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Visions Editors

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TIRES

TOLEDO INDUSTRIAL RECREATION AND EMPLOYEE SERVICE ASSOCIATION

Question 1: How was TIRES organized?

Answer: TIRES originally began with a small group of personnel directors meeting for lunch, discussing ideas and sharing experiences on how to improve services. As a result of increased interest, an organization was formed called TIRES. I have been with the organization since it started and have served as its executive director. It is an informal organization and Roberts Rules of Order was not used to establish a formal type of structure. Officers are elected and serve a prescribed term as a sounding board to the executive director. The primary element that has made the organization a success is that the professionals seek information in an applied format so that it is easy to digest and use.

Question 2 What is the basic purpose of TIRES?

Answer: It was founded to help develop buyer-seller relations for employee services. It helps both the employee services director and the salesperson to develop good relationships and programs. It illustrates through a doing process how to develop a program out of products and services for employees, which is the best method of sales.

Question 3: Why did TIRES develop an emphasis on the buyer-seller relationship?

Answer: The philosophy really began with me because of my background in sales and communication. I have always dealt with salespeople and I have learned from them. The base philosophy of TIRES came from when I had first entered the field and was made safety director and I had to learn this position within 24 hours. I called all the sales people that we dealt with and asked them to tell me what to do and what other mistakes were made by other companies that they had seen. I told them if they would teach me what they knew I would do business with them. These salespeople were my teachers. Since this initial experience I have always had a positive feeling about salespeople and what they can teach.

Question 4: What are the benefits of an organization such as TIRES and how does it work?

Answer: It is to teach people the art and science of buying and selling. It is controlled by the law of supply and demand. The relationship between the buyer and seller is not one of an adversary relationship but one of cooperation. It is a service to the industry because of reduced cost and increased services, which is a non-negotiated benefit for the employee. It is a new market for the seller because it represents a large group with low cost advertising and a controlled point of entry in which the salesperson did not have access. One of the examples of this buyer-seller relationship is that of family photographs. The photographer will provide one 8 x 10 family portrait free as a service and he would offer to the employees packages of photographs at a reduced fee. The service is provided by and through the company as family portraits and the advantage to the seller is access to a controlled market. Another example is that of selling carpeting. An individual who was in deep financial problems learned to deal with people on a discount basis and his financial problems were solved. The discount provided to the employee services program is one of advertising costs. The seller no longer has to engage in expensive advertising because he has a direct contact with his target audience. The primary focus of advertising is one of developing a service program. This is a very novel approach to sales because it is not based upon hard sales but on soft techniques. What really happens in this type of relationship is that the buyer and seller become friends and there is a trust relationship established and the animosity that usually exists between buyer and seller dissipates for a cooperative atmosphere. The primary philosophy is help and cooperation to build a solid foundation of programming and sales. This type of relationship laid the pattern of the organization and is the ultimate reason for the association's success. The buyer-seller relationship is an educational process to utilize each other's talents, one for service and the other for profit.

Question 5: How does TIRES work?

Answer: There are two basic types of individuals who belong to TIRES, suppliers and purchasers. Purchasers are the employees of the organization and suppliers are those who will sell directly to these employees through a service concept. This service concept is very important as the chapter should never take the credit but give it directly as it is the company who is a member and has the direct interest in the employees. TIRES operates on the carrot and stick principle. It provides those benefits that will have a direct impact upon the employees, especially in terms of money benefits. As the companies become associated with TIRES, short programs are provided at luncheon meetings that will make the employee services programs better by providing examples. It also helps because members associate with programs that are successful and they can see the direct benefits of

good employee services programs.

Question 6: Could you characterize some of the supplier members, and who they are and give some examples?

Answer: Such members as Cedar Point, The Magic Kingdom Club, hotels, and car rentals. Many times large suppliers will not deal with small businesses so by being associated with TIRES this allows small companies to be able to purchase these services for their employees.

Question 7: Who is one of the most effective sales people that you have met and what has led to his/her success?

Answer: One of the most successful people that I have met is a lady who sells tours. She sells the City of Toledo to individuals in Toronto. Toronto is one of the most cosmopolitan cities in the world and it takes a real salesperson to do this. She knows how to meet people and use interpersonal communications to convey a very warm and pleasant personality. In just a few minutes she will know the name of everyone on the tour and a little bit about them. She is a natural born salesperson. She also programs her tours in a very unique and personal way. For example, she may get a dress shop to open and get a special discount for her tour as well as having them put on a fashion show. She will be glad to put on a program for your retirees or help you set up programs. This is a natural to sell her tours. Another example is that she will get to know the secretaries, take them to lunch, then the wives, and then eventually the executives to sell her tours and programs. Another person that I think is an effective salesperson works for a theme park. He uses a very low keyed method of sales and he is more interested in you and what he can do for you than selling tickets. Tickets are just a by-product of him helping you set up programs. For example, he will be more interested in helping you develop a picnic, a party, etc. He has been one of the most effective agents for TIRES. He tells people that he can give them a better price on tickets if they join TIRES and goes ahead and spells out the benefits of the organization.

Question 8: Can you give an example of how a soft sell approach works, especially discounts?

Answer: The member that I am thinking of to use as an example has learned to effectively use the organization to profit his company. He helped lay the foundation for the development of the discount program in TIRES. The company, in this case, is the intermediary or the customer. He became acquainted with the employee services directors and has sold tickets and provided programs to company employees. He said, "you and the company take credit for obtaining this discount and the attraction and I will stay in the background". He was able to give a 20% discount because these are the advertising savings that he could pass on to the company. This discount then becomes a non-negotiated benefit to

employees. This particular transaction turns on the fact that the company and the attraction both benefit and understand the costs involved. So often, employee services directors will start retailing and taking a percentage of the discount away from the employees and giving it to the club, the company or may be even take it as a kick-back. When this happens the trust relationship is lost when the employees find out that they are not receiving the entire discount. If the entire benefit does not go to the employees, you are retailing in a place of business and this is wrong. Another example of retailing may not be taking cash but taking trips, junkets, etc. When clubs take trips there are free transportation, hotel and meals that are given to the directors of the employee services. This is wrong. When I was an employee services program director, the company paid half the cost and I paid half the cost. I gave the leader of the trip 15 envelopes if the tour was 15 days and at the end of each day the leader of the trip would fill out a report on the quality of the facilities, problems, etc. He/she would mail this to me the next day so that I would have an on-going record of the event. I would hold back 15 to 20% of the payment for 30 days. If a service was not rendered or up to quality, I would deduct that amount of money, in fact, if it had been an inconvenience, I would multiply it by three and deduct that amount. I would depend upon the evaluation sheets directly to determine the quality of the trip. I did not have a problem with the travel agency. The travel agency was not able to have anything to hold over us in eliminating gratuities on the next trip. If it was not a quality trip, then they did not get paid.

Question 9: What is a common mistake made in sales?

Answer: One of the biggest problems is that most often the salesperson will call directly on a purchasing agent. You could spend one week in the company making contacts for sales. You cannot just stop at the first "no" or with an individual like a purchasing agent because he/she is just an individual through whom all orders are processed. You must contact individuals personally in each department to sell your product and services directly to the broad range of individuals. In any one organization there are individuals in advertisement, community relations, food, personnel, safety, etc. You could literally spend a week or a month with some organizations.

Question 10: Is there a relationship between sales and employee services?

Answer: Yes, two examples that come to mind. One is where an employee program was supporting a certain theme park but when the park was visited it was noticed that they were using a competitor's product. This competitor did not support the company's product and as a result a comment was made and their business was immediately shifted from the competitors. This type of pressure is only possible through an employee services program because it represents consumer power. Another example is when a flower company or nursery was in financial trouble and needed a market in which to sell their product. The employee services director

and the sales staff got together and developed a program in which the product was provided to the employees on a cost plus basis. After helping this corporation out of a financial bind, they became lifetime customers of the company.

Question 11: What are some of the techniques of dealing with salespeople?

Answer: I figure out how the product or service relates to what I am doing. And then I try to educate him/her to what I am doing. I ask the salesperson what types of service they are going to provide for our employees. If, for example, he/she is going to give me a discount, I help the salesperson understand why and how this discount works with our company. I help him/her understand that it is not a discount from the salesperson or a "freebe" from the company. It is a benefit that the company wants the employee to have. I also help the salesperson understand that the employee must also have an investment in it for it to have any meaning or value.

Question 12: What is one of the major problems facing local IRC's (Industrial Recreation Councils) in relation to sales.

Answer: One of the problems that we used to have is salespeople who were not reputable. An IRC cannot function with this type of condition because one of the basic elements that makes it work is the element of trust. The products have to be quality and what is promised must be delivered. If it is not, the sales staff must be dropped from the local IRC and it must be stated very bluntly that the employees of the organizations that the IRC represent will not buy their products and that they will tell their neighbors and friends about the problems.

Question 13: What have been the developmental stages of TIRES?

Answer: The original concept for IRC's was conceived to allow smaller companies to participate on a local basis. Many smaller companies do not have the resources to develop an employee services program so the local IRC has been an instrument that has allowed this to develop. TIRES was formed under this auspice and has grown to include over 250 members. One of the problems currently with IRC's is that they are all operating on a different standard and there needs to be some effort to provide guidance to these organizations.

Question 14: What is the uniqueness of TIRES?

Answer: The uniqueness of TIRES is that it offers services to the small organization as well as the large. It is an organization that considers the needs of both in a cooperative relationship. TIRES is especially

important to the small company because it can purchase many of the benefits for its employees through TIRES which can not be purchased on the open market. Another important benefit is that they have access to educational programs so that they can learn how to develop a more effective employee services program. Many times small organizations cannot afford a trained employee services director.

Question 15: What is TIRES' role in community development?

Answer: TIRES has actually served as an agent to stimulate business within the Toledo area. It is a private sector organization that has helped add sales to companies in and around the Toledo area. It has helped increase the volume of business.

Question 16: What role has TIRES played in stimulating change?

Answer: TIRES has helped both employee services specialists and suppliers learn how to do their job more effectively and as a result it feeds new ideas into the organization constantly. It is this influx of new ideas that keeps the change of pace ahead of trends.

Question 17: What factors have had a significant change impact upon the profession?

Answer: The local IRC has a potential to change the profession because it can provide examples to help improve the operation of others. One of the elements that helps this occur is good leadership in the local IRC. A second factor that is desperately needed is a new text that explores the speciality areas. This new text must be put in a how-to format and should be comprehensive. Another important dimension is getting the profession accepted and to begin to relate to business journals such as Harvard Business Review and Wall Street Journal. We must get our story out to these business publications so that others will realize the importance of an employee services program.