

## Ziglar Australia Newsletter

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**"Keep thinking right and your business will be right."**

**Zig Ziglar**

### Understanding Value

#### The Value Proposition By Louis A Coutts

There are two inescapable imperatives that determine the growth of business large and small. But they are overlooked frequently in favour of the latest snake oil and we have seen so many of them: ISO 9000; re-engineering; time and motion; vertical integration; horizontal integration; systems integration. These all have a life, some even make a positive difference, but they are not enduring.

The first imperative is that people are the recipients of products. Even if the sale is business to business, the people in the business make the decision to buy and the people in the business are those who benefit from the purchase.

Technology does not buy goods and services. People buy and, hopefully, benefit from the goods and services that they buy. It may be that some miracle of technology will befall us and alter this imperative but it is not on the radar at the moment.

The second imperative is that no matter how ill-informed a purchasing decision may be, the purchaser makes a judgement according to the formula:  $V \text{ (Value)} = B \text{ (benefits)} \div P \text{ (price)}$ . This is merely the formula for expressing the equation of value for money. People make a decision as to whether the price they pay for the benefit of the product or service will create value

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sufficient to justify the purchase.

The benefit of a bottle of Grange Hermitage is not questioned by wine connoisseurs. What they do question is whether the value they get from that benefit justifies the price.

So it is with all commerce and yet, with all the new ideas on how to make money, these two imperatives are so often overlooked. Six Sigma, systems integration and so on do not of themselves address the issue of value to the customer.

There is often a tendency for management to invoke these and other techniques as a means of cost-cutting or "efficiencies", the indirect effect of which might be to remain competitive. However, real growth is achieved by constantly evaluating both new and old process techniques in the context of whether they bring more value to the customer than the goods or services of competitors.

Car-park owners have some great ideas on how to reduce costs or increase income. Make people pay for use. This has actually happened in car parks under some supermarkets in Sydney. Great idea. But guess what? There are supermarkets that provide free two-hour parking for shoppers. Another great car-parking technique for increasing income is to impose a penalty for drivers of cars who don't put a parking ticket in their car. People forget and are fined. Usually, they don't return.

Some banks use technology to track credit card use in a way that encourages people to go over their limit and pay extended credit fees. Other banks are both more aware of the value-for-money equation and of the competitive advantage of honesty, and bend over backwards to ensure that people don't get into trouble. They pick up the business and smart-technology users have egg on their faces.

So every now and again, businesses that want to grow ought to remind themselves that people buy products and services and, in doing so, make decisions according to the tried and true value-for-money formula.

Louis A Coutts runs the Australian consulting firm Coutts & Connor [www.couttsandconnor.com.au](http://www.couttsandconnor.com.au)

Hiring

# The Top 10 Employee Selection Mistakes... And Solutions

By Lee J. Colan

Selecting the right people is a key leverage point to support and drive your company's growth. However, the pressures of a tight labor market exaggerate the mistakes managers typically make during the employee selection process.

The cost of turnover averages 40% of annual salary in hard costs only (i.e., does not include ripple costs). Although there are many things managers can do to reduce turnover, making the right selection decision is where you get your bang for your buck. You can do the math: reduce your turnover by just 10 employees with a \$40,000 average salary, and you have just dropped \$160,000 back to your bottom line.

To help you reduce your turnover and improve your bottom line, below are simple solutions to avoid common employee selection mistakes. These solutions are based on our experience and research that support the effectiveness of structured, behavioral interviews.

TOP 10 Employee Selection Mistakes:

## **10. Use only "gut feel" approach.**

Experience and intuition are important, but so are more reliable and valid ways to collect data such as testing, simulations and work samples. No one aspect of the selections process should be relied on exclusively; rather they should be weighted based on the company's values.

**SOLUTION:** Design and train on a selection process that contains various forms of data collection (qualitative and quantitative). Design your process and weigh each selection component based on your company's values.

## **9. Don't know what you are looking for.**

It is hard to find "it" when you do not know what you are looking for.

**SOLUTION:** Like most decision-making, employee selection is fundamentally emotional. Therefore, it is important to define and prioritize the Critical Success Factors (CSFs) for the job in advance. This enables clear thinking to establish a specific

position profile. Yes, it takes time, but it is effective use of time versus "shooting in the dark."

### **8. Go with the flow.**

Most interviewers do not take control of the interview.

SOLUTION: Remember, it is your interview. YOU set the process, timing, roles, pace and questioning - not the candidate.

### **7. Talk 80% and listen 20%.**

The reverse should be true. If you are not doing this, then you are selling the job too much (see #4 below) or simply being an ineffective interviewer.

SOLUTION: The interviewer should listen 80% of the time.

### **6. Take candidates at their word.**

Do not settle for vague general responses just because you want to be polite.

SOLUTION: You are on a data collection mission. Probe for specific examples and situations where the candidate has demonstrated the CSFs you are looking for. Let the candidate know at the beginning of the interview that your goal is to fully and specifically understand his/her capabilities.

### **5. Give in to work and market pressures.**

The vast majority of managers hire too quickly and fire too slowly. In a tight labor market, it is not uncommon for a hiring manager to meet the candidate only once then make an offer.

SOLUTION: Use the 3x3x3 Rule: 3 employees interview 3 candidates 3 different times. You are thinking, "All that time for one hire?" We can guarantee you that you will spend much more time than that if you make the wrong hire.

