



MAY 2019 REPORT » by Chad Dudley

# GIFTOLOGY

By John Ruhlin

## KEY CONCEPTS

### Foreword

Oftentimes months and even years go by before you hear from someone after grabbing coffee or lunch, but a few days after meeting with John, a package arrived at my office. I didn't recognize the company on the mailing label. I opened the package and found a beautifully wrapped gift box. Inside the box was a pair of custom-engraved pieces of Cutco cutlery, some of the finest kitchen knives in the world. And there was a handwritten card from John, thanking me for "carving out the time to meet." I was quite surprised and very impressed. It was at that moment that I became the newest member of the John Ruhlin Fan Club.

### Introduction

That statement changed my life. I suddenly realized that it wasn't about the knife. The knife was a delivery vehicle for communicating value, making somebody feel special and important—and even more so, showing that you valued his or her inner circle. I got it: make the family happy, and you make the client happy.

## PART ONE: THE POWER OF GIVING

### 1: THE GIFT IS A SYMBOL OF THE RELATIONSHIP

- "A gift opens the way and ushers the giver into the presence of the great." — Proverbs 18:16
- "Yeah, I get it," you're probably thinking. "But how does that not come off as being really manipulative and contrived—like I'm blatantly trying to 'buy your business' by giving you a gift?" It's a great question that I'll provide a simple answer to: it's pretty easy to sniff out when someone's actions are being fueled by a negative motivation—especially when it comes to gifting. Radical generosity doesn't involve your constantly reminding the recipient of the gift you gave, or holding it over his or her head. It is unconditional—which is a concept that goes hand in hand with my faith. I truly believe in loving unconditionally and in giving unconditionally, too.

- A rule of thumb is to think about what you'd pay for a dinner, round of golf, or tickets to a ball game. The only exception to this is in an extraordinary situation: if someone just gave you \$10 million worth of business, you certainly don't want to send them a \$250 Amazon gift card as a thank-you. Reciprocity need not come into play only after a deal is done. One thing I've learned repeatedly is how important it is to acknowledge people for their time, which is what most executives peg as their most valuable asset.

## 2: CREATING A FIRST CLASS EXPERIENCE

- One of my favorite sayings is: "How you do anything is how you do everything."
- Recently, my business partner and I realized that, although we treat our employees really well, we're asking them to give Ritz-Carlton treatment to our clients even though we had never taken them to the Ritz-Carlton. So, we arranged for them to spend a night at the Ritz to experience firsthand how much impact those little touches had. In turn, it provided them with tangible examples of how they can deliver that kind of feeling, experience, and finer touches to our clients. It was important for us to do this for one simple reason: it's very difficult for someone to want to deliver five-star service if they've never experienced it themselves. Plus, treating our employees well is a top priority, which is why we pay to have their houses cleaned every other week.
- Let's say I have a client with an executive assistant who is responsible for ordering the gifts we recommend for their client base. I always send the assistant the same gift he or she is ordering for others.

## 3: TOKEN THOUGHTS

- "Of the various kinds of intelligence, generosity is the first." — John Surowiecki

## 4: GIVE AND TAKE

- "The wise man does not lay up his own treasures. The more he gives to others, the more he has for his own." — Lao Tzu
- One of my favorite books I've recently read is the New York Times best seller "Give and Take: Why Helping Others Drives Our Success" by Adam Grant, a Wharton professor. In it, he categorizes people in three ways: givers, takers, and matchers. He breaks down the surprising reasons why some people are able to rise to the highest rung on the success ladder while others can't seem to get their feet off the ground. Grant talks pointedly about the fact that the highest performers tend to be givers—people who give of themselves with no strings attached. He's not saying that you should let people walk all over you, or stretch yourself so thin that you break. There are going to be people out there that my friend Don Dandapani (who also happens to be a monk living in New York City) refers to as "vampire sucks." Vampire sucks are people who suck every ounce of life out of you and never reciprocate any good deed.
- My philosophy is this: in baseball, you're a hall of famer if you can bat three out of ten. As it relates to Giftology, the seeds that fall on fertile soil will more than outweigh the seeds that don't. You don't need every gift to create a return for it to be a successful investment.

