

PRAISE FOR

SHUT UP AND LISTEN!

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News business correspondent

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Super Bowl MVP, three-time NFL Most Valuable Player

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“Tilman shares his secrets on how to succeed in a highly-competitive marketplace, whether you’re running a small business or operating a multibillion-dollar sports team.”

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“Mr. Fertitta provides great insights to apply to the management of businesses, and people, that span all industries and all cultures.”

—Yao Ming, business executive, former
Houston Rocket and NBA All-Star

“Tilman offers up compelling lessons on how to build and run a business. If you want to rocket your business to new heights, this is the book for you.”

—Scott Kelly, Capt. US Navy Retired, Former NASA Astronaut

SHUT
UP
AND
LISTEN!

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HARD BUSINESS TRUTHS
THAT WILL HELP YOU SUCCEED

TILMAN FERTITTA



HARPERCOLLINS
LEADERSHIP

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FOREWORD

Over the course of more than four decades, I have spent my career covering the greatest athletes and winners the world has ever seen, interviewing legends Muhammad Ali, Tom Brady, Michael Jordan, and Michael Phelps. The dedication, devotion, hard work, integrity, intellect, imagination, commitment to excellence, and heart have made them global icons.

The same principles apply in business. So I think I have an idea why you're reading this book. It's because you want to learn from an incredible winner in business.

Tilman Fertitta has risen to the top of the mountain and is one of the biggest winners in business history.

If you're a business professional, you may know Tilman as owner of Landry's Inc. and the many hotels, restaurants, and casinos they own and operate, or from his CNBC show, *Billion Dollar Buyer*. If you're a sports fan, you may know him as owner of the Houston Rockets, or for serving as chairman of the Board

FOREWORD

of Regents at the University of Houston, where he has helped build the institution and athletic program to prominence.

If you know Tilman personally, like I do, you know that he oversees his various businesses with a passion and energy that is just as strong today as it was when he opened his first restaurant over thirty-five years ago. Even with all of his success, his drive is like he just arrived at his first day on the job. There is no room for complacency working with Tilman, and no detail too small when it comes to the experience he provides to his customers. There is no question that Tilman knows what it takes to start and manage a successful business. He knows how to motivate those who work with him, and he leads by example. He instills confidence, and empowers people, to get the best out of them. He trusts himself, so he is able to trust those around him. In fact, there are very few people you could turn to who know what it takes to succeed in business more than Tilman.

In *Shut Up and Listen!*, Tilman shares his secrets and strategies that have made him so successful and does so in his blunt, humorous style that readers will love. He uncovers common blind spots that can trip up entrepreneurs, and offers proven strategies that will help them grow. I don't know many people who can say, as Tilman does in the introduction—"You may think you know what you're doing, but I'm going to show you what you don't know"—and be right.

I highly recommend *Shut Up and Listen!* The wisdom and the actionable insights Tilman offers in this groundbreaking new book are a potent combination that business owners of all types will value long after their first read. It's a lifetime of business

lessons presented by a man who is willing to share a map of how you can navigate in business, and join him on the victory platform.

Jim Gray

Hall of Fame, Emmy Award-
winning sports journalist,
reporter, and producer

ACKNOWLEDGMENTS

I could not have written this book without the support of my entire family. My parents, Vic and Joy, and Paige, Michael, Patrick, Blayne, and Blake, and my brothers Jay and Todd, have heard every “Tilmanism” in this book and more.

I would like to thank those who provided critical feedback during the writing and editing process for this book, including Patrick Fertitta, Michael Fertitta, Steve Scheinthal, Dancie Ware, Melissa Radovich, and Dash Kohlhausen. My editor Lavaille Lavette was the catalyst for this book and has been there every step of the way to make this book a success.

I particularly want to acknowledge my friends and contemporaries who took time to make contributions to the “Tilman I Know” section of this book, including Rich Handler, Dave Jacquin, Capt. Mark Kelly, Capt. Scott Kelly, Michael Milken, and Dr. Renu Khator.