### **4. Selling the job.**

Another mistake that is exacerbated by a tight labor market. Managers want to sell the candidate on their company because they know that the candidate likely has an offer on the table from

a competing company.

SOLUTION: The effective, long-term objective is to look for a good "fit" for the job and the company, regardless of the labor market conditions. Southwest Airlines' approach is to "hire for attitude and train for skill." The financial and workforce records for Employers of Choice, like Southwest, speak for themselves.

### **3. Oblivious to the legal Do's and Don'ts.**

This may not prevent you from making the right selection decision, but it sure will increase your company's liabilities.

SOLUTION: Ignorance is no excuse. Know, train and enforce the law in your selection processes.

### **2. Questions are not purposeful.**

This comes down to lack of preparation.

SOLUTION: Once you have identified the CSFs and prioritized them, then prepare questions (and appropriate follow-up questions/probes) that will extract the necessary information from the candidate. We provide our clients 15 pages of sample questions, by topic, to help them add purpose and power to their interview questions.

### **1. Listen only to candidate's words.**

About 93% of all communication is nonverbal, so being attuned to the multitude of nonverbal cues provides an interviewer with much richer information about the candidate.

SOLUTION: Don't stop at the traditional cues: eye contact, posture, facial expressions and gestures. Consider intonation, pacing of speech, energy level, self-confidence. How did you feel after the interview? Enthused, tired, impressed? Perhaps those who work with the candidate will feel the same way.

The L Group has created simple tools to help prevent these selection mistakes. To find out more about this Ziglar partner, click [here](#). You can learn more about how these tools can put you on the road to greater profitability.

### The Best News

There are many different attitudes. Roberto de Vincenzo, a golfer from Argentina, beautifully displayed one of the best ones many years ago when he won the Masters Golf Tournament but was denied the coveted green jacket. I say he won it because he had the lowest score at the end of four days. But his playing partner who kept the score had inadvertently written that he had made a five on one of the holes when in reality he had made a four. De Vincenzo signed the card, and when an incorrect card is signed, the player is disqualified. He had not cheated, but the rules stood.

What was his reaction when he learned he was disqualified? Did he blame his playing partner? No, he said he made a stupid mistake. He accepted full responsibility himself. Now what kind of man is he?

Sometime later he won another tournament. After they gave him the check, he spent a great deal of time in the dressing room. He was in no particular hurry. When he got out to the parking lot, it was empty except for a young woman. She approached him saying she didn't have a job, her sick baby was at the point of death, and she didn't have the money to pay the hospital or the doctors. De Vincenzo signed his tournament winnings over to the young woman and went on his way.

The next week he was in a country club. One of the PGA officials told him he had been the victim of a fraud - that the young woman didn't have a baby and was not even married. De Vincenzo said, "You mean there is not a sick baby at all?" The official said, "That's right." De Vincenzo said, "You have just given me the best news I've heard all year long."

Where's your heart? What's your attitude? How would you have felt under the circumstances? Who had the greater problem - the golfer or the young woman? I think it is obvious, isn't it? How many of you think de Vincenzo really brooded the rest of his life over that woman who had beaten him out of that check? I don't think he gave it another thought. He was truly glad that there had not been an ill child. Now that takes compassion, it takes heart, but it also takes wisdom.

A heart like his, one that is honest, expects the best and holds no malice. It is developed over a lifetime. Roberto de Vincenzo at some point decided he was responsible for his circumstances in life, that he had control over how he responded to

disappointment, and that a good attitude and a trusting heart offered many more rewards than their counterparts. Make the same decision for yourself and relax into a more fulfilling life.

Message: It's not what happens to you; it's how you handle it that will determine whether you are happy or miserable.

This article is adapted from Zig Ziglar's Life Lifters. To learn more about Zig, [click here](#).

## Word of the week

### foment "foh ment"

Transitive Verb

1. To nurse to life, to incite, to instigate

He was known to foment conflicts in the office to make himself look important.

## What's happening at Ziglar Australia

New stuff...

Sales Blog! We now have a sales blog where you are able to ask sales related questions and receive answers from the Ziglar Australia team at <http://www.salestrainingzigziglar.blogspot.com/>

Do you like those Zig Ziglar quotes like "Motivation is the fuel necessary to keep the human engine running." Well you can now have them on your PC. Download the Zig Ziglar quotes tool [here](#)

The Blitz sales training is an activity-based sales training program that empowers salespeople to schedule appointments with qualified decision makers during the training, resulting in a pipeline full of new opportunities at the end of the day! [more...](#)

We are coming to **Perth** in December to run our Sales training class - the Ziglar Sales System! Contact us for details at [info@ziglar.com.au](mailto:info@ziglar.com.au)

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Thank you again for taking the time to read the Ziglar Australia News letter. If you have any feed-back (good and bad) feel free to contact me at [info@ziglar.com.au](mailto:info@ziglar.com.au)

Let us know what topics you would like to see or if you would like to contribute to the newsletter.

**Sincerely,**

Ray Schroder  
Ziglar Australia Pty Ltd

## Email Marketing

- The better way to connect with your customers or members

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Email Marketing by Constant Contact is the easy, effective, and highly affordable way to get your message out. It helps you create high-impact, professional-looking emails-fast and with no technical expertise-and build strong, successful, and lasting relationships with your customers, clients, or members.

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