## 5: SURPRISE AND DELIGHT

- “Conquer the angry one by not getting angry; conquer the wicked by goodness; conquer the stingy by generosity, and the liar by speaking the truth.” — Gautama Buddha
- Would it shock you to know that I’m all for killing Christmas? It might seem odd, especially given my Christian faith. But here’s what I mean: I’m a firm believer that you get the best response from people when you gift them at unexpected times. The Ruhlin Group sends gifts on Valentine’s Day, Memorial Day, the Fourth of July, and Labor Day. By doing this, we cut into any sense of entitlement because the gift never becomes an expectation. It’s always a surprise, and it always makes an impact.
- I call it “planned randomness.” We lay out a plan of action with regard to our gifting, but the employee, the customer, the prospect—they don’t know what’s coming when. So when it does, they are nothing short of surprised and delighted.

## 6: THE UNTAPPED DIFFERENTIATOR

- “There is a very real relationship, both quantitatively and qualitatively, between what you contribute and what you get out of this world.” — Oscar Hammerstein II
- The Ruhlin Group sends out \$250,000 worth of gifts annually, and I don’t put my logo on a single one of them. I put their logos, their names, and their spouses’ names, but I never put mine.

## 7: IGNITING THE SPARK

- “For so many centuries, the exchange of gifts has held us together. It has made it possible to bridge the abyss where language struggles.” — Barry López
- It’s why our investment strategy is to take 5 percent of profits and reinvest them back into key relationships. If the profitability of a client is \$100,000, then we’d consider reinvesting \$5,000 back into that relationship, to help ensure that he or she is a \$100,000 client the next year.

## 8: PUT YOUR MONEY WHERE IT MATTERS

- I use the trade show as a frequent example. Very few companies we work with are able to pinpoint tangible results that come from spending thousands, if not tens of thousands, of dollars on participating in a trade show. This can be difficult—many executives are ingrained with the idea that they must have a presence at one. They mistakenly believe that being one booth in a sea of two hundred and handing out pens and Post-it notes covered with their logo is how to generate interest among their dream client base. Even when they admit to the benefits never measuring up to the cost, they still express concern over not attending. They worry about being forgotten, and think their absence will give their competitors the edge. A large part of my job is to show my clients tangible results that can occur when they redirect that money toward appreciating their clients and employees well.
- Believe me, I’ve taken people out for expensive dinners that ended with a \$1,500 bill, and outside of being thanked that night, I heard nothing about it ever again. Think about that for a minute: it can cost \$1,500 to take clients out to dinner, and they never mention it again. But

when I send someone a thoughtful, uniquely personalized gift that costs me \$200, ten years later they still thank me for it.

## 9: DON'T GET LOST IN THE SHUFFLE

- “We make a living by what we get. We make a life by what we give.” — Winston S. Churchill
- People get hit with thousands of messages a day. Don't get lost in the shuffle.

## 10: DON'T BREAK THE BANK

- Many people will say, “Well, I have one hundred people who I wanted to take care of, but I don't have any money. What am I supposed to do?” Narrow your focus: identify the one person or five people you most want to make an impression on, and give them a creative gift that's within your budget. If even that isn't financially feasible at the moment, then make the simple but effective gesture of a handwritten note to reiterate how much you appreciate them.

## 11: THE REFERRAL FACTORY

- “When you know that everything matters—that every move counts as much as any other—you will begin living a life of permanent purpose.” — Andy Andrews
- It's also how Giftology creates a “Referral Factory.” People are vouching for you—no gimmick, no catch. They believe in you so strongly that they want others to experience it for themselves.
- Do something for someone that gets him or her excited, and in turn, it will increase the odds that that person will be inspired to bring up your name in conversation. If you give someone a custom pair of golf shoes or a monogrammed bag, you're triggering a top-of-mind awareness when he or she is talking to friends or colleagues.

