



Trust Is Money

Are you making deposits and what's your balance?

I had the good fortune to be in the room when Howard Schultz (then CEO of Starbucks) made an utterance that will stay with me (and hopefully will stay with you) forever.

Howard said it's "essential that we continually make deposits in the reservoir of customer trust."

Later in the discussion, Howard expanded on this theme by suggesting that in the course of business some frontline team members and/or leaders will invariably act in ways that will be perceived as *trust withdrawals*. Howard emphasized that consistent positive acts of trustworthiness must be in place prior to those withdrawals.

Howard's message blends well with a concept I learned long before when a graduate school professor commented that, "In happy marriages spouses have a wealthy psychological checking account whereas in distressed marriages spouses are balancing the ledger moment-by-moment." In these distressed marriages, the balance in their psychological checking accounts are so low they feel the next negative action could severely "overdraw" the relationship.

Recently, Facebook stocks plummeted, and the "delete Facebook" movement picked-up steam in response to what Facebook co-founder and Chairman/CEO Mark Zuckerberg has repeatedly referred to as a *breach of trust*. In keeping with this real-world case study from Facebook,

Stephen M. R. Covey in his book *The Speed of Trust*, cited research monetizing the trust employees have for the companies in which they work. Specifically, a Watson Wyatt WorkUSA study found, "Employee trust levels and corporate performance are closely linked. In fact, our survey found that the rate of three-year total returns to shareholders is almost three times higher at companies with high trust levels than at companies with low trust levels."

Concepts of trust as a reservoir or as a checking account coupled with the impact of businesses that either foster or squander trust have led me to conclude that **trust is money**.

As you lose the trust of employees, you lose their discretionary effort, and ultimately you lose profits for investors. As you lose the confidence of customers, you lose their business and your revenue.

So, let's apply Howard Schultz and my graduate professor's wisdom to your business (and hopefully to avoid the situation Mark Zuckerberg and his team members find themselves in these days).

- 1) What investments are you routinely making in the *reservoir of customer trust*?
- 2) As it relates to your team members, customers, and other stakeholders, how are they likely assessing their *psychological checking account* with you? Would they say it is well-funded or are they checking it regularly to see if you are overdrawn?



Timeless Wisdom

If people like you, they'll listen to you, but if they trust you, they'll do business with you.

- Zig Ziglar

From the Blog:

Greatness Personified/Excellence Diversified What About You?

I met him while working with Starbucks around the time I wrote my first book about the company titled *The Starbucks Experience*. I'd venture to say that Starbucks might have been little more than one man's vision if it wasn't for his leadership strengths.

He was one of the original architects of the brand - a part of a leadership triumvirate playfully referred to as H2O (two Howards and an Orin - Howard Schultz, Howard Behar and Orin Smith).

I was at the Starbucks corporate office that day in March 2005, when Starbucks partners said goodbye to Orin Smith. He made modest remarks and was sent off with a Starbucks card for

lifetime use.

[Continue reading the full blog post.](#)



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