Lastly, without the dedication of all of my Landry’s, Golden Nugget, and Rockets employees, I would not have built my

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organization to what it is today, and there would not be a book to write. I often brag about how fortunate I am to have kept so many long-tenured employees. I take their dedication as the ultimate compliment. I particularly want to acknowledge the following executives, all of whom have been with me for approximately twenty years:

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James Kramer	Tim Whitlock

There is not enough space on the page to list the hundreds of other employees who have been with me so many years, but to all of you who were not listed on this page, thank you as well for your dedication.

INTRODUCTION

If you are in business, want to start a business, or perhaps want to climb the corporate ladder, you've come to the right place. Now, shut up and listen to make that business all that it can possibly be.

I'm Tilman Fertitta. According to the Forbes 400 list, I'm ranked the 153rd richest person in America. As the sole owner and founder of Fertitta Entertainment, my organization owns and operates restaurants, hotels, amusement parks, and aquariums. You may be familiar with some of my restaurant brands, including Mastro's, Morton's The Steakhouse, Rainforest Café, Chart House, Bubba Gump Shrimp Co., Landry's Seafood House, Saltgrass Steak House, and thirty-five other concepts. In all, I own more than six hundred restaurants. I also own five Golden Nugget casinos and hotels. If that wasn't enough, I've also starred in my own reality show called *Billion Dollar Buyer* on CNBC.

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Oh, by the way, if you didn't know, I also own the NBA's Houston Rockets.

That's a long way from starting with a single restaurant in Katy, Texas. And in this book, I want to share some of the key ideas and strategies I used to build an entertainment and hospitality empire that covers the globe.

To do that, I'd like to begin with a warning:

Be just like me: never, ever stop worrying about your business.

Why?

Because when it comes to business and most everything else in life, there is a paddle for everybody's ass.

And you never know when it's coming or where it's coming from.

I really do believe that. I don't care if things are going well for you, that you think you know it all. Put this one thing in your head: there is a paddle coming for your ass right now.

By a paddle, I mean that there is always a force out there, something that's taking square aim at your business's success and growth. There might be someone with a better product. There might be a lawsuit waiting to pounce. The economy may turn. A bank that you relied on may deny you credit. New government regulations may be ready to take effect. Your computer may be hacked. These days, it's not ridiculous to worry about a terrorist attack, international or domestic.

The best you can hope for when something damaging or disruptive happens is that you act quickly to minimize the impact. But you have to open your eyes. You need to start worrying, anticipating, planning, and being proactive. Why? Because the

paddle comes from the blind spots we all have when we juggle the many roles and skill sets needed to successfully run a business.

It is way too easy for complacency and overconfidence to set in, which leads to ignoring crucial details.

“You might think you know what you’re doing, but
I’m going to show you what you don’t know.”

People ask me all the time: “What do you fear?” I say I don’t fear anything, but I *worry* about everything. That’s one of the significant features of the message I try to get across when I speak to business leaders, students, my employees, and entrepreneurs on my television show *Billion Dollar Buyer*. I have to tell entrepreneurs that, even as they pitch some very appealing products to me, there is some area where they are falling short that is hurting their business.

So, as the title of this book says, the next step is a simple one:
Shut up and listen.

I’ve got a lot I’d like to share with you. And you’ll be glad that you paid attention.

The book is divided into five sections, each of which talks about a core area that can kill a business if you’re not aware of those blind spots. Here they are, in order:

1. Hospitality (“If They Want Scrambled Eggs . . .”)
2. You’d Better Know Your Numbers

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3. The 95:5 Rule: What's Your "Five"?
4. See the Opportunity, Seize the Opportunity
5. Live Your Leadership

Each section provides specific strategies and ideas to help your business break through to that next level. And if I want to emphasize something, it appears in a "Listen!" sidebar.

When it comes to business, it's absolutely critical to always remain realistic—about your product, your competition, and yourself. Be cognizant of everything you do and every decision you consider. This book will help you better analyze your strengths and weaknesses and understand what actions you should take. Be honest with yourself about all that you don't know—and what you can do about it. (As I like to say, I'm not about to go on the court and teach NBA MVP James Harden how to shoot a jump shot!)

I'll share some of the most straightforward strategies and ideas I've used in my own businesses and that you can use as well. These strategies will help you achieve the sort of breakout success that you want, no matter if you're just starting your business career or you're years into it.

Each chapter wraps up with what I call "Tilman's Targets"—a quick, easy-to-reference summary of major points that were covered in the chapter. They're a handy way to refer back to key concepts.