## 12: GETTING THEIR ATTENTION

- “Minds, nevertheless, are not conquered by arms, but by love and generosity.” — Baruch Spinoza
- What we've consistently found is that you have to shock and awe someone enough for him to say, “Wow, this person is persistent. She must have something important to say.” This is usually done with the strategic gifting of two, three, or even four items, rather than the “one and done.”

## 13: CASTING A BIG NET TO CATCH AN EVEN BIGGER FISH

- “Do not withhold good from those to whom it is due, when it is in your power to do it.” — Proverbs 3:27
- For eighteen months, they had tried everything to get a meeting with this guy—and for eighteen months the only response they got was silence. I knew we had to do something big and bold that would just blow him away, so we did some research and discovered he was a graduate of the University of Minnesota. We then hired a custom furniture company to have the Minnesota Gopher logo and fight song carved into a fifty-inch long, sixty-pound piece of cherry wood.

## 14: RETENTION AND LOYALTY

- “You make all kinds of mistakes, but as long as you are generous and true and also fierce, you cannot hurt the world or even seriously distress her.” — Winston S. Churchill
- Gifting isn’t isolated to external business. In fact, it’s integral to your internal business.
- There’s a ridiculously simple solution to this: treat your employees like gold, as if they were the most precious commodity your business could ever have.
- Tangible gifts throughout the year are a very subtle way to communicate that your employees are valued. When they feel valued, they respond accordingly in their jobs, their responsibilities, and their accountability. Apply the same mentality to your suppliers.

## PART TWO: THE RELATIONSHIP ROAD MAP

### 15: WHO TO GIVE TO?

- “Give what you have. To someone, it may be better than you dare to think.” — Henry Wadsworth Longfellow
- Who are your key stakeholders? Take a minute and think seriously about that. Who has helped you get to where you are today? Who will help you get to where you want to be tomorrow?
- Then ask yourself: Have I done everything I can to show them how important they are to me in a tangible way? One way you can do this is by keeping a generosity journal to remind yourself of the people you are grateful for. Of them, pick at least one every day that you will personally call or send a thank-you note or gift to. Get into the habit of making a relationship action plan and implementing it, not just giving lip service to an idea that will never see the light of day.

### 16: THE IMPORTANCE OF THE INNER CIRCLE

- Many people aren’t able to see how a client’s inner circle is inherently linked to their bottom line.
- Think about it. The client gets treated to the best of the best: fancy dinners, front-row seats to special events, and an endless offering of gifts. He or she flies first-class, and everyone knows his or her favorite wine is Opus 1. With everyone competing for that executive’s attention, it’s easy to forget who’s standing behind him or her—namely, significant others, kids, and assistants. This is the group that tends to be the most underappreciated—and that’s where there’s an opportunity to make some magic happen. Again, I have to thank Paul Miller for opening my eyes to the fact that, when you take care of the family, everything else seems to take care of itself. Furthermore, it’s a way to stand out and be memorable as you seek to deepen those key relationships.
- A better option is to create moments where a potential client can be a hero to his or her family. Work/life balance is extremely difficult when you’re a successful business person. When someone thinks of something classy, thoughtful, and personalized that the entire family can enjoy, everybody wins.

## 17: MAKE THEM HEROES TO THEIR KIDS

- “Generosity without delicacy, like wit without judgment, generally gives as much pain as pleasure.” — Fanny Burney
- Before I tell you the following story, always be aware that you must exercise a fair amount of caution when gifting to someone’s kids. My advice is to wait until you’ve developed a pretty strong relationship with your client before going down this road.

