

## [Technology + Management Smarts]

### [Does Loyalty Still Rule?]

*Loyalty Rules*, The follow-up to Richheld's business book staple, delivers on promises

Does loyalty still rule? Ten years ago, Harvard Business School graduate Frederich Richheld's book, *The Loyalty Effect*, held our rapt attention. Could we really make more money by doing the right things for our customers, vendors – even our employees? The answer then, as now, is a resounding *YES*.

Told with Richheld's signature upbeat prose, *Loyalty Rules* continues to beat the drum of the timeless loyalty principles, supported by past and present case studies based on loyalty leaders who put the principles into practice. His mantra:

- + **Play to win/win.** Profiting at your partners' expense is a shortcut to a dead end.
- + **Be picky.** Hire employees and choose staff with a disciplined focus on your core principles.
- + **Keep it simple.** Complexity is the enemy of speed and flexibility.
- + **Reward the right results.** Ensure that the goals and compensation are in line.

- + **Listen hard, talk straight.** Long-term relationships require honest, two-way communication and learning.
- + **Preach what you practice.** Lay out your convictions for all to see to ensure you have it right.

What is more, Richheld challenges companies to move out of their comfort zone. Increase transparency. Reward loyal customers, not just new customers. Develop customer discussion forums. Keep top line management in the thick of front line problems. Build long-term relationships with employees.

“Unless leaders have built relationships based on loyalty – loyalty to something more fundamental than today's earnings or stock price – then nothing will keep partners from jumping ship the instant a better opportunity comes along.”

Richheld reminds us not to confuse profits with purpose, and to avoid the low road in order to achieve true long-term profitability. An excellent business book for any industry; it is definitely worth the price of admission. 

### About Technology + Management Smarts

*Technology + Management Smarts* is a quarterly electronic publication developed for select customers of First American Equipment Finance. First American is an equipment lessor that excels at providing simple, innovative financing solutions for complex projects that combine products and services from multiple vendors and service providers into a single equipment lease. Headquartered in New York, with offices in Chicago, Los Angeles, and Naples, Florida, First American has satisfied customers in all 50 states. Visit us at [www.faef.com](http://www.faef.com).