh I want to be an entrepreneur, so I need to go get some sales experience. It was I need to pay for school and I don't want to go into a crap load of debt. When I went in I was fortunate to be dating a girl at the time; her dad was an attorney, and he had more deal flow and referrals coming out of his ears than I'd ever seen before, and he was always giving things away.

He'd find deals on noodles and buy like a semi load of noodles and everybody at church the next Sunday would end up with 20 cases of noodles. I'd be like, "Paul, that's 20 grand, why would you do that?" He's like, "Did you see everybody smiling?" I'm like, "Well of course; why wouldn't you smile when you get a year's supply of noodles?"

So I pitched him the idea of giving away pocket knives. I thought all his clients are men, they own construction companies, and home builders, and insurance companies, they all like the outdoors; pocket knives seemed like a perfect idea. He comes back with this lightning bolt statement that changed my life forever, which was how about the paring knives, could I engrave those and give those away? I'm like "Paul, I would sell you as many paring knives as you want, but why? Why would you give grown men kitchen items?" That just seems kind of like a weird thing, especially 17 years ago. He said, "Well, the reason I have more business than I can handle and the reason my business has grown the last 30, 40 years the way that it has is I find that if you take care of the family, everything else in business seems to take care of itself." And so it was kind of my aha moment of like Paul understands relationships at a super deep level psychologically.

A lot of the books now that are coming out, like Robert Cialdini's Influence or Pre-Suasion, they talk about the inner circle, or they talk about reciprocity, but taking care of a person's inner circle is really, really powerful, and Paul understood that. So we started to, I started to teach this, and started to talk to customers about, not knives, I talked to them about referral sources and how to create reciprocity and do things differently. I'd engrave a CEO's name, his wife's name, family name on a carving set, a Cutco carving set, which is like \$200, and I'd send it with a handwritten note to a CEO of a \$200 million company saying "Carve out five minutes for me; I promise it will be worth your time."

Two weeks later I get the call from his assistant; in the meeting and I walk in at 21 and he's like 65 expecting somebody in their 50s, like a seasoned sales executive. He's like "I'm confused, are you here to sell me knives?" I'm like no, I'm here to help you and your thousand sales reps do exactly what I just did to you to your top 10,000 relationships.

He'd start laughing and be like you're really good and you're right, and I'd walk out of there with a PO for a couple thousand knife sets. By the time I was a senior in college I was [inaudible 00:04:11], sell out of about million and a half interns over the last seven years. I realized med school could get put on hold, and I realized most people suck at this gratitude thing. Everybody says relationships are their most important asset, but very few leaders follow through on that consistently with their employees and clients themselves. We've now made it 25 pro sports teams. We're still a small Midwest firm, but we've played with some of the biggest companies on the planet because even in 2017 most people suck at executing on this.

Robert Glazer:

Yeah, that's a great story. I've heard so many stories about relationships and family. One of my favorite was the guy was trying to do a deal with this jeans company with an investor, and he gave the guy a pair for his wife. He put, say it was a size eight, put a size four label and gave it to his wife to bring home. She put on the jeans and told him she absolutely loved this company and they invested in it, so it worked very well. So two things, one thing I took out of that story, define for us, for those who may not be clear what is gifting and how do

you look at it, and also it seems that embedded in that approach and how you built your whole business doing that is this sort of giver's gain kind of approach, which is sales is normally about hey here's what you can do for me. It sounds like you've been really successful doing something for someone else first and then hoping it comes back around.

John Ruhlin: Yeah. I would say the definition of a gift has been kind of misunderstood and kind of intrigued people. There's a difference between a gift and a promotion or a marketing tool. A gift by its very nature is recipient focused. Most people when they give what they think is a gift is really all about them, and it's all about their logo, and it's all about their preferences, all about their company colors. It's all about them. It's not a gift, it's like them trying to hide a gift and turn it into a marketing tool.

Robert Glazer: It's swag.