At the end of the book, I've included bonus content with a feature called "The Tilman I Know." You'll hear from several

friends of mine who have their own thoughts about who I am and some of the things I've done to achieve success.

This isn't a textbook. These are the strategies I've used—in both good times and bad. As I'll discuss later, I've been through more than my share of days when it seemed like the whole world was falling apart. Having these ideas in mind helped keep me from throwing in the towel when it would have been the easiest thing in the world to do.

The fundamental concepts I'm sharing helped me succeed. In business there are no Oscars, Grammys, or Pro Bowl, but there is the Forbes 400 list, and I'm on it. I believe my ideas and strategies can help you achieve success no matter what sort of business you happen to be in. If you want to make money in business, you need to read this book.

Despite all my success, I walk around every day making sure that the paddle doesn't get my ass. I can take a few taps, but I don't want a big swat.

Neither do you.

So, saying this in the nicest way possible: "Shut up and listen!"

Let's get started.



SECTION 1

HOSPITALITY ("IF THEY WANT SCRAMBLED EGGS . . .")

Every successful business, in one way or another, is built around hospitality.

The problem is, many businesses fail to see that. And if they do, they don't pay nearly as much attention to it as they should.

Hospitality can mean everything to the success or failure of your business. In this section, I'll discuss what hospitality involves, why it means so much to your business, and how to overcome obstacles that can get in the way of providing hospitality—consistently and without exception.

CHAPTER 1

HOSPITALITY MATTERS, NO MATTER THE BUSINESS

We've all been there. And it's the kind of experience that drives us all absolutely crazy.

Probably because it happens. A lot.

It's 11:02 a.m. Maybe you've been in an important meeting or just arrived from the airport, but you walk into a restaurant, and you want some scrambled eggs.

Here's what you might hear. Take your pick:

"Sorry, we stopped serving breakfast at eleven."

"We serve eggs only at breakfast."

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“The kitchen is shifting over to lunch.”

“Sir, if you’d only been able to get here fifteen minutes sooner . . .”

No matter how it comes out of someone’s mouth, the basic answer is the same:

Can’t help you.

As I said, everybody has had to deal with this. And, as I also said, it can drive you crazy. You’re not asking the kitchen to make you a waffle, pancakes, or even eggs Benedict. You’re not asking them for an order of bacon (although they probably have some sitting over on a counter that they can heat up in a few minutes and toss into a club sandwich).

All you’re asking for is someone in the kitchen to pick up a skillet, put it on the burner, and cook up a couple of scrambled eggs. But the server treats you as if you were trying to place an order for Peking duck—from scratch, prepared by a chef flown in nonstop from Beijing.

Maybe you try to argue with the staff about throwing a couple of eggs into a pan. Maybe you shrug and ask to see the lunch menu.

Or maybe you walk out and try to find someplace else to eat.

That’s because something like this should never, ever happen.

But it does happen, all the time—and in different ways. You may telephone a hardware store with an important question, only to hear that everyone’s busy. “Can you call back?”

Or maybe you’re in a department store and ask if they have a

particular wallet in stock. “No.” Not a suggestion that they’d be happy to show you some similar items—just no.

Can the doctor take a few minutes to talk about your lab results? “Make an appointment.”

For me, these are all a question of hospitality. And customer service and hospitality are everything, no matter what the business is.

To me, the definition of hospitality is simple. It’s however you handle a customer. Nothing more, nothing less—how you treat him or her, how you respond to what he or she asks for, and your ability (and willingness) to stay flexible. The ultimate goal of interacting with a customer is to make him or her feel like the only customer you have in the entire world. Why? Because as I tell my own employees, there are no spare customers.

LISTEN!

It starts with how you talk with them. And you don’t need to memorize any special words or magic sentences. The rule is simple: when talking to a customer, be sure to make the conversation all about them. Let them talk about their needs, what they hope to get out of buying your product or service. If they want to complain, listen. They want to be heard more than anything. Since you’re trying to make them feel like they’re the only customer you have, act like it. When dealing with that one customer, no one or nothing else matters at that moment.

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If you want to boil it down even further, I have a rule of thumb that I say almost every day: It's free to be nice.

