

Carl Davidson is the founder and president of Sales & Management Solutions. This New York-based company has been offering video and live training for the water equipment industry for almost 20 years. More than 4,000 companies in seven countries use these training and consulting services. To find out more, call Davidson at 800-941-0068

About the Author



By Carl Davidson

Straight Talk About Ethics

Our industry seems racked with questions about ethics when, in my opinion, its real problems are problems of selling skills. But many market areas have seen fast-talking companies come in and turn the public against the water equipment industry. Let's take a look at the issues and the answers.

Why Our Industry?

Many people wonder why our industry is plagued with unethical operators. The fact is that it takes very little investment to get into our industry. Some industries require huge investments in machinery and facilities to get started. Ours requires only ambition. Even ethical people can be tempted to bend their ethics when faced with payments they cannot make. Our industry requires very little capital to enter and under-capitalized companies sometimes may end up doing unethical things as they have very little to lose. Until that changes, we will be plagued by our share of unethical practices. However, realize that all industries from politics to charities and religions to accountants are plagued by scandal and ethical quagmires. It seems to be part of our society that many are unethical. The good news is that the public will seek out and be loyal to companies that do business in an ethical manner. Our industry also

has many 50- and 100-year-old companies that are a testament to this.

What Is Ethical?

Is there a true standard for selling ethics, or is it one person's opinion against another? I believe there are three tests that will tell you if a selling technique or situation is ethical.

- **Is it true?** Make sure that everything you say in selling is absolutely true. Not opinion but fact. If it is true, it is not unethical. Never lie about delivery, performance or any other area of your product or company. If you don't know an answer, say so. Don't fake it. Customers hate salespeople who lie.
- **Do no harm.** The second test is to ask, "Does it harm the customer?" If what you are saying or doing may harm the customer, it is unethical. Also, remember that we owe it to our customers to place their needs over ours. For example, Bob is two months behind in his car payment. His boss told him that if he doesn't sell something tonight, he is fired. He goes out on an appointment. The customer has a broken softener that could be repaired for \$75.00. If Bob sells that client a new softener instead of telling them it can be repaired, that would be unethical, as it puts

Bob's need ahead of the client's. It is a lie of omission not to disclose the situation to the customer. It does harm to the client. No one will ever know what Bob did if he unethically sells that softener, but doing right when it hurts and when no one will know is the mark of character.

- **The newspaper test.** My mother used to say that the test of ethics is to ask yourself if you would be proud if your actions were published in a newspaper. Give your actions the newspaper test before you go ahead.

Is the Truth Unethical?

We hear a lot of talk in our industry about "scare tactics." If you follow the previously mentioned guidelines, I believe it will be clear what is and is not ethical. For example, is it unethical to tell a customer that an RO will make them live 10 years longer? Absolutely, as this is not true. Is it unethical to show them an article from the *New England Journal of Medicine* that links aluminum in the water with Alzheimer's disease? Not if it's true. Is it scary? Yes, but sometimes the truth is scary. If the client has called on us as experts to tell them the truth, we owe it to them to tell them the exact and unvarnished truth. For example, if your doctor says you have clogged arteries and need a \$150,000

operation, is that scare tactics to sell you an operation? Does he just need one more yacht payment or is he helping you? Is it scare tactics to tell you or would you rather he kept the truth to himself?

Are Selling Techniques Unethical?

Some people in our industry equate selling techniques with unethical behavior, and this is unfortunate for them, their employees and their customers. It is true that selling techniques can be used for harm but so can any tool. What if you didn't give your technicians power saws because they could be used for evil? What if you made them walk to service calls because trucks could be used to harm people? All of man's creations from sales techniques to chain saws to nuclear power can be used for good or evil. It is the person holding the tool that decides how it is used. Teaching your staff to be enthusiastic, give great presentations and help the customer make the right decision is the best way to have ethical salespeople. In my experience, it is salespeople who are desperate for money that are most likely to be unethical. Teach your staff how to sell and your company, customers and staff will benefit.

Is Enthusiasm Unethical?

Those of you who have seen me or taken my seminars know that I am

How Management Can Control Ethics

As with most things at your business, ethics is the responsibility of management. All sales people can be controlled with proper management. You should have control procedures in place as even the most ethical person can turn unethical if they have a severe money problem, emotional problem or drug problem. If you have had a problem with ethics in the past, it is not a problem with the ethics of humanity, it is a management issue.