John Ruhlin: It's swag, it's promotional, it's whatever. There's a big difference. You'd never go to a wedding and engrave on the Tiffany's vase for the couple compliments of Bob Glazer and put a little AP on it. That would look really stupid. Your wife would be horrified. But in business we do that every day and we call it marketing. All we're really doing is we're spending money to really damage relationships in many cases. A lot of times people get that and they're like, really? I send you a million dollars in business and you send me a jacket with your logo on it, that's your way of thanking me? It just doesn't compute.

I think there's [inaudible 00:06:53] indicate there is a massive difference between showing real gratitude, not just feeling it but showing it, and then all the little details around the gift -- it's not just the item itself -- it's how it's personalized. Does it have a handwritten note with it? Does it -- all these little details make it resonate as a gift or as an automation. Nobody wants to be automated to, but everybody likes to have a relationship deepened.

I think that's how I differentiate it. We talk about in Giftology, that's our playbook is all of those things. As far as giver's gain, there's no question I think it's very cool right now to talk about it. Very few people actually weigh it out, like Gary Vaynerchuk talks about jab, jab, jab, right hook, which is give, give, give, and then you've earned the right to ask. And so I think a lot of times people will send out one gift and then they ask for something, and it feels like a manipulation. It feels like bait and switch.

Whereas if I send somebody like Jeffrey Gitomer who's sold five million books, he's one of the top sales authors on the planet, I sent him 18 gifts over the course of 18 months, and then I asked him, "Hey, I want to come down to your house," and after the 18th gift he finally relents and he reached back out and said yeah, I'd love to meet ya. I have no idea if we'll do business or not, but your pleasant persistence and just adding value got my attention. I've never had anybody send me 18 things in 18 months. And I earned the right to ask at that point, and he's now become a client and a huge advocate.

I think a lot of times people on the giver's gain, they keep score and they ask way too soon. We all want profit, we all want referrals, but it's way better to add so much value that the other person feels so uncomfortable that whether they give to you or they pay it forward, you don't care; you just know that it's going to come back an X or 100 X, but I think a lot of times people ruin their giving by asking prematurely.

Robert Glazer: So there's a question that's always confounded me, which I'm sure is the basis for a lot of your work, which is why is it that companies spend big commission dollars on sales teams, huge compensation systems, 10%, 20% of sale, but fail to not only gift but even acknowledge those who send them referrals and some of their most valuable business. And I'm sure this is where a lot of your coaching comes into play, but it always astounds me that people say, "Oh, I get 80% of my business from referrals," and I'll say, "Well, what do you do for those referrals?" And they'll say, "Nothing," as if it's an entitlement. Can you talk about that a little bit?

John Ruhlin: Yeah. I think that the way that most people do gifting, it doesn't have an impact, so it becomes a self-fulfilling prophecy. It's like, well we sent this gift and we didn't get a thank you note from it, and well, it's like you sent the wrong gift. You sent a fricking box of chocolates at Christmas when they already had 500 other items. No wonder it didn't register, it didn't matter. I think a lot of times people number one, they're sheep, so they look around and see what everybody else is doing, and they're like, "Well, nobody else is doing this." The time that they have given gifts it hasn't made a difference, because they sucked at it so bad. But nobody writes a note and says, "I actually thought less of you as a person when I received your Starbucks gift card."

But that's what went through their head; it just feels mean to say that and write that in the note, because that's not polite. I think that there's just a misunderstanding, and it's like anything else; most people are sheep, they're not going to do it. And I think guys in particular are making a lot of the budgetary decisions in a lot of the industries. A lot of the entrepreneurs are men, and even in their personal lives they're horrible at gifting, most of them. Just ask their spouses. And I think they feel even more uncomfortable giving gifts in a business setting, because it just feels uncomfortable in general. It's like they want to check a box and delegate it. Now, that's not everybody, but in general, most guys would not say giving great gifts is their superpower.

And so it's not even on their radar and so it's [crosstalk 00:10:59]-

Robert Glazer: It's probably their kryptonite for many of them.

John Ruhlin: Yeah, it is. I love that, because if everybody was amazing at gifts, it would just be like anything else, it'd be like dinners and rounds of golf and ballgame tickets; it'd just be part of the noise, whereas, because people are so bad at it, it opens up the door to be amazing at something that everybody is just ignoring.