## PART THREE: GIFTING GUIDELINES

## 18: ARE YOU GIVING A PROMOTION OR A GIFT?

- “Generosity consists not of the sum given, but the manner in which it is bestowed.” — Gandhi
- Is it a promotion or a gift? This goes back to the idea of making sure something is personalized and not just branded. If it’s something all about them, it’s a gift. If it’s brand-focused and all about you (i.e., your colors, your logo, what you love), it’s a promotion.
- There’s great appeal to a personalized gift. It’s the “name-letter effect”—a person’s tendency to favor the letters of his or her own name over the rest of the alphabet. That’s because our brains processed our names as one of the sweetest words it will ever hear or see.
- One of the greatest gifting sins is not tailoring the gift to reflect the receiver. When you don’t, you end up with something that’s devoid of feeling, making that person feel like just one of a million, not one in a million.

## 19: IS YOUR GIFT BEST IN CLASS?

- If you’re claiming that your product or service is best in class, then your gifts should be, too. Gifftology is all about consistency: talking the talk and walking the walk. Don’t tell everyone that you’re first-class, and then send out plastic-keychain beer openers with your logo on them.
- Always ask yourself: “What can we buy that’s best in class that is within our budget?” Be honest about what you can afford. If you can spend more, don’t cut corners. Remember: it’s about figuring out the most you can do, not the least.
- \$50 world class personalized coffee mug is better than \$100 crappy watch.

## 20: IS IT TRULY UNIQUE?

- “A generous person will prosper; whoever refreshes others will be refreshed.” — Proverbs 11:25
- As a general rule, if something is available in a big-box store like Walmart or Macy’s, we’re not sourcing that item as a potential gift. The higher up the food chain you go, the more this matters. Remember: exclusive doesn’t always mean expensive. I use the term “practical luxury” because, sure, you can go the Louis Vuitton route, but it’s usually not necessary.
- One mistake I see businesses making time and time again is the desire to gift people with Apple products, simply because they know how wildly popular the brand is with consumers. Here’s the problem—very few people don’t have an iPod, iPhone, or iPad these days. When

they receive a duplicate, it's often given away. My advice is to stay away from these and similar old standbys: nuts, chocolate, food or fruit baskets, gift cards from Amazon or Starbucks, a polo shirt or pullover, and cheap luggage.

## 21: IS IT PRACTICAL?

- People appreciate gifts that don't add to the clutter, that they can use and enjoy frequently—even more so when it's an item that they wouldn't ordinarily buy for themselves. That's how you surprise and delight.

## 22: WILL IT BE VISIBLE?

- “Whoever sows generously will also reap generously.” — 2 Corinthians 9:6
- Your gift should be a conversation starter, something that by its very nature will keep you on top of someone's mind. Your best gift for ROI is something that's used daily versus only a dozen times a year.

## 23: IS IT LASTING?

- I like to keep that in mind when it comes to strategic gifting. If you choose wisely, you can often tap into someone's deep, emotional memory bank. That's what makes the difference between a lasting impression and a flash in the pan.

## 24: IS IT UNIVERSAL?

- It's why we rely so heavily on practical, everyday luxuries—leather laptop bags, toiletry bags, golfer's accessories pouches, and portfolios; over-the-ear headphones; metal canteens that can keep liquids hot or cold for twenty-four hours; or custom-fitted clothing.

## 25: DO YOU HAVE A LONG TERM PLAN?

- “Really big people are, above everything else, courteous, considerate and generous—not just to some people in some circumstances—but to everyone all the time.” — Thomas J. Watson
- This systematic approach embeds Giftology as an automatic part of your company's culture rather than as a reactionary, last-minute push for a rush order of Harry & David pears at Christmas. When you fly by the seat of your pants, there is a hundred times more risk involved: you'll end up wasting time, money, and resources to have very little impact.

