

The Power of Goodwill in Business

by Matthew S. Chan

(Excerpt from "The Intrepid Way")

One of the most valuable rewards I work for is creating goodwill. It has often been said that, "it is not what you know, it is who you know." That well-known saying means your personal network of contacts will have a greater influence on your success rather than relying solely on your intelligence, expert knowledge, and hard work.

Having worked in both the accounting and information technology industries, I was often surrounded by people who measured their self-worth by how much they knew. They believed that sheer intelligence and expert knowledge were the keys to success.

What I discovered was that it does lead to a certain degree of success and recognition, but in the end you still have to do the work. You are also limited to how much you can personally accomplish.

Now before I am taken out of context here, I am not saying that developing your intelligence and becoming an expert will not help you succeed in achieving personal freedom. Of course it will! But it is how you use and direct your expertise that will make the fundamental difference.

However, it will be very difficult if you have to be an expert in everything and have to do everything on your own. It simply cannot be done.

Another key to my achieving personal freedom was to enlist the help, sponsorship, and friendship of others.

There are some people who say that people can be bought, while others say they cannot.

I have found that you can purchase personal services and influence people's perception of you with money, but the people whom I most respect and admire and would like on my side cannot be directly bought with money.

They can only be "bought" with goodwill.

It is not my intent to be derogatory or manipulative. However, it does illustrate what it takes to win people over.

I figured out very early on that throwing money directly at people was not an effective way to create long-term friendships and relationships. However, what I did realize was that everyone wants to be recognized for what they do and for simply being the person they are.

People want to be acknowledged and appreciated. To truly acknowledge and appreciate someone means I had to show it ... not simply talk about it. I had to be willing to give my personal time and energy.

Because I value my time greatly, I am quite selective to who and how I give my time. I use discretion and judgment to decide whether I want to reach out and be giving of my time and energy.

The act of giving, acknowledging, and appreciating others allows me to create goodwill. Goodwill is a general term I use to create positive feelings of affinity, trust, friendship, camaraderie, and kinship. When I create enough goodwill with someone, I generally find that what I get in return transcends any financial or material reward ever imaginable.

Fundamentally, goodwill is not a tangible object. It is an emotion that exists within all people. When you create enough

goodwill around the people you deal with, you are rewarded with opportunity, business, referrals, endorsements, and trust.

The power of endorsements, referrals, and trust from the right people can provide you opportunities you had never even thought of. I have had enough successes in my life to understand that goodwill is an instrumental part of creating the opportunities I want in order to achieve personal freedom.

Many of my business associates were initially shocked by my offers to help them with no formal contracts or agreements. When they asked why I would do such a thing, I would reply honestly – saying that I wanted to create a relationship and goodwill with that person ... and that the way to do that was for me to take money out of the equation to prove myself. I demonstrated my willingness to take a chance on them by allowing them to leave the relationship anytime they wanted. It required me to spend time with them, to be of service to them, and to offer my support to them in their dream projects.

I often decline initial offers for payment for my services ... mainly because payment for my services can sometimes reduce or distract them from the goodwill I am trying to create. Also, I make it clear that I am not in the relationship for a one-time payoff. I tell them that I have faith that things will work out and that they can reward me in a different way sometime in the future.

Some people have criticized me by saying that I am too generous or that I am short-selling myself by not negotiating financial compensation upfront. The problem with that is in the early stages of most business relationships, the financial opportunity is simply too small and too limited in scope. The larger opportunity often comes later, but I have to be patient enough to let it develop and trust in the

relationship building process. To force a predetermined compensation plan would inevitably lead to extinguishing or minimizing the opportunity before it even starts.

My purpose for creating goodwill is to reap the rewards of a long-term friendship or business relationship ... not just a one or two-time payoff.

In looking at the people who have criticized me for “working for free,” I have seen that opportunities are not always abundant in their own lives. And while they may be compensated well, few people are going out of their way to assist them in their own endeavors. They have to do it all on their own, and they believe that everything is tit for-tat. After all, people generally only give after you have given ... and only if you have set that example.

People are so accustomed to negotiating the terms for every business relationship that they end up only getting a one-time payoff. Consequently, because a payoff has already been negotiated, there is very little goodwill created. The pre-negotiated compensation negates the underlying emotion of appreciation and gratitude needed to create goodwill.

Please understand me ... this does not mean that I don't value my time, experience, or services I provide. That is far from the truth. I value it so much that I generally refuse to accept a quick one-time payoff. I insist on keeping our options open to mutually beneficial arrangements.

Nor does it mean that I am doing charity work for people I look to create relationships with. It simply means that in order to make myself extraordinary in their eyes, I have to be willing to do something extraordinary for them. And that in turn has allowed me to set myself apart from others.

In today's world, the concept of “working for free” to create goodwill on a personal level is a very foreign concept for

most people ... but nonetheless extraordinarily leaves a great impact. We have been taught that if you do work for someone, you should always be financially compensated. You see ... that is the essence of the employee mind-set. The fact is that I do get paid ... I get paid in ways that cannot easily be seen or measured, but I am often paid many times over. And yes, it eventually results in financial reward.

If you have the initiative to offer to do something of true value for someone unexpectedly, your potential to receive long-term rewards can be tremendous.

The question that inevitably comes up at this point is, "How do you know who to create goodwill with?"

To that, my answer is there is no set way of determining who is "worthy" of your time and who isn't. For me, I generally get an intuition about someone whether they are people of good character and are generally appreciative of life and other people.

I occasionally try to create goodwill with certain people but with unsuccessful results. Either the relationship doesn't work right or they are simply leeches. Overall, the price for my failure and disappointments are small. After all, how much can I lose by doing a good deed or a favor for someone?

And yet, the rewards for my successes in generating goodwill and opportunity consistently outstrip the efforts I put in.



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