Robert Glazer: One of the things that I think is interesting here is that for example, at Acceleration Partners, we do a lot of personality testing. Understand differences between team members, what they want. What I heard a lot in what you said before is a little of the, you know, treat others how they want to be treated, not how you want to be treated. It's a little bit out of like The Five Languages of Love, too where we're saying like they didn't even understand what those people really want in order to make an impact.

I've heard a lot of the best organizations at customer service but not gifting are very good at, you know, Ritz Carlton around noting preferences. You know, do you have any best practices for companies for either -- you know, we try and do this with employees, but for sort of collecting data on their customer and employee preferences and how to kind of store that and use that?

John Ruhlin: Yeah, well I think that there's different levels of gifting. We have what I call the crazy one off where you can't plan for it but you listen and pick up on ... you know, like I was just at Northwestern Mutual's event and their CEO talked about how they were, you know, their kids, all they cared about was ... they didn't care that he just went to the White House; they cared that, "Hey, I heard about Christina Aguilera, can we meet Christina Aguilera?" I'm like, "Oh, it'd be really cool to get Christina Aguilera to sign their family, like a signed thing to their family."

So you're always, and think teaching people how to have really active listening skills is super important. What I'll say is for some of our systems is that we have kind of go to items that we know that ... I can send the knives or different things like that to 1000 people, and based upon how it's personalized with the family name, the spouse's name, the way it's packaged, the handwritten note that goes with it, like I can bat pretty high percentages with the gifts like that, but it's never going to supersede where you're really listening that somebody loves or they've never ... You know like somebody that's into bourbon but they'd never buy Pappy, and so you go and track down a \$1000 bottle of Pappy for them, like, you're going to blow their mind, because they're into bourbon, they've never had it, you were listening, you sent it off to them.

Robert Glazer: But where should the company put that? Do they put that in Sales Force? Or, sort of-

John Ruhlin: Yeah.

Robert Glazer: ... yeah, okay.

John Ruhlin: Yeah, it has to go into whatever your CRM, but it has to be in the note section where it can actually be leveraged and used. I'll say that for us, one of the reasons people outsource their gifting to us is that they don't have the bandwidth to execute on actually getting the gifts out, because a lot of times people have good intentions and so they may collect the data, but then they

never do anything with it, because they're too busy chasing the next spiel and whatever else.

Storing it in your CRM where you actually are able to use it and then a matter of narrowing things down. A lot of time people like, well they have 20,000 customers. So I'm like, well, is it the 80/20 rule where like 500 of them are really producing all the results? And they're like, yeah. Well, don't try to do something for 20,000 people. Focus in on your top 20% or maybe even your top 10% or your top 5%, and go all in with those people. Most people, they divide however many relationships they have by whatever random budget that they throw at it, and it's like 20,000 people divided by \$20,000; I guess everybody's getting a dollar gift this year.

Versus saying well, we really have 200 people that are super important. What if we spent 5% of net profit back into those relationships to make sure that they not only stay but that they become raving fans and become our best salespeople. And that's how we've grown. I send out probably this year will be \$300,000 worth of gifts, and yes, it's our dog food. We have to model the best practice, but it's how we've been able to land massive clients in all these industries is because we have people out there acting as our Sales Force for us. It's not through Facebook ads.

Robert Glazer:

You know you gave a great example before of sort of waterfalling a series of 18 gifts to someone who you wanted to do business with. Let's sort of pull back the curtain and obviously we want people to buy your book and not give it all away, but let's use a practical example here. I send you a lead next week. You turn that into a \$250,000 sale. So, in your mind, what would be sort of the next steps from ... you people have a sense of best practices out there, sort of acknowledgement, how would you think about costing? Do you look at it like, well 5% of ... so how do you look at that whole process on that sort of example of I introduce you to Steve next week and in a month Steve signs a \$200,000 deal with the Ruhlin Group.