## 26: DOES IT ALLOW FOR CONTINUITY?

- “Love only grows by sharing. You can only have more for yourself by giving it away to others.” — Brian Tracy
- This is especially important for your ongoing relationships, since it's unlikely you'll be sending only one gift of appreciation a year. When we plan to send out something in February, we think about what the add-on will be for May. I might purchase a \$3,000 cutlery set to send in increments: first the carving knives, then the chef's knives, and so on. By breaking it up, you



also avoid creating an uncomfortable scenario for your recipient, who might begin to wonder what you “want” in return for such an expensive gift.

## 27: WHAT WOULD THEY REALLY WANT?

- I’m telling you this story because, in business, we do the same thing. We make a gift all about us. It’s our event, our colors, our themes, our preferences, our whatever—and it has little to do with the recipient. Be thoughtful about what’s motivating you, and be honest with yourself. Giftology isn’t about stepping into the spotlight—it’s about shining the light on someone else.

## 28: HOW OFTEN SHOULD YOU GIVE?

- My simple but practical advice is to give as frequently as you can afford, keeping in mind that it’s best to give on fewer occasions but with more extraordinary gifts.
- A good rule of thumb is to send one gift every other month at the most, or even quarterly.

## 29: WHEN WOULD IT HAVE THE MOST IMPACT?

- “Many curry favor with a ruler, and everyone is the friend of one who gives gifts.” — Proverbs 19:6
- If you do find yourself sitting behind a booth at a trade show, don’t waste time and energy putting together what will be one of a thousand junky swag bags. Send that pair of custom-made, over-the-ear headphones two weeks before the event with a handwritten note from the CEO saying, “We’re looking forward to rocking it out with you in Vegas!”

## 30: HOW MUCH TO GIVE?

- But when you are able to invest money into gifting strategies, what you choose should be comparable to what it would cost for a nice dinner, great tickets to a ball game, or a round of golf at an upscale club: an amount that typically falls between \$100 to \$1,000. Essentially, your gifting budget to retain and maintain clients should always fall between 2 percent and 10 percent of your current net profits.
- I always tell my clients, “If you’re not willing to commit to three years of engaging with us, then I’m not going to guarantee any results.” You would never take a potential client out to dinner and demand their business before they’ve even opened the menu.
- It’s an ironic question because I see companies spending \$10 on a brochure that will inevitably end up in the trash can. To me, a three-dollar business card is a tremendously good investment because I know for a fact that the recipient will show it to twenty other people before he or she gets home. Plus, when I follow up with an email and write “Metal business card” in the subject line, people know exactly who I am, when we talked, and what we talked about.
- I took the same approach with our letterhead, a piece of steel that costs nine dollars each to make. We use a Sharpie to write on it. People thought we were nuts to do that, too, until they started hearing about the impact it had.



## 31: MAKE SURE YOU ARE IN GOOD HANDS

- “To do more for the world than the world does for you—that is success.” — Henry Ford
- Before you begin implementing your gifting strategy, determine whether you have the resources to train an in-house team or if you need to outsource.
- CONCLUSION
- “No act of kindness, no matter how small, is ever wasted.” — Aesop
- For the next thirty days, begin each morning by thinking about people—both personally and professionally—who are of the utmost importance to you. Think of those who have helped you get to where you are today, or who have touched your life in immeasurable ways: clients, suppliers, dealers, assistants, employees, mentors, advisors, and so on. End each day the same way: think about who had an impact on your bottom line. Who went out of his or her way to help you succeed? What’s that person’s current value? What could his or her lifetime value be? When you start thinking about what you’re grateful for, there’s a natural segue into wanting to show your appreciation via a verbal thanks, handwritten note, or maybe even your first crack at strategic gifting. Believe me, I know that the majority of you aren’t going to be able to wake up tomorrow with a \$100,000 budget that can be doled out toward gifting your top one hundred people for the next two years. What you can do, however, is take one small step every day toward that goal. By taking those small steps, you’ll start rewiring how you think about people and how you treat them. I realize that with life pulling us all in thirty different directions at any given moment, even five minutes of time is a precious commodity. What I’m asking you to do is simple, but not necessarily easy.