John Ruhlin is the founder and CEO of the Ruhlin Group, a firm that specializes in high-level gifting plans to build relationships and acquire new clients. John is a sought-after speaker on the topics of C-level selling, relationship development, and strategic gifting. He is also the co-author of the best-selling book, “Cutting Edge Sales” and his latest, “Giftology.”
Voiceover: This is Business Reimagined.

Every week we talk with thought leaders and revolutionaries who are bringing innovation to their industries like today’s guest John Ruhlin.

John: What I have seen is that when you gift well, and do it with the right intentions and at the right level, it does accelerate opportunities for you from a referral perspective, from a business opportunity perspective, from a deal close perspective.

Voiceover: This is Business Reimagined with Danny Iny.

Danny: John Ruhlin is the founder and CEO of the Ruhlin Group, a firm that specializes in helping entrepreneurs and business people give amazing gifts. John wasn't a gift giver from the get go. He grew up on a farm milking goats, but he had big dreams for the future.

John: I was an overachiever in school and when you're poor and you're a farm boy and you're an overachiever, you think you're best options to go make money are being a doctor or a lawyer. My mom was into health and wellness way before the Whole Foods craze and everything else you know thirty, forty years ago. I was going to make mum proud and was going to go to med school.

Danny: John spent the next few years working to support himself through school and came across a company called Cutco, a knife selling business, and John would eventually become their largest distributor. It wasn't because he was a great salesperson, it was because his girlfriend's father, an attorney, changed the way he understood business relationships.

John: He seemed to make his money in everything non attorney related and every deal seemed to flow his way. Own oil wells, banks, land, you name it and he was the most generous person I'd ever met. He was always, like he'd find random things like a deal on noodles, he'd buy a semi load of noodles and give them out to everybody at church the next Sunday.

I'm like, "Paul that was thousands of dollars in noodles. That's crazy, why would you do that?" He's like, "Because everybody loves them." He had no, it wasn't manipulative it was just his heart, he was being what I call "radically generous".

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When I pitched him the idea of giveaway pocket knives to all of his guy clients, you know most of his clients were men, he was like, "What about paring knives, can I give away paring knives?" I'm like, "Paul, I'll sell you whatever you want, but why would you give away paring knives to grown men?" He said, "Because I found that if you take care of the family, you know the spouse and kids and inner circle everything else seems to take care of itself."

**Danny:** John learned that it wasn't about the knives it was about how to create meaningful gifts or what he calls "artifacts". Artifacts are gifts that last to remind the recipient of you for years to come. That's what launched John to success with Cutco and it's been the basis for his company the Ruhlin Group.

He's got some radically different ideas about building relationships through gift giving and the first among those is to not put your logo on the things you give away, put the other persons logo on it instead.

**John:** For some people are like, "No way, I'm never going to spend, look I thousands or tens of thousands or millions of dollars on gifts if I cannot get any marketing out of it?" What I soon realize is that when you make it about the other person they don't forget where it came from. Like they know that it came from me or it came from XYZ accounting firm and so by making it all about the recipient you actually get a double win.

They value it more, their family values it more, they use it more often proudly, it doesn't look tacky to pull something out and have somebody else's brand on it which most affluent people, they don't want your logo on it they want their own name on it.

**Danny:** It goes deeper than just logos and marketing. John takes the basic tradition of gift giving and flips it on its ear, chances are if you give relationship building gifts you've been doing it wrong.

**John:** People in business in particular they want to check a box once a year and it usually ends up being at the same time like the give a gift either at a launch date or at a conference or the worst is at the holidays, Thanksgiving and Christmas or Thanksgiving and Hanukkah, they do a year end gift.
What's interesting is most entrepreneurs they want to be different in every way, they want to think differently, they want to play in the blue ocean, they aren't afraid to go against the grain and kind of be that anomaly, but for whatever reason tradition rules in gifting and so everybody sends their gifts.

I can list about twenty gifts and they're all sent between Thanksgiving and Christmas. They're one of fifty or a hundred gifts sitting on that client or employees desk amongst the chocolate, nuts, fruit baskets, and gift cards, and you name it.