John Ruhlin:

Yeah. Well, what's interesting is I don't recommend sending a gift right after a referral. And the reason I don't is I don't want to ... that's most people's thing is they close a deal or they get a referral, and if they do a gift that's when they send it. It's our believe that you should acknowledge that referral with a really nice, thoughtful handwritten note and thank them. And then you want to give the gift based upon the relationship. If you send me \$250,000 piece of business and I send you a gift certificate to your favorite restaurant, in your mind you're thinking that was kind of nice of John to send \$250 gift certificate for our favorite restaurant, but really you just made, even on the low end, net profit on a \$250,000 deal; you probably made \$100 grand, like what a cheap SOB, like you don't even send me back like 1% of his net profit? So it becomes a tit for tat situation.

What we teach our clients is make all of your relationships that could refer you business that you know have the propensity to do so, and be proactive on it,

and send them the gift ahead of time and love on them. And guess what happens? They're more likely to refer you, because it wasn't tied; it wasn't like I had to send you this gift out of obligation. I sent you this gift because I wanted to.

So if you're already playing behind the eightball and somebody sends you a piece of business and you haven't started loving on them, I would wait. I would send the handwritten note. I would wait six months and then I'd start playing catch up and start doing something once a quarter minimum for those people. Not jelly of the month club where it feels automated, but do something significant, meaningful to them, their team, their assistant, their spouse, their kids, and I would spend ... Our rule is, our benchmark is 5% of net, so if I make \$100,000 that means I have five grand to reinvest back into that relationship. I could do more.

Robert Glazer: That's an annual, for you that's an annual budget. So that's how you look at it.

John Ruhlin: Exactly. Yeah.

Robert Glazer: Any other best practices or sort of traps that you could offer to our listeners? One I can think of is in companies that have strong anti-gifting policies, and you send something personalized, and they have to send it back in the mail. What are some sort of quick tips that you could offer?

John Ruhlin: Yeah. Well, I would say that, you know,. I mentioned the handwritten note multiple times, and if it's a situation like Walmart where you can't even take them out for a coffee or give them a pencil, like our letterhead we spent \$9.00 on our letterhead. It's a piece of steel and our business cards are metal. When somebody gets a handwritten note from us, they tend to remember it, as one, you don't get very many, and two, like when it shows up and it's on a piece of steel it freaks people out in a good way, and they'd start showing it around the office or whatever, so I would say that you don't always have to spend money to necessarily, to do it.

But if somebody can go out to dinner with you and go to a ballgame, typically you can send them a gift. I'll say our rule of thumb is whatever you'd spend on a nice round of golf or dinner or a ballgame you should be able to spend on the gift, so most I would say 80% to 90% of the gifts we do are between \$100 and \$1000. So, we can get Louis Vuitton bags and Rolexes, but that's not, like that's 1% of our business. It's giving something that's thoughtful and meaningful, but you don't want the other person to be feeling like they're being bought or that you're bribing them or feel uncomfortable. And what I found is that if you don't brand the item with your logo and you make it all about them and their family, even companies, you know, big companies, Google, whatever else, where we've sent gifts, they tend to keep them if they're personal and you're not trying to make it flashy.

So the knives work. A custom leather bag that's, you know, not Louis Vuitton, but just like a nice handmade leather bag. We've done wine tools that are handmade in Australia. Nobody feels like they're being bought when you send them like a \$200 kitchen item, but they might feel bought if you send them a \$20,000 Biseau.

I think that the timing of the gift, sometimes we'll send it to somebody's home. But most of the time we're able to send it to the office, and nobody's feeling like you're buying their \$20 million contract because you sent them a chef knife. That usually doesn't register. But we do get 1% to 2% of our gifts back. We call that that's just part of playing the game. We focus on the 98% of the people that love it, not the 2% of people that may have to give the gift back.

Robert Glazer: Yeah, that's an interesting one you mention. Like I think when someone from a business who's made a referral to other businesses, do you send them something at their office or do you send it to them in their home? Or how do you address those situations?

John Ruhlin: If I know them well enough and have their home address, I'll send it to the home, because 80% of our gifts are tied to the spouse anyway, and they're going to take it home anyway, and I want the spouse to see it and see how it's packaged and open it up and so, out of that 300 grand, 80% of it's targeted towards the inner circle, because that's where I get, I spend a dollar and I get \$100 of impact. And so if I know them or I can get their home address, that's always preference, especially if you're ... I don't recommend this, but there are some people like oh, we're only going to send it to these people at the company and you know what about the other people at the company who influenced the decision?

