

Getting Closer to Clients

Steve White, President - Effectivation Inc.

The competitive landscape for professional services firms is constantly changing and becoming increasingly crowded. One of the primary differentiators for those firms that wish to succeed is the development and maintenance of strong client relationships.

There are many ways professional services firms choose to build and maintain closer and stronger relationships with their clients. One of the most frequently used methods is the formal process of Managing Client Relationships.

Mind the Gap – Please!!

According to a January 2001 Expertise Marketing* survey of over 500 senior partners and professionals, there are two primary methods to getting closer to clients; i) timely and cost-effective delivery of services and ii) on-going client relationship management strategies and tactics. The survey looked at the gap between a firm's recognition of the importance of these two methods and how effective they are in actual doing them.

Those surveyed felt they were 100% effective in timely and cost-effective delivery of services to clients. Surprisingly, they felt they **were less than 50% effective** in understanding and executing client relationship management strategies and tactics.

The typical reasoning is that most firms view client relationship management on a per-assignment basis. That is, the firm's relationship with the client is based on the success of the current project. Typically, firms use client satisfaction surveys and measurements at checkpoints during an assignment, and most typically, at the conclusion of the assignment. If the assignment is 'successful' and the client is happy, the **firm believes the relationship is good.**

Effective client relationship management can be a great **differentiator** for a professional services firm, and extends well beyond the current 'project'. Today, many firms are building and implementing expensive Customer Relationship Management (CRM) software applications that can provide contact management information in a relational database. Many firms have also utilised the latest technologies (laptop computers, cellular phones, pagers and extranets) to get closer and be more accessible to their clients.

'Tribal Knowledge'

When it comes to the management of individual clients however, most firms have traditionally relied on the 'tribal knowledge' of the partner or senior consultant who is assigned to these clients. The term 'tribal knowledge' refers to the current knowledge of the client that a partner has accumulated over the life of their relationship with the client. This could include the firm's wins and losses with the client, the key client decision-makers, the technology infrastructure, key client needs, competitive positioning, and so on.

Where is this knowledge kept? Most of the time in the brain of the partner! It's rarely written down, where it could be analyzed, summarized, and shared with others in the firm. In fact in some firms, 'Tribal Knowledge' becomes a source of power and influence, because in order for anyone else at the firm to obtain knowledge or perspective on a client, they must ask for it! Even worse, if the partner or senior consultant were to leave the firm, the 'tribal knowledge' goes with them!

Closing the Gap - Account Management Planning

An increasing number of professional service firms have recognised the need to formalise and document their 'tribal knowledge'. The process by which they do this is known as Account Management Planning.

According to the same survey by [Expertise Marketing*](#), "Strategic account management planning is a **highly effective way** to increase a firm's understanding of its clients, to align itself internally to bring clients the value they seek, and to measure the results."

Account Planning versus Opportunity Management

Account Management consists of two distinct, yet complementary elements: Account Planning and the Opportunity Management.

Account Planning can be described as the on-going process of documenting all the relevant information about the firm's accounts and the process by which using this information the firm develops a long-term strategic relationship with each account. This document is usually referred to as an Account Plan.

The primary purpose of Account Planning is to document and analyse the account's history, present situation and future (plans, priorities, issues and needs) in order to:

- Anticipate, identify and initiate opportunities,
- Avoid doing ineffective, inefficient or non-value-added things,
- Seeing and deciding what must be focused on next,
- Defining the firm's goals, objectives, strategies and plans for each account, and
- Communicating with our team.

A comprehensive and effective Account Plan should allow the firm to understand and document the:

- **Client's Relationship with Us** – *from a historical perspective.*
- **Client Information** – *relevant, current and detailed.*
- **Client's Future** – *where are they going? What are their goals, objectives and strategies?*
- **Our Future** – *where are we going with the client? Our goals, objectives, strategies and actions.*

Opportunity Management can be described as a by-product of the Account Plan whereby the firm documents, understands and analyses the many changing variables in a single complex decision opportunity and seeing and deciding what must be focused on next. Opportunity Management also provides a process for planning the strategy and tactics necessary to win, and the vehicle with which to communicate this information to our team.

The primary purpose of Opportunity Management is to identify, document and analyse the following:

- Who are the key client decision-makers for this opportunity?
- How well are we positioned with each of them?
- What are their key issues, challenges, or needs?
- How well is our service or solution addressing these needs?
- How well is an alternative or competitive solution addressing these needs?
- What do we have to do to close any gaps in our ability to meet and exceed these needs?
- Of all the things we could do, what should be our next step?

A comprehensive and effective Opportunity Management Plan should answer all of these questions on a dynamic basis as well as being quick and easy to view, understand and share with all members of our team.

What's In It For Me? For the Firm?

In addition to being a 'competitive differentiator', firms who adopt and practice account management planning methodologies should reap these benefits:

For the Partner / Consultant (who is managing the client)

- **Time savings** – the Account Plan and Opportunity Management tools tell us where our energy, creativity and resources should be focused and where they should not be for now,
- They **drive out the key actions** and questions that must be asked of our client in future meetings,
- The client team together, sees, understands and contributes on an on-going basis to the account and opportunity strategies,
- Identifying opportunities for business, and for 'added-value' projects and reasons for being with the client,
- Defining a good strategy and plan to **optimize business results**, client satisfaction and your resource utilization,
- The partner or consultant can earlier recognize and / or predict competitive tactics, their impact and how to react.

For the Firm

- **Time savings** – the partners and consultants responsible for key clients improve their self-management, and there is a built-in level of consistency in these strategic processes,
- **More business** with existing clients – due to better and earlier identification of new opportunities,
- **More business** – due to better and earlier partner / consultant / team analysis and strategy,
- **More business** – due to more efficient contribution to account strategies by management.

How Do I Make This Work In Our Firm?

Given the significant benefits of Account Management Planning to the firm, **what is the best way to get started?**

The best way to realize these benefits is to select and implement an Account Management Planning methodology with the following characteristics:

- Tailored to the firm's business and clientele,
- Practical, proven methodology,
- Easy to use and access, for all team members,
- Quick ramp-up and early value by introducing the Account Plan in phases,
- Simple, Word-based, flexible tools that are not heavily integrated with or reliant on more sophisticated CRM applications.

Unfortunately, because of other priorities and distractions, many firms will be unable to close the gap that exists between the recognised benefits of Account Management Planning, and their effectiveness in actually doing it. Those that get started on it today however, can differentiate themselves and reap the many benefits! **It's your choice!**

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Effectivation was established in 1986 to provide consultative selling and service skills training to information and knowledge-based enterprises. Effectivation clients include consultants, e-business companies, software firms, hardware firms, and internal MIS departments in Canada, the United States and the United Kingdom.

Effectivation trains people in consultative client relationship behaviours and skills. Our customised in-house workshops focus on the strategic and tactical skills that can help you and your firm initiate, build and maintain long-term relationships with your clients.

If you are interested in building better relationships and getting closer to your clients, please contact us at info@effectivation.com

**Expertise Marketing LLC – "Becoming More Market Driven" – January 2001*