Our cores do's and don'ts is don't give gifts when they're expected, and definitely don't give them at the holidays. Like we send out a quarter million dollars a year worth of gifts to our clients and to our employees and to our prospects and to other people. It's a big investment for us.

As a gifting company this is [piracy 00:04:47] but we don't spend one dollar on gifts between Thanksgiving and Christmas. A gifting company that's doesn't send Christmas gifts, that's weird, but the reason is I want my gift to have a hundred times more impact, and so I send gift around Valentines Day or around 4th of July or around Labor Day or other times throughout the years when its totally unexpected. Because of that when it's the only gift they get at that time you're dollar goes a hundred times further.

Another thing to keep in mind especially when you're targeting to wow or impress somebody that's a director above or another entrepreneur or a mentor somebody that is being catered to a lot. They get dinners, golf outings, ball game tickets, you name it, it's very difficult to impress them. You have to spend a lot of money and often times even them like five minutes later they forgot about it.

Taking care of that inner circle, spouse, assistant, and kids are usually for most entrepreneurs or executives that's the most neglected people in their life. When they travel, when they do get a gift that's not including them its a bottle of bourbon or some sort of golf related thing or name like your typical thing in a executive world.

Eighty percent of the gifting we do for our clients and for our own clients and people is their inner circle, like I make them look good to their spouse, their assistant. I was just on the phone with Genius Network with Eunice and [Anessa 00:06:14] and I send twice as nicer gifts to them as I do to Joe Polish why? Because Joe Polish gets cool stuff all the time.
When I do cool things for [Anessa] and Eunice and their team they're not usually included in the cool stuff, and so my gifts stands out because I targeted people that are important to Joe, and I do it in a very like upfront way. I know that those people are often times doing all kinds of work behind the scenes to pull off an event or whatever else. I think taking care of that inner circle was another focus most your attention there versus focusing on the executive themselves.

**Danny:**

I'm going to kind of call out the elephant in the room which is everything you're describing sounds really expensive. If you're looking to target people who are uber-wealthy and you're uber-wealthy or you're a big sports team if you've got quad-zillion dollar budget like, great. What if you're the scrappy entrepreneur who's trying to make something work but the money is got to come from somewhere and long-term ROI is great, but long-term ROI doesn't pay rent.

**John:**

I'm glad you asked the question. Our rule of thumb is whatever, most people that are entrepreneurs they're spending on going to the conferences or events, they're spending money on taking somebody out to lunch or dinner or breakfast, maybe they're spending money on a trade show, or taking people golfing or to ball games. Maybe they don't have a budget like the Cubs do, but they're still investing in entertaining and relationship building and marketing.

Our rule of thumb is whatever you spend on in around the gold, a dinner, a ball game, drinks you know picking up the tab for drinks or whatever your kind of relationship building budget is you should be willing to spend on something that's tangible, that's going to be around for hopeful for not like five minutes or five days or five months, but maybe five years or fifteen years or a decades.

Most of the gifts that we talk about fall in the range of that same price range. Most of our gifts are between a hundred and five hundred dollars per piece. Let's say you have thousands of customers or hundreds of customers you want to take care of, our other rule of thumb is it's the eight twenty rule that everybody knows about focus your resources on, whether its appreciation, gratitude, whatever else, on your top ten, your top twenty, your top fifty.

Let's just say you don't have much money and you're going to focus on your top twenty relationships at two hundred dollars a piece, that's four thousand dollars for the year.
That's not a small chunk of change but I think if we look at like what we spent the entire year on a lot of other things whether it's conferences or dinners or whatever else often times we're spending more money in other areas the question is are you getting the ROI that you’re hoping for?

What we found is that the bar is so low for gifting and it's so high for events and dinners and golf and ball games that even a incremental increase in budget or redirection of resources towards what I call "artifact gifting" just has a massive impact because nobody is playing in that ocean. It's more comfortable for people to say, "Let's go out to dinner or let's go out for lunch or let's go out to a ball game." Than it is for people say, "I'm going to pick my top ten or twenty relationships and I'm going love on them and I'm going to show my appreciation in a tangible way to them."

