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From Fear States To Flow States: Luxury Institute's Proven System For Leading Sales Associates To Conquer Fear And Achieve High Performance In The 'Relationship Zone'

(NEW YORK) October 11, 2017 – Unfounded fear is the number one obstacle keeping millions of sales teams across the world from achieving high-performance client relationships, according to Luxury Institute CEO Milton Pedraza. Through hundreds of meetings with thousands of front-line executives and sales associates globally, Pedraza and the Luxury Institute's team have observed that fear, not laziness or lack of engagement, is the root cause of low performance in sales teams.

For more than a decade, Luxury Institute has studied the proven principles of high performance from sources as diverse as neuroscience, medicine, positive psychology, elite schools, the Navy SEALs, and professional and extreme sports. This research, along with Luxury Institute's own innovations, have helped low-performing and average sales teams overcome unfounded fear and achieve major improvements, while also driving high-performing sales teams to become even more effective. At the heart of achieving these results is a process that takes sales associates from a state of unfounded fear, in which failure constantly lurks, to a state of "flow," where high performance thrives.

Sales associates use fight, flight, or freeze responses to defend against perceived threats that contain zero or minimal negative consequences, except perhaps a slightly bruised ego. A quote from the Roman stoic philosopher, Seneca, comes to mind: "We suffer more often in imagination than in reality."

Science provides critical insights into the essence of fear. Psychologists cite four core emotions that constitute human feelings: mad, sad, glad, and fear. In all aspects of life, people feel one--or a combination--of these emotions. Neuroscientists tell us that fear is our oldest emotion, dating back to prehistoric times when it was needed for survival in an extremely hostile environment. Fear can indeed be a life-saver: Running away from an oncoming car is a very rational response. In cases like these, fear produces adrenaline to help protect against harm during the flight response. In modern times, however, and often on the sales floor, most fears are not logical.

Whether rational or unfounded, fear encodes information in the brain. Fear is often subtle and internal, and not experienced at a conscious level. It inspires immediate self-protection, and then hard-wires itself into the brain to make sure you remember the perceived threat, and to avoid it in the future. Unfounded fear, however, prevents sales associates from achieving high

performance at work by choking off their drive for achievement, grit, and resilience. It distracts associates from clarity of focus, leads to poor decisions, and places associates in a state of paralysis if allowed to grow unchecked. Unfounded fear in sales associates can become habitual, and it is the result of misinterpreting the true meaning of unsuccessful outcomes in selling situations. Neuropsychologist Donald Hess, the father of attachment theory, says it best: “Neurons that *fire* together *wire* together.”

Luxury Institute’s front-line research has found that there are three overarching fears that consistently prevent most sales associates from achieving high levels of performance in client relationship building: fear of rejection, fear of failure, and fear of change.

Fear of rejection is the most painful of fears. Humans are wired to belong, bond, and build long-term relationships, so they fear doing anything that triggers feelings of isolation, loneliness, and low self-worth. In a client engagement, when unfounded fear of rejection is heightened, associates paradoxically create circumstances that make them feel even more rejected, which does in turn lead to clients rejecting them. Unfortunately, fear of rejection is one of the most frequent, powerful, and paralyzing fears which associates who must engage customers all day long need to overcome.

Fear of failure immobilizes associates as it protects them from experiencing internal pain and the external shame and embarrassment caused by a negative outcome or mistake. Many sales associates see failure to achieve an immediate transaction or desired client response as a deep personal failure.

Fear of change is closely associated with the fear of failure. Fear of changing ingrained habits and behaviors creates emotional discomfort that prevents associates from trying a new idea, even if it is one that has been proven to work. Helping associates to get out of their comfort zone is absolutely critical to improving performance. This cocktail of unfounded fears depletes sales associates of their energy. It triggers the choke factor that creates mistakes and reinforces the failure to achieve self-mastery by failing to self-measure, self-assess, self-coach and self-correct.