- **It comes from the top.** It is fine to talk about ethics but your sales team will believe what you do, not what you say. If you are scrupulously ethical with customers and employees, your staff will believe you mean what you say. Make sure you are 100 percent ethical in everything you do and say.
- **Hiring ethical salespeople.** There are people who are ethical risks. We suggest you stay away from hiring them. Many water equipment dealers are so desperate

for staff, they will hire anyone who applies. This will eventually lead you to hire unethical people. If you can afford to be selective, we suggest you make a few checks before you hire.

- **Check their credit.** People who are desperate for money are more likely to be unethical to earn money. Also, bad credit can be a sign of a character weakness. People who have walked away from credit obligations may be more likely to be disloyal to you.
- **Check their police record.** You owe it to your customers to check the record of anyone you ask them to let into their homes. If you see a history of unethical or violent behavior, beware.
- **Look for home owners.** These people have made a commitment and have more to lose than others. Look for people in stable relationships—it shows commitment and ethics. Look for people with church or community involvement.

- **Clear definitions.** Write out a clear definition of what you consider to be ethical and unethical. What can they say and not say to customers? Also, write out a demo script word for word and make sure your staff sticks to it. Have them sign to show their agreement to your ethics and procedures as part of their employment agreement. Remember that each person's definition of what is and is not ethical is different. If you want your ethics to be the ones used, you have to make very clear what they are.
- **Inspection.** You get what you inspect, not what you expect. Make sure you inspect their sales presentation by attending in-home presentations at random. You may wish to tape record incoming phone calls—banks do—to make sure everything said matches company policy. Remember that if you are not inspecting for ethical violations, you are telling your staff you just don't care. You also are just waiting for a violation to occur.

very enthusiastic about products that improve the quality of water. I do not drink tap water. I believe everyone should own equipment that will make their life better, easier, safer and more enjoyable. I hope you are enthused with your company and products, too, and that you feel sorry for anyone that does not own your equipment. As long as you meet or exceed the criteria I have discussed in this article, I believe you should be as enthused as possible and

tell as many people as possible about your product and company. Don't let the unenthused wear you down. Spread the good news to customers, family, friends and anyone you come in contact with.

Is Anything You Don't Like Unethical?

Ethics is not opinion. Either something is true or it is not. Either it is in the customer's best interests or it is not. Some people try to tell us that anything they disagree with is unethical, and this simply is not true. Last week, I had a salesperson tell me that telemarketing is unethical and that it should be banned. As an American, I am a big believer in the free market

system. If telemarketing is offensive to the public, the companies that use it will not get business and will starve. The fact that it is still around means someone is making money doing it; and that means the public is supporting it by buying from telemarketers.

Try not to judge ethics based on what you like and don't like. Let's look at the tests we discussed before. Is it true? If everything said in a telemarketing call is true, then I believe it is ethical. Does it do harm? Not unless you keep calling the same person after they have asked you not to. Would you be proud to have a newspaper story saying you do telemarketing? That one you will have

to decide on your own. If you decide that telemarketing is or is not for you, be careful about how you label those who take the opposite opinion. In our industry, some companies believe telemarketing, e-mail prospecting, soap packages, asking for referrals and selling friends all are unethical. Try giving each of those the tests we discussed.

Is It Wrong to Want to Sell a Lot?

Some people have a problem with success. Some think if you are richer than them, you must have done something unethical to get that much money. The fact is that in our industry, those who do a lot of demonstrations make a lot of money. It has more to do with their work ethic than with ethics. Make sure you do not dismiss the success of others as a problem with ethics. It isn't wrong to sell a lot and make a lot if you are telling the truth and helping your customers—in fact, it is doing the right thing and enjoying success.

We Don't Need to Lie to be Successful

We are in an industry with a product so great, you don't need to lie or bend the truth to be successful. People need our products and services, you don't need to exaggerate what we can do to help them. The products you sell have tremendous benefits that can be sold without lies or exaggerations. Be proud of this fact and carefully look at your sales presentations to make sure that everything you say is true and proven. On the other hand, don't be so concerned with ethics that you throw away legitimate facts and sales techniques that assist you to help more people and make more money. It's great to be in an industry where you can sleep at night, walk down the street with your head held high and still make all the money you can dream of. **WQP**

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