Think about that. As a business owner or entrepreneur, does it cost you anything to be courteous to each and every customer? Of course not! Being nice costs you nothing. But, by the same token, remember: it can cost you a hell of a lot to be rude.

Sometimes it's not the easiest thing in the world to be nice, no matter how much sense it may make from a business standpoint. Maybe your spouse or significant other said something that upset you right before you left for work. Maybe something else is going on in your life that makes it awfully difficult to be nice and cheery with each and every customer you deal with.

"Be plappy."

To which I have a simple answer: be plappy.

By that I mean "play happy." No matter how upset or worried you may be about other things in your life at the moment, do everything within your power to project a happy mood when you're on the job.

That's an ever-present rule of thumb at all of my businesses. When you step foot inside one of my businesses and you work for me, be plappy if you have to. One reason is that, as I said earlier, no one cares that your dog chewed up a \$300 pair of shoes or that you have to meet with your kid's principal after work. That's reality.

The other reason that rule always stays in place in my businesses is that the customer experience is all that matters. We're in the hospitality business, so we have to be sure to be hospitable all the time.

And no matter the specifics of what you do, you're in the hospitality business as well.

Follow through is another aspect of hospitality. For example, if you say you're going to deliver the product on the thirteenth at three o'clock, deliver it exactly at that time. Don't call minutes before it is due and say it's going to be three days later than you had planned. Even worse, don't call after the product was due to be delivered and say it's going to be even later. (Your customer already knows that, by the way.)

Just as important, don't offer up an excuse to explain the delay. Nobody cares that your driver's kid got sick and he had to pick him up early from school. Not to sound mean or heartless, but somebody who orders something from you doesn't care that your mother-in-law died.

I'm sorry your child got sick. My condolences for your mother-in-law's passing. But if I'm a customer who was told that a product I ordered would arrive on such and such a date and at such and such a time, all I'm focused on is the fact that something I was expecting—maybe something very important to me—isn't going to arrive as planned.

We all have kids who get sick. Relatives and loved ones pass away. Personal problems crop up daily. You know that, and so do I. But a promise to a customer should be treated as something that shouldn't be affected by the sorts of problems and

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unexpected events we all deal with constantly. Business would be a whole lot easier if life never got in the way, but it does.

There's a simple way to address this problem. Try building in a few what-ifs. When you make a promise to a customer, take into account that something may go wrong or get in the way of keeping your commitment. Assume a worst-case scenario. Tack on a few extra hours or even days to give yourself a little cushion.

One way I do this is by being very careful about how I schedule my time. I generally avoid making commitments too far in advance. For me, I never build a schedule that's longer than a couple of weeks or a month out. That way, if something comes up during that time frame, I've given myself enough time to find a work-around. You're focused but also flexible.

That sets you up for a win-win. Either you deliver the product as planned or, even better, you call your customer and say the product came in earlier than expected.

If you offer a due date that the customer feels is too far away, now is the time to explain why it has to be that way. It's not an excuse; it's an explanation. And from the customer's standpoint, an explanation of why something is going to take as long as it will to arrive is easier to accept than some sort of excuse later regarding its slow delivery. When you make an excuse, you're basically asking a customer for forgiveness because you didn't deliver as promised.

The overall goal is to make certain a customer feels special. And a customer who feels special will bring you more business and tell all of her friends how much she loves your service.

Of course, there will be times when things don't go as

planned. Maybe a delivery is going to be late, or something on the menu isn't to your customer's complete satisfaction. It's critical to make that misstep up to the customer in some way.

In our businesses, we have lots of things at our disposal. For instance, if five people are eating dinner at a table, and one diner gets his meal ten minutes after the others, we'll likely comp that meal. If someone stays at one of our hotels or resorts and has a negative experience, we may offer them a free night's stay so that we can show them how we do things right.

But it's also a balancing act. If someone spends \$50 and is unhappy, we're certainly not going to give her something worth \$300 to make it up to her. Not only is that completely out of balance, but it's an exaggerated apology. While you want to right the wrong, you may inadvertently be making something out to be a bigger deal than it actually is.

It circles back to making certain the customer knows you're listening. Ask questions and react accordingly. And resolve the problem as quickly as possible, so it doesn't turn into a monster.