Nobody is playing in that ocean and so when you do it and do it well it stands out not for twenty four hours it stands out for twenty four months or longer. It's not a matter of spending tens of thousands or hundreds of thousands or millions of dollars it's a matter of taking the resources as an entrepreneur because I bootstrap the business from the start.

I started out with I was going do one gift per week at two hundred dollars, so that I spent ten grand that first year and I was still in college. It was my biggest expense, but when I sat down with somebody I thank them for their time whether they bought for me or not and I gave them a two hundred gift. These CEO's and executives were like, "You're sending me this kind of gift, I don't even get a gift this nice from somebody I spend ten million dollars with and you're giving it to me because I spent time with you?"

I'm like, "Well, I figured your time is probably worth a five hundred to a thousand dollars an hour so I'm still indebted to you even after giving you this two hundred dollar gift. And I'm not asking for anything in return I'm just thanking you for curving out the time." I used knives because that was my product at the time"

These CEO's were like, "There's no strings attached?" I'm like, "No, thank you for your time. Here's the gift." It was personalized with their name, their spouses name. People were just blown away because I was offering value because I viewed their time like the most precious commodity, and I think most people want to pick somebody's brain, they want to do whatever, and they don't realize that like an hour of an entrepreneur or
executives time is worth hundreds if not thousands or even more per hour. I think under valuing that is a huge, huge mistake.

**Danny:**
I like to tell people that I feel like a lot of misunderstand the eighty twenty principle. They're very focused on, a lot of people are very focused on how can they get eighty percent of the results with twenty percent of the effort. That misses the point, it's like you're going to do the eighty percent of the effort anyway, it's about whether you do the last twenty percent. You can't only do the last twenty percent, it doesn't work that way.

**John:**
Yep, no question. Yeah, its not a matter of doing less it's a matter of doing plain full on and whatever and but focusing it on the most important twenty percent.

**Danny:**
I'm going to continue to play devils advocate a little bit. It's easy to say if you would take someone out for dinner then you can spend the same hundred, two hundred whatever number of dollars, you can still spend that amount of money on a gift instead except that often it isn't instead it would be in addition, right?

Like it's easy to say, "I'll take someone out for dinner," partially because its just easy but partially because deals can be made over dinner. Whereas deals can't as easily be made over a knife. How does this tie in to, because really it's going to be additive to what you're already doing and it's going to show on our ROI and in a reasonable time frame.

You've been doing this long enough at what point do people, and I know it's almost an absurd question asked so explicitly, but what is a likely break-even period for people who say like, "Yeah, I'm going to commit, I'm going to give a gift every week," at what point do they starting to break-even on average?

**John:**
Well, you know as well as I do stats can be manipulated anyway you want then to. I would say that its additive in a way but often times it's instead of doing three dinners a year its doing two dinners plus a gift, you cannot get away from dinners or face time, but one of the questions we challenge people to say is, "Would somebody rather go to dinner with you or would they rather have another night home with their family?"

Often times when you ask what the other person really want as much as they love your company and the might say yes when you're in town or when you ask them out to
dinner, the simple fact is they'd rather spend with their family because they don't get as much time as their family they like and there's kind of that push pull challenge there.

I do think that there's a way to redirect some resources so its not just, "Hey, we're going to add another ten thousand dollars to the line item budget and hope," and so maybe five thousand of that is additive and five thousand of that is redirected.

I would say that your questions of long before there's an ROI, I would say in some cases its a media. There's a been times where I've sent out a gift to somebody and they picked up a phone and said, "John, like my wife loved this, or my VP of marketing saw it or I really love your style of what you're doing how do we do this in our company?"

There's been other times its takes seven years of gifting before that person became a client because of timing or market or positioning or any, it just took a while. I would say that most of the time when we're sitting down with somebody I'm saying that they have to have a minimum of a two year horizon before they're looking to have things start to create this well spring of opportunity in business.

