

By Keld Jensen

Trust Truly Matters

Gaining mutual trust with your team members is critical to accomplishing goals in a tough economic climate.

When times are tough, executives must adapt and find new ways to drive the success of their operations. Some think they can conquer this task on their own. Others believe the solutions will come from the boardroom. In reality, the best answers to business leaders' problems lie within their people — employees, coworkers, business partners and, of course, their customers. However, to tap into that talent, managers need to build trust with them.

business partner relationships and, ultimately, the bottom line?

MarketWatch Centre for Negotiation and Copenhagen Business School have also conducted similar studies on trust and communication and found astonishing results. For instance, according to one study on negotiation, companies forfeit as much as 42 percent of every business deal by failing to communicate openly, building trust and uncovering hidden value. Based on these projections, businesses in the United States lose about US\$80 billion per

result in misunderstandings and missed information — leading to loss of trust. The cost of not listening is extremely high, particularly in a business context, where poor communication costs billions of dollars through operational errors.

Seeing is believing. Ever wonder how two people with completely different leadership styles can both be successful and trusted by the people they work with? Trusted leaders back up what they say with action, and people always notice it — consciously or subconsciously. Their words are congruent with how they say something, how they show it and what they do. When leaders do what they say they will do, trust naturally follows.

Communicating and building trust with everyone is hard work for business leaders in any industry and can take a lifetime to master. However, in a time when less trust exists in business than ever before, its value is higher than it has ever been. Trust allows deals to happen faster and departments to function more efficiently. Supply management executives who strive to live by the two mentioned adages will find that business success comes far easier, even if right now they do not understand exactly how it will happen. **ISM**

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There are some interesting facts about trust: The recent 2011 *Edelman Trust Barometer* report finds that when a company is trusted by consumers, 51 percent of people will believe positive information after hearing it one to two times, versus 25 percent if the information is negative. If the company is distrusted, 57 percent will believe *negative* information after hearing it one to two times, versus 15 percent if the information is positive. Can you imagine the impact these numbers have on customer retention, employee engagement,

year by not capitalizing on the correlation between trust and profit.

With this in mind, here are two well-known adages supply management executives can use to build trust with team members and stakeholders to see improved results.

Silence is golden. The next time you find yourself doing more talking than listening, remember this: Let the other person talk, and listen carefully. Studies show that people listen using only 25 percent of their potential. This means that 75 percent of a person's listening potential goes unused and may