I tell people all the time, why would leave a few people off the list to save an extra \$500 when that account is worth half a million dollars to you? That's stupid. It's better to do nothing at all than to spend money and have a bunch of negative consequences, so I don't think people think very strategically; they think very like what's the least I can get away with. We always push our clients to say what's the most I can do here, not what's the least that I can.

But I do think that the home is always preference if possible, but it's not a deal breaker. I'd say probably only 30% of our gifts go directly to the person's house.

Robert Glazer: All right. Well, we could go on forever, but I got to ask you the last question here, and then I'll let you just share some information on how listeners can learn more about you and your business. But tell us the gifts that you sent in the last year that got the best reaction or the best feedback, either directly or on behalf of a client?

John Ruhlin: Yeah. I would say, well, we just gave one just up in Milwaukee to one of the top people at Northwestern Mutual. They're like a 25 billion dollar company. She's

executive office, and I used to make fun of mugs because I'm like, it's like the cheesiest corporate gift on the planet, and people are bragging like, oh, but ours has M&Ms in it. I'm like it's still a mug. It's the cheapest thing you could possibly buy that's so-called useful. So, somebody came to us and a long story short is they hand delivered, they drove nine hours to hand deliver these mugs to us, and what was different was these mugs, the artist found out really the core values and essence of who I was and who my wife was, and carved it into the mug. And they're like \$300 mugs and they tell our life story. And when I got it and my wife got it, we both started like tearing up. It was like one of the most thoughtful gifts on the planet.

We've started to now give that over the last year, both to our clients and our clients have hired us to do it for their clients, and even billionaires, we've seen billionaires cry or stand up in the middle of the restaurant when they are not huggers, and they'll hug the other person, like long embrace kind of hug, like saying this is the most thoughtful, meaningful gift I've ever been given. And ironically enough, it's a mug. But because it's a mug, it becomes the one mug that you use every single day, and it's an artifact of the relationship. It really represents not only your relationship but who the essence of that person is. I would say that's probably become one of our go to's, both internally and externally.

You know, \$300 isn't expensive, but it's also not crazy compared to most people's dinner budget and entertaining budget, and it's been fun to ... like yesterday when we gave the mug, the person started crying right on the spot. They were just like I can't believe how thoughtful this is. This is just mind blowing.

Robert Glazer: How many people cry when they get a marketing brochure from your company [inaudible 00:24:27]? Not many.

John Ruhlin: Not many.

Robert Glazer: John, how can people find you?

John Ruhlin: I would say one thing that they could do is go to giftologybook.com, which is where you can learn about the book, but if you go to giftologybook.com/ap, they can go download a, I call it, it's like bumper bowling. I have three daughters, and we take them bowling so they don't go in the gutter. It's the top 10 worst things to avoid giving as gifts. So if you don't want to buy the book, you can go download this for free, and it'll at least give you like, you know, here's why you don't give gift cards, and here's why you don't give food, and here's ... it's kind of like a one pager that somebody could take to their marketing team and say at least here's some parameters and boundaries.

They can go buy the book, obviously, at Amazon or on Audible or Kindle, or all that kind of stuff. But giftologybook.com/ap will give them a free download. And

then from giftologybook, you can get to Ruhlin Group which is the outsource gifting company that we own, so we can do gifting for them and then they can go to johnruhlin.com if they want to check out the blog and learn kind of our strategies and more on the consulting basis of what we do.

Robert Glazer: I was once told that you should never give your wife anything for valentine's day that plugs in. That was a good [crosstalk 00:25:49] that was on there. Like toasters and vacuums, those are all not good choices for valentine's day. [crosstalk 00:25:57]

John Ruhlin: That's good.

Robert Glazer: John, thanks. You can add that to your list. Thanks for taking the time to join us today and share your expertise on gifting. I know from my own experience at AP that gifting has helped us strengthen our relationships with many of our clients and industry partners.

So to our listeners out there, we're going to include links to John's site and book page on the show notes, along with some other helpful resources, and until next time, thanks for listening.