I would say it's very similar to when you go out to dinner for the first time you're not expecting like this lifelong partnership. It'll be like going on a date with somebody and asking them to marry you the first time, there's a courting process and you have to earn the right to ask. I think that what I have seen is that when you gift well and do it with the right intentions and at the right level it does accelerate opportunities for you from a referral perspective, from a business opportunity perspective, from a deal close perspective.

That if you have that two year horizon and you're not starting to see like people take our phone call quicker, refer business more often, there's something wrong and I would say back off the gifts and figure out, because gifting won't solve your problems. If your business sucks or if your team doesn't have great relationship with a clients, like sometimes gifting can actually make things worse, like they would say like, "Don't send me a gift just fix the problem with your software."

If you do gifting well when you have all, if you say you're world class in your business and you have everything else dialed in a relative level this is the cherry on top to sundae that sometimes people will brag about that's just that element of like, "Wow," like, "They thought of everything and even this."
That can take somebody from being a fan to being like a raving advocate of you just based upon, they have everything dialed in and they and they thought to take care of my assistant or made me look cool to my wife or whatever else. I would say if you have that two year horizon or willing to invest that kind of twenty four months period you'll start to see some real positive ROI.

**Danny:**

I've got two questions now and they're kind of related. The first you just mention the kind of what goes through the recipients head is, "Oh my God, they even thought of this," right and when we talk about gifts often we say, "Its the thought that counts."

I'm going to ask the hard question, how impactful is it if they're not thinking of it but rather they're paying you to think of it, right? If someone receives a great gift from one of your clients, and they're so appreciative and so grateful and then they find out, "Oh the client had nothing to do with it they just wrote a check and John took care of it?"

Yeah, it's kind of like if my wife gets flowers and later finds out that my assistant sent them, like how does that dynamic work? The other side of the question is if it's the thought that counts so much can more thoughts kind of compensate for spending less on a gift?

**John:**

Yeah.

**Danny:**

Can you not spend a a ton of money but invest more thought, so what do you think of all that?

**John:**

Yeah, so I actually use my position, I think the phrase "It's the thought that counts" is usually used when people are copping out of taking responsibility for actually giving a thoughtful gift. I say it's not the thought that counts its the thoughtful thought that counts.

I think that most of the time when people work with us it's a collaboration of their putting attention and they're recognizing, they're not just cutting a check but we collaborate on what the gift is going to be, when the gift is going to out, who the people are who the spouses are, and so I would challenge people to say are they doing, right now is my guess is they're doing way less thought for their gifts than they will in collaboration with us.

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Now we execute it and make it easy for a company to give out the gifts, but they still have to be bought into the philosophy and put time in on their front end we just make it easy on the back end. I would say similarly like if you're married and it was, "Hey, I'm collaborating with this flower company and they're helping execute things, but I went in and we picked out the flowers together and we made the arrangement, but the brought in the flowers from South African and all these flowers, but I was the one that helped pick it and decide the arrangement style, but they made it easy for me to do this like five hundred dollar bouquet that blew my wife away."

Now granted I needed to bring in an expert to pull that off because I couldn't do it on my own but I was actually more involved there than I would have been if called 1-800 flowers and shipped out like a normal set of a dozen roses and called it a day. The reason I know that is because my wife is that way, she's okay with me leveraging an expert as long as I'm intimately involved I'm not just completely like mindlessly cashing out of that responsibility.

I think that's where most people, they mail their list to Harry and David and send out two hundred gifts at the same time and they've been doing it for twenty years, that to me is not a thoughtful thought that's just mailing it in, that's like, "Hey, I check my box." That's my thought there and I forget the second half of your question.

Danny:

The second half of my question was really around does more thoughtfulness offset the need to spend more money and part of that is just in terms of flat out absolute terms and part of it is especially if you're practically broke can you still make this work?

I've a specific case study which I have in mind which is very early on in my career, I had a few people who they were mentors, they were advisors, they went out of their way to help me in a way that they really had no need to like there was no, there was nothing in it for them, there was nothing they could get back.

I was not in a position where I could spend hundreds or thousands of dollars of dollars on a nice gift, but I got a really nice notebook which was a nice notebook us like twenty dollars hardbound et cetera. I had the cover laser engraved with a quote from Issac Newton, "If I have seen far it's by standing on the shoulders of giants." I wrote a little note inside the front cover.
The whole thing cost twenty, twenty five dollars or something but I feel like it was meaningful in away that potentially something much more expensive would have been.

*John:*

Yeah, I talk people out of spending money all the time and I say if you cannot do a gift at the level that you want, but the thought that you want a really, take a hour or two and write a handwritten note to somebody and talk about how much they mean to you and really pour your heart out onto that paper and it cost you, let's say really nice stationery let's say it cost two bucks, and the envelope and the stamp and all you need at three dollars.

That's more meaningful than spending fifty dollars on an Amazon gift card. Because you really put an enormous amount of thought into that and that person will really value that in most cases more than they would some random things. I think you kind of combined both you took instead of two dollar letterhead you took twenty five dollar letterhead and put some thought into and poured out the note why they were important to you.

I think that whether in person or in business like I've had gifts before that cost very little but they took a lot of time and planning and effort and my wife or whoever it was really valued it, so it not always about the amount of money that you're spending by any stretch of your the imagination. I think a lot of people will cop out and not only do they not put a lot of thought into it they don't put a lot of money.

I think the best is kind of like the if you can have a great experience with an artifact gift that's the best because you get the best of both worlds. I think with gifting its often times when you can put a lot of thought into it and you can do something that's really quality and practical and meaningful and personalized.

If you can blend both together all the better but, I think like I go the bar is so low that if you can do something really well thought out it doesn't always involve a lot of money, and that's will go way further that just trying to solve your problem with a check.

*Danny:*

I'm curious, I mean the bar, and I'm inclined to agree the bar is very low. I do get on annual basis I get the boilerplate Christmas cards from a few key service providers, and you got a bunch of corporate swagged and stuff like that. Why do you think that is, does it do anything? Why do people keep doing all this?
John: I think its tradition, its ingrained, its what you read in marketing books, its what they view, most people are sheep and they look around and they see everybody else doing it so they say, "It must be working I have to do that too." It's why do you go to trade show and set up a booth? Often times its not because the amounts of clients that you get, its because everybody in your industry is there and you think, "Oh, wow, I don't want to miss out."

I don't think most people are willing to challenge the status quo and the don't want to feel like they're being weird or left out and so I think the gifting is one of those where in our Western culture we've just kind of said like, "Well, if we're going to do gifts," like we confuse that with commercial products and if we're going to do something let's order as many as possible, as cheap as possible.

Its to much effort and do gifts really matter and I don't think there's, one of the reasons I'm excited book Giftology and getting it out there is that I don't know that anybody has put their stake in ground and said, "We're gifting experts and we can teach you how to be more thoughtful with your gifting and that it actually does matter." Most people as viewed it as a kind of peripheral nice to not a have to and because of that it's kind of gets just kind of mediocre because its just checking a box.

Audra: That was John Ruhlin reminding you that when it comes to giving gifts the thought isn't really what counts, its the thoughtful thought at an unexpected time that has the biggest impact. You don't have to spend a lot of money to give thoughtful gifts. Sometimes a heartfelt letter means more to CEO who has it all than yet another gift card from some flavor of the week of fad.

In essence, you're giving something that only you can give your appreciation, your thoughtfulness, and your creativity. To learn more about John check out his book Giftology on Amazon or go to Ruhlingroup.com.

Voiceover: This has been Business Reimagined with Danny Iny, join us next time as we talk with John Assaraf.

John Assaraf: When people have a goal, but they're not acting in ways that are resonance with that goal everyday, every week, every month, the question is why, what's holding them back?
We know that there are two types of beliefs that people have, there's a belief called "a declarative belief" where people can declare what they want to achieve, but there's competing non declarative we call them "implicit beliefs" that maybe holding them back.

Voiceover: Learn more about us at Mirasee.com.