Keep in mind also that there will be times when a dissatisfied customer is being unreasonable. There are people who will sit down at a restaurant, eat an entire steak, and then complain that it was overcooked.

First, be nice and respectful, no matter what you may be thinking about that particular customer. Then, remind the customer that he, in fact, did polish off the entire steak. Had he said something earlier, you could have done something, possibly replacing the steak with another meal. But since he did eat the whole thing, the only logical thing for you to conclude was that

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the steak was perfectly fine. In a nutshell, maintain a balanced, polite demeanor while you're explaining that there's nothing else you can do.

Is that telling a customer no? In a way, it is. In this instance, it's the honest response and the only one that makes business sense.

"Build a few hours or days into your schedule for the what-ifs. If I tell somebody I'm going to deliver something on this day, I'm damn well going to deliver it. I'm going to make that customer feel special."

Speaking of business sense, let's apply a what-if to the scrambled eggs story that opened this chapter. The best what-if would be a kitchen that sets aside a few eggs and other breakfast items to accommodate late arrivals. What if the kitchen has some quiches all made and ready to stand in for scrambled eggs?

Or, even more simply, what if the server took your order, and the kitchen staff tossed a couple of eggs into a pan and made a couple slices of toast? They may very well charge you \$25 for an eggs and toast breakfast, but that's what you wanted. (Remember, there's a big segment of the population that would say I don't give a crap how much it costs—I just want scrambled eggs!)

More to the point, by building in a what-if strategy, or by being flexible, you've made a customer feel special. And that's the overriding goal of hospitality.

But don't lose sight of the fact that you're a businessperson. Bust your rear to make certain that a customer never hears no, but that every action makes business sense as well. You're in business to make money. A customer wants scrambled eggs. Make them for him but charge for the additional effort. If they want scrambled eggs at 8:00 p.m., charge for them. If a customer wants expedited delivery or something installed at their home, be smart. Know what your costs are and charge them accordingly. Not only will you have a happy customer, you're also taking care of yourself as a businessperson.

This raises an important point. Nobody's product is that great. Nobody's product is so amazing that it stands out completely from everything else. You may have a perfectly good product, but you're competing against a bunch of other perfectly good products. That's the reality of business.

How you can separate yourself from the competition is through hospitality—attention to customer needs and wants, 24/7. Think about the two same products—one is delivered on time as promised, and one arrives one day late. You tell me what that customer is going to remember.

Hospitality is essential to all sorts of businesses. I don't care if you're a doctor—you should be a hospitable doctor and have a great bedside manner. If you think about it, every doctor around can give you the exact same flu shot. The one who helps you relax, so the shot doesn't hurt like hell, is the one you're going to go back to.

I was talking with someone not long ago who sees a therapist regularly. The appointment is always over at three o'clock sharp.

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Out the door she goes. Almost anybody who sees a therapist can relate to that sort of rigid schedule. Feeling better? Good. Please pay at the next available window. Next patient! Keep it moving!

What would happen if that therapist built in a little extra time for each session that the patient could use if he or she wanted to? One time they might go over by seven minutes, another by three minutes. What would happen if a masseuse you book for an hour's massage actually spent sixty minutes with you, rather than showing you the door after fifty minutes, after starting five minutes late?

The point isn't so much that the therapy is any more effective—although it might be—but that the patient feels as though the therapist really cares. She doesn't feel as though she's being thrown out of the office at exactly the same time. She truly feels like she matters, that her therapist is ready to give her extra attention if she feels she needs it.

That's hospitality—a patient who doesn't feel like just another name on a chart.

LISTEN!

Hospitality not only applies to every business—it also applies across every part of that business. Everyone working for a business, no matter what they do, should practice hospitality with the same level of commitment as everybody else.

Here's how that can play out. You go out to dinner, and you're

promptly escorted to your table. You're waited on by a courteous and helpful server. The food is outstanding, as is the dessert that follows. You leave as a thoroughly happy customer.

But it all falls apart when you try to get your car. Maybe the valet misplaces your keys. Maybe it takes the valet sixteen minutes to find where he parked your car. Maybe when the valet drives up with your car, you notice a scratch on the driver's side door that wasn't there when you dropped it off.

All of a sudden, the memory of that great experience you had at the restaurant is completely gone. After a great meal and great service, you drive home pissed off because of the service the valet offered.

