

Chapter

19

After the Sale

Selling While Serving

Watch your relationship balance sheet; assume it is worse than it appears, and fix it.

—HARRY BECKWITH¹

A client has agreed to hire you and congratulations are in order for the successful sale. Now the real marketing work begins—*after* you have landed the client engagement. As stressed earlier, your goal should be to obtain 60 percent of your new business from current clients or from their networks.

Many consultants fail to build the client relationships necessary to achieve that goal. If you find yourself in the following situation, it's a warning sign that you are on the wrong track.

You're just finishing up a productive meeting with a long-term client discussing the details of an ongoing project. The conversation shifts to other topics, and the client asks how you are faring in the race for a new project that another executive in the organization is sponsoring. You are stunned because you weren't aware of this important opportunity. Your firm is well qualified for the new project, but now you would have to play catch-up to be considered for the work.

Although the best consultants can recapture lost ground, learning about a project late or secondhand signals that you need to devote more effort to cultivating relationships within the client's organization. You

GUERRILLA INTELLIGENCE: ARE YOU IN THE LOOP?

You won't win every project from existing clients, nor will you be qualified to submit proposals on all work. It may seem obvious, but many consultants don't strive to build the relationships with clients that keep them informed about:

- What's going on in the client's organization.
- The people involved.
- What you can do to help, even if that means steering the client to a competing firm to handle the work.

If you find yourself out of the loop, your client relationship balance sheet needs fixing.

want decision makers to know the extent of your firm's capabilities and to call you whenever a new need arises. Or at least, ask your opinion about the consultants they should consider if the project is outside your area of expertise.

■ THE SMALLEST TARGET IS THE BIGGEST

Your clients should be your most important target market. Although they are your smallest market in size, they represent the highest potential for profits. Not only should the bulk of your new business come from existing clients, but 60 percent of your marketing budget and effort should be devoted to enhancing the value of those relationships.

It's more efficient to use your resources to win new business from or through existing clients. It is far less costly to sell to an existing client than to a prospect, so the return on your marketing investment is much higher. You can deliver services more easily, and you don't have to dig out every new lead from square one.

Some consultants may argue that such a high degree of client concentration is risky for a practice. But consider the case where three clients account for 40 percent of a firm's gross revenue. Each client has worked steadily with the firm for 10 years, and they are the firm's most profitable accounts.

In good years and bad, these three clients seek help and pay handsomely for the firm's assistance. Most projects they undertake are not competitive, but are awarded directly to the firm. In rare cases when RFPs are issued, the firm still wins far more than it loses.

Many competitors hawk their wares to these three clients, some with minor successes. But not a single competitor has established a strong enough relationship to unseat the incumbent for anything but the smallest projects. Build the right relationships, and existing clients will be your best source of ongoing business.

■ CLIENT-LEVEL MARKETING

Part of effective marketing to existing clients is simply your mindset; you must think about them as prospective clients. That doesn't mean taking advantage of your position to sell them what they don't need, and it doesn't mean always being in a smarmy sales mode. What it does call for is a proactive, client-level marketing plan tailored to each client.

Adapt the marketing plan described in Chapter 4 to create a client-level marketing plan for each client organization. Identify your purpose with each client, how you will achieve it, the specific people in the organization you plan to approach, and how you will differentiate your services for each. Outline the tactics you'll use and how much time, money, and effort you will spend on the plan.

Assuming you have properly qualified each client and project, you should want long-term relationships with most of your existing clients. Some clients will be more important to your practice than others, but plan some client-level marketing for all your clients.

In true guerrilla fashion, your client-level marketing must be flexible and creative. One of the guerrilla's greatest strengths is the ability to swiftly adapt to changing situations. Nowhere will that skill serve you better than in the give-and-take of developing quality relationships. To that end, client-level marketing must be unobtrusive and collaborative; it must help clients in meaningful ways and target their issues. Your plan should be based on helping clients first and selling second.

■ THE SEVEN RULES OF ENGAGEMENT

Relationships with clients are getting harder to establish because of increased competition and clients' skepticism about consultants' credibility. Plus, nearly all consultants try some form of marketing to existing clients, whether they call it account management or project add-on strategy. Follow the guerrilla rules of engagement to get and keep your edge.

► **Rule 1: Make It Real—Real Fast**

After a project agreement is signed, clients often have conflicting emotions. They're optimistic about your selection, but also feel a sense of uncertainty about what's to come. They can be nervous, fearful, and skeptical about whether you can achieve the project objectives and even may wonder whether proceeding with the project was a good idea. Clients are also concerned about the impact projects will have on their organizations and staffs. They may be reluctant to cede control to you, or may worry about the career and political implications of your selection.

Theodore Levitt, author of *The Marketing Imagination*, warns us that with intangible products like consulting services, the client “. . . usually doesn't know what he's getting until he doesn't. Only when he doesn't get what he bargained for does he become aware of *what* he bargained for.”² Levitt rightly points out that clients often can't articulate what they want, but they always know when they are dissatisfied.

With less than one third of a multimillion-dollar project completed, a highly skilled technology firm lost the project. The client was dissatisfied with the work and with team communication, so they booted the firm and started over with a new consultant, wasting several million dollars. If the unlucky firm had done a better job early in the project, it could have avoided the ax and the financial battle that followed.

As soon as a project moves from the sales phase to the delivery phase, clients form lasting impressions about your team and its performance. Move quickly to make results real for clients so they know they are getting what they bargained for—even if they're not quite sure what that is. Get the project off to a quick, organized start and let clients see that the team will achieve results. Here are a few practical ways to proceed:

Demystify Project Administrivia

One or two meetings with the client team early in the process can steer emerging relationships in the right direction. Don't assume clients know all your internal processes, even if you spelled them out in your proposal. And don't assume you know theirs. It may seem like a waste of time at the outset of a project when everyone is itching to get to the task, but an early meeting of the minds on administrative details prevents subsequent confusion, acrimony, and lost productivity. Review billing rates, payment terms, and who will be responsible for completing paperwork.

Clarify Roles and Lines of Communication

Put in writing how you would like to do business. Provide contact information for your firm and the telephone numbers and e-mail addresses of project team members. Go over the roles and responsibilities of the consulting and client teams. Create a clear set of guidelines for communicating problems and resolving open issues. Set up a regular schedule to talk, review project progress, and plan. Make sure that every meeting has a purpose and is worth the time spent. If you engage in early dialogues, you'll uncover incorrect assumptions, potential scope changes, and easier ways to work together.

Revisit the Work Plan

Often, subtle changes take place in the interval between the submission of a proposal and the project's start date. Reduce the client's natural anxiety by reviewing, in detail, the work plan for the project and how each task relates to the ultimate result the client wants to achieve. It's important for all team members to see how their small pieces of the project fit into the big picture. Review resources and schedules carefully to minimize surprises. Don't let clients think, even for a second, that they made a bad decision in selecting you for their projects.

GUERRILLA TIP: SEND A WELCOME PACKAGE

It may sound old school, but some consultants send clients a welcome package at the beginning of projects. The package includes some details previously described, such as the names and contact information for the consulting team members, but it can also include invitations to upcoming events, new research the firm has published, and a letter thanking clients for their business.

Building consultant-client relationships is a mutual process. All parties must understand one another's personalities, approaches, skills, strengths, and weaknesses. Some relationships immediately move forward, whereas others never get off the starting block. Sprint to make the intangible tangible for your clients.

► **Rule 2: Results Rule**

In his *Harvard Business Review* article, "How to Buy/Sell Professional Services," Warren J. Wittreich points out, "Any selling involved in a professional service has just begun when the contract is signed. All

that has been sold up to that time is a promise. *The major 'sale' comes in delivering on that promise.*"³

Clients seek relationships with consultants for one reason: results. As repeatedly stressed in this book, the prerequisite for long-term, profitable client relationships is flawless delivery of every benefit and