

Tuesday, November 15, 2005

Showing appreciation can be a secret weapon in the business world

By Daniel Kehrer

Question: My business is just two years old. We're making progress, but it's a struggle. I know times will get better. Meanwhile, however, the mood among our small group of employees, suppliers and freelancers -- not to mention customers -- has turned negative. It's crucial I turn this around, but my cheerleading efforts aren't working. Help.

-- CHEERLEADER CHALLENGED

Answer: Sounds like your business might benefit from an infusion of "appreciation power." Quite frankly, appreciation is one of the most under-used tools in the entrepreneurial arsenal. Appreciation applied regularly and strategically with both employees and customers has the potential to totally turn a business around and propel it to new heights of growth and profitability.

Dr. Noelle Nelson, a psychologist, is one of today's leading proponents of appreciation power in business. In her work as a trial consultant, she sees the dark side -- employees suing employers, customers suing businesses and companies suing each other for an astonishing array of reasons.

Nelson said it indicates a problem too often ignored: Lack of appreciation in the workplace causes customer and employee frustration resulting in crippled performance, damaged productivity and diminished profits.

People are sometimes asked to perform tasks without guidance, offered little feedback and singled out when they make mistakes, but rarely acknowledged for good work.

"This takes a toll on even the most energetic, positive employees," Nelson says. "Business owners have to ask themselves how much they really value their employees and customers."

A big problem, however, is that many businesses don't understand what real, sincere appreciation is all about. They are quick to make "employee-of-the-month" type token gestures, but have no clue how to use appreciation as an ongoing motivator for employees and customers.

A customer might be satisfied, for example, but that does not always make them loyal, since loyalty comes from feeling appreciated. Think of appreciation as a type of energy, much like gravity or electricity, says Nelson.

You will find that it has an enormous -- and predictable -- effect on what happens in your business. "Deliberately using appreciation and valuing people in and around your business is a prime component of success," she says.

The list of benefits "appreciation power" can bring to your business is long. Employees will be more dedicated, creative, absent less and more willing to go the extra mile. Appreciated customers are not only more loyal, but will perceive more value in your product or service.

In her new book, *The Power of Appreciation in Business* (Mindlab Publishing, 2005), Nelson sets out a detailed list of ways to improve employee and customer appreciation. Here are a few keys to making it work:

1) You must be the driving force. Don't look elsewhere. It all starts with you. So, if you are not a positive, appreciative person by nature, suck it up and make some changes. You have enormous effects, so you must lead by example and continuously demonstrate appreciation.

2) Be obsessed with value. Appreciation is an active search for the value -- or what's right -- with whatever or whomever you come in contact with. As Nelson notes, when most business owners walk through the door, their immediate focus is on what's going wrong. In the process, they fail to value what's going right. Try searching for what you can value and appreciate.

3) Be sincere. You can't fake appreciation. At least not for long. It must be your underlying intention, not just words. If you pontificate for 10 minutes how you value an employee but don't mean a word, they will feel conned, not appreciated.

4) Acknowledge people. When you fail to greet employees, customers or vendors with appreciation, they feel as if they do not exist for you. A simple thing like using a person's name makes them feel valued.

5) Make it real. Nelson argues that appreciation is not a concept, but rather a way of thinking that must be expressed in action. You must demonstrate how you value your products or services, and appreciation of customers and employees in tangible ways.

Daniel Kehrer is editor and publisher of BizBest (www.bizbest.com), which provides independent ratings and analysis of nearly 2,000 small business resources in hundreds of subject categories. Kehrer, based in Pacific Palisades, also has worked as a business journalist for 25 years. E-mail questions to: dan@bizbest.com or send to Daniel Kehrer c/o *Daily Breeze*, Business section, 5215 Torrance Blvd., Torrance, CA 90503-4077.