But is that great experience really gone? Maybe not. The issue isn't necessarily limited to the valet's mistake. The issue is, did your general manager talk to the valet? Did the valet bring it to the restaurant's attention? And then what did the restaurant do to help alleviate the situation? Did they ask the customer to sit down and talk, to address what happened and, just as important, to ask what can be done to make him or her feel better about their experience?

Problems are inevitable. What matters is what you can do to make that customer happy again or, at the very least, mitigate the bad experience. Put another way, sometimes you can't avoid the fire. It's how you put it out that matters.

The same can happen in any business. A patient leaving a therapist's office after the doctor gave him or her a few extra minutes can be turned off by a moody receptionist.

That's all part of being in the hospitality business. It involves

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everyone and depends on everyone. It's called taking care of your customer. And, if even one person forgets that, an otherwise great customer experience can go straight down the drain. So be ready to respond when that happens. And believe me, it will happen.

Sometimes, a lapse in hospitality occurs by a matter of choice—the most unforgivable mistake, in my estimation.

Here's what I mean. I was staying at a five-star hotel in Chicago a while ago. At the end of a very long day, some associates and I went down to the bar to unwind and have a drink. As we were relaxing and enjoying our drinks, the bartender came up to us and asked us to leave.

Why? Because the cleaning crew wanted to get started cleaning the bar!

I have a saying that bartenders love to run your bars, but this went way beyond anything I could have ever imagined. Can you imagine going to a five-star hotel and having some drinks and then being asked to clear out because the cleaning crew wanted to start vacuuming? Is that being hospitable? On a more practical level, was that the only space that needed cleaning? Could they have gone somewhere else while we finished our drinks at our own pace?

This example highlights the importance of telling everyone with whom you work that hospitality comes before everything else. Make hospitality the forefront of everything your business does, from making certain that deliveries arrive as promised to feeding a hungry customer just what he wants, no matter the hour. And, in the case of my cocktail at the Chicago hotel,

hospitality means doing things at the customer's convenience, not your own.

Take hospitality personally. When I'm in one of my restaurants, and I see someone get a drink without a napkin, or food that's not hot or that's on the wrong plate, it bothers me to my core. I truly look at it as a reflection and a representation of myself.

And, if you go into one of my restaurants at eight o'clock at night, there are going to be scrambled eggs there if you want them. I may charge you more, but you're a happy customer who got what you asked for.

TILMAN'S TARGETS

- Make hospitality your goal, no matter what business you're in.
- Hospitality means making a customer feel special.
- Keep your promises. Build in what-ifs to help you follow through on your commitments.
- Make hospitality the goal for everyone involved in your business. One person who doesn't show hospitality can ruin an otherwise positive customer experience.

CHAPTER 2

TAKE THE WORD “NO” OUT OF YOUR DAMN VOCABULARY

For years, I’ve had a question stuck in my head. And no matter how hard I try, I can never come up with a good answer:

Why is it so easy to say no when you can say yes to a customer?

That’s a simple question but, as I said, I’ve never come across what I would consider a fair answer.

In the world of business, particularly for entrepreneurs and businesses just starting out, it would seem to be such an easy question to answer. A customer asks for something, and you say, “Yes, no problem.” End of story.

But in many ways, businesses say no to customers all the time. And it’s one hell of a mistake.

It can be as simple as saying you can’t make a customer

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scrambled eggs after 11:00 a.m., like the example in the previous chapter. With my experience in the hotel business, it can be as simple as telling a customer he can't have his suit cleaned and back to him by the next morning, since he missed the deadline by thirty minutes.

Sometimes saying no to a customer has a higher price than pissing off someone who would be happy if you just said yes. Say a customer asks to substitute shrimp for oysters. I know for a fact they cost you the same. Charge a substitution fee, but don't tell them no.

"Why is it so easy to say no when you can say yes?"

I really can't say why this sort of thing happens—a casual attitude toward work maybe, or a sense that customers tolerate more these days—but there's an easy solution to all this: take the word *no* out of your damn vocabulary.

I preach that all the time. Never, ever say no to a customer. And there are plenty of reasons never to say no beyond the obvious one that you might alienate an otherwise happy customer.