Real examples from the front lines of luxury retail provide ample illustration of this point. On a daily basis, most store associates fail to engage and connect with people who walk through the door, or to reconnect with existing clients. The results of these failures show up in subpar rates of data collection, conversion and retention, and low average transaction values. Management will often attribute these shortcomings to laziness and disengagement, but the culprit more often than not is unfounded fear, which strips sales associates of their ability to behave confidently and appropriately when it matters most. Even top sales associates admit that they operate at less than half of their potential when their behavior is clouded by unfounded fear.

The challenge for most companies is that they do not excel at creating safe spaces for acknowledging fear. Even when fear is confronted, managers lack the skills and processes to inspire, empower and educate associates to high performance, partially because managers often experience fears of their own.

Human brains are continuously looking out for threats and rewards, according to Dr. Mitchel Adler, one of the pioneers of research into emotional intelligence. We experience fear first as a feeling, such as a tightness of the chest, then as a thought. Corresponding thoughts inform the choices we make to navigate the world. Unfortunately, sales team members mix up their feelings and their habitual reactions to unfounded fear. They think their feeling of fear and their hard-wired reactive behavior are the same thing, but what you do with your fear is a choice.

Companies need to create safe spaces where sales teams become keenly aware of what's happening in their brains. Once they understand the misperceptions that trigger unfounded fear, they can learn to stop reacting in unproductive ways and start using fear to energize positive behaviors and to help them learn new skills. New brain sequences and patterns that lead to successful responses must be hard-wired together to achieve high-performance client relationships. When they fail, or get rejected, sales teams will be rewired to do their best, accept outcomes, learn lessons, and maintain high levels of resilience and achievement, despite the setbacks.

Inspired by the ground-breaking work of leading psychologists, such as Paul Watzlawick, who practiced at the Mental Research Institute in Palo Alto, Calif., Luxury Institute has developed simple, powerful techniques for teaching front-line associates to achieve high performance. The process helps associates to achieve flow, a state of consciousness discovered by the renowned psychologist Mihaly Csikszentmihalyi in high performers across many fields and professions.

Flow is a state of "being in the zone," in which sales associates have clarity of purpose, full concentration on the task at hand, and a sense of calm objectivity. Most importantly, since they have learned, practiced, measured, and undergone extensive coaching, associates feel confident that their skills are up to the challenges they face and can stretch with any new challenge. They also feel a sense of selflessness and timelessness that makes the day go by without notice. Elite athletes, Navy SEALs, master musicians and surgeons learn to get into flow states consistently and quickly, which accounts for their peak performance. Luxury Institute has named the flow state in elite sales associates the "Relationship Zone."

In order to help sales professionals achieve and master the "Relationship Zone," Luxury Institute's Luxcelerate system starts with a reframing of mindset. Associates are re-educated and guided away from the damaging effects of coercive, transactional selling models, with their robotic, dehumanizing training methods. Second, associates reframe their functional and

mechanical job description into one aligned with their own life purpose, their innate desire for meaning, and to help others to be their best. This transforms selling from an activity that is extrinsic, mercenary and demotivating, into one that is missionary and intrinsically inspiring and motivating. Third, associates are taught the skills of focusing on emotional intelligence, with expertise, deep empathy, trustworthiness and generosity as the four pillars of developing high performance peer and client relationships. Fourth, associates are taught to unleash their creativity skills by ensuring that they express the four pillars of emotional intelligence in a unique, personalized new way for each client each time they engage. Fifth, associates learn, to "get in the zone" more often during focused, customized practice sessions.

Along with daily metrics and scientific coaching, associates eventually master these skills deliberately and consciously. As they build mastery of self, associates begin to execute their mastery of people skills in the "Relationship Zone" when they engage clients. This process builds and unleashes the agility of sales associates to be their best selves at work daily.

Living in the "Relationship Zone" becomes a craving for sales associates. Many report transferring their new skills into their personal lives. Whatever your career, learning to break free from the choking effects of unfounded fear and into flow states more often can change your personal and financial life.

This paper was co-authored by Milton Pedraza, Luxury Institute CEO, and Alyssa Reppenhagen, a senior retail executive based in New York. For more information and additional insights visit www.LuxuryInstitute.com, or contact Luxury Institute CEO Milton Pedraza directly with questions (mpedraza@luxuryinstitute.com).