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If you think about it, saying no to a customer usually doesn't mean that you can't do something. Instead, you're choosing not to do something.

That’s a big difference. Obviously, in some situations you can’t do something. Say your business is scheduled to make a delivery to a retailer, but a major storm is flooding roads everywhere. In that instance, telling your customer you’re going to be late is understandable. No one can control the weather.

And, in some cases, what a customer asks for can be completely unreasonable. In all fairness, not every customer is going to ask for something that’s realistic, like the customer who asks for a refund after devouring an entire steak. When that happens, saying yes can be hard to do.

But in far many more instances, saying no translates to someone saying they choose not to do what the customer asks.

Let’s go back to the scrambled eggs example from chapter 1. A customer wants scrambled eggs, but it’s way past breakfast time. The server says they can’t make scrambled eggs.

Wait a minute. Is the kitchen out of eggs? Are all the skillets dirty? Have the chickens gone on strike?

Of course not. Everything’s there to make a perfectly good plate of scrambled eggs. Yet the restaurant is choosing to say no to a customer.

Believe it or not, I think customers pick up on this much more than you might imagine. They know full well that when someone says, “I can’t,” it really means “I won’t.” Think about that. How would you feel if a business told you no, pretty much because they didn’t feel like doing it, not because it was beyond their ability to agree to what you asked for?

That’s a bad situation to put yourself in. First off, customers who hear no are made to feel as though they’re expendable,

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that their business doesn't matter. I like to say there are no spare customers, and saying no to one is a certain way to make them feel unimportant, fast. Don't put yourself in a position to tell your customer no. If you run out of ice cream, hamburger buns, tomatoes, whatever, go to the damn grocery store and get some. You can tell your customer you're out of Wagyu beef, but not something you can get at a grocery store down the street.

"There are no spare customers."

I also like to say it's essential to treat every customer like he or she is the only one you have. But saying no to someone can make him or her feel like a number, just another item on the list. With just one word—no—you can be telling that customer, "I'm saying no to you because you really don't matter."

It's also important to bear in mind that when you wipe the word *no* out of your customer vocabulary, that doesn't necessarily mean you have to say an outright yes. Offer alternatives, a sort of "I can't do that for you, sir, but I can do this." If a customer likes your product in a particular color that you don't happen to have, suggest a color close to it. If your restaurant is out of a menu item that a customer orders, offer her a discount to come back the next night, when she can get the food she wants. You're not telling them no—instead, it's a qualified yes.

In short, say what you *can* do, not what you can't.

That's an important message to get across. Even if you can't

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meet the customer’s exact request, you’re showing a willingness to do something else to keep him or her happy. Again, it’s a matter of choice—you’re choosing to take those extra steps to make someone feel special and valued.

Taking the word *no* out of your vocabulary also encourages you and anyone else with whom you work to think on your feet. In many ways, saying no is the easy way out of a situation. But if you refuse to say no, you often have to come up with some alternatives quickly. That can build a business that’s responsive and flexible in all sorts of ways. (Later, I discuss the importance of thinking on your feet.)

All this may seem very simple, and it is. But you’d be shocked at how many businesses with great products and services inadvertently shoot themselves in the foot by telling customers no in all sorts of ways. However, if you’re aware of it and make a consistent, conscious effort to never tell a customer no, you’re going to see results.

You don’t always need to say yes to a customer. But never saying no may be one of the most valuable strategies you can use to help your business break out to the next level.

TILMAN’S TARGETS

- Never tell a customer no.
- There are no spare customers.
- Understand the difference between being unable to

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do something for a customer and choosing not to do something.

- If you can't say yes, offer alternatives.
- Never saying no encourages you and everyone involved in your business to think on their feet.

CHAPTER 3

CATER TO THE MASSES, NOT THE CLASSES

One of the biggest obstacles an entrepreneur can face is believing that his or her product is the only one like it anywhere in the world. As I've said before, that's completely unrealistic.

But that reality can also raise an issue that's a problem for any business looking to grow—a product that's too narrow to attract wide interest.

If you want your business to break out to the next level, cater to the masses, not the classes. The math behind that is simple. The broader the appeal of the products or services you sell, the more customers you will have. And that starts by doing what the customer dictates you should do.

A lot of people run their businesses according to how they

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think it should be done. They base their products, services, and much of the customer experience on what they like—be it food, service, or some other element. The problem is that you can't do what you like. Granted, you may have a great idea or product you absolutely love, but whether you love it or not is largely beside the point. You may like liver, but can you build a restaurant chain around liver? Not likely. To build your business, you want to do what the masses like.

Pay close attention to the feedback you receive. Your customers will be telling you what they do and don't like, in so many words. And by listening to what they have to say, you're not consciously limiting your potential customer base. Instead, you're working toward making it as large as possible.

First is the obvious question of price. Is your product or service priced to be within reach of the greatest number of people possible, while still giving you a sufficient margin? If your product is priced too high, you may be losing customers who otherwise might be attracted to what you have to offer them. That's an unnecessarily small target.

There are all sorts of ways to identify a solid price point. Start with knowing who your competitors are. It may be surprising to learn, but many entrepreneurs don't clearly understand who their actual competitors are. For instance, someone who's offering a different product or service can be as challenging a competitor as someone doing the exact same thing as you. When looking at potential competitors, watch for products and services that someone may buy instead of yours, identical and otherwise. When talking with customers, take a minute to ask where else

they've looked. Ignoring or overlooking a key competitor can be devastating.

Next, see what your competitors are selling and at what price. There are plenty of resources available regarding industry standards that you can refer to. Use them as a guide but not as gospel. By knowing your numbers—such as production costs, labor, and others—you'll begin to see what, if any, adjustments to those prices you should make to help your business become both more profitable and accessible to the most customers.

This is as common a problem as I've seen in all sorts of businesses. Entrepreneurs routinely price their products higher than they should if they want to attract a wide range of customers. And that goes for wholesale as well as retail. Wholesalers expect deeply discounted prices by buying in quantity, yet entrepreneurs often ask for prices that are anything but discounts. Sometimes that's a production issue—decreasing production costs always translates to lower prices—and sometimes an inexperienced entrepreneur hasn't been exposed to the sorts of discounts that major wholesale buyers can command.

Price is just part of what you need to take into account. For instance, does age come into play? Is your product or service attractive to a person of a certain age, or does it appeal to customers whose ages range across the board? Does that include kids and teenagers? What about college-aged kids and postgraduate millennials?

What about gender? Is yours a male- or female-only product, or might anyone be interested? Go through these questions with an idea of expanding the appeal of your product.

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One way to look at the challenge of catering to the masses is to approach it like a restaurant menu. Of course, some restaurants don't exactly cater to the budget-minded among us—or, for that matter, don't include children or diners with particular dietary needs among their target market. That's perfectly okay.

But a restaurant that's aiming for a wide audience knows how that goal should be reflected in its menu. More affordable sandwiches and small dishes can complement higher-priced items. A kid's menu targets the younger diner, while giving mom and dad a price break. Gluten-free, vegetarian, vegan, and other options cater to customers with particular diets.

You get the idea. Offering customers a wide range of choices is one proven way to cater to the masses.

With that in mind, consider the products or services your business currently offers. What could you add to that “menu” that might attract a broader customer range? What products or services would naturally complement what you already sell? For instance, if you're selling your grandmother's homemade pasta recipe, can you introduce other flavors or other fillings? How about her from-scratch tomato sauce to accompany the pasta? What seems like a natural add-on?

If more products aren't the answer, or even possible, what can you do to make what you already have more appealing to more customers? That could be as simple as a broader range of colors or varying the material used for a particular item. Can a product be used for something other than what it was originally intended to do?

The point here is to always stretch your thinking, to see

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beyond the obvious. Look at what you have and explore any ways you can add to it or reframe it so that more customers will sit up and take notice.

I'm not saying that you can't sell an exclusive product or something geared to a specific audience. That's fine. But if you want to attract the sort of financial response you need to help your business break out, it's always a solid idea to try to engage with the biggest audience you possibly can.

That's because, particularly for entrepreneurs and small, emerging businesses, you want to sell to the masses, not the classes. Businesses that cater to the masses inevitably end up making more money than those that limit their scope.

TILMAN'S TARGETS

- Cater to the masses, not the classes.
- Work to make your product appealing to as broad an audience as possible.
- Understand your competition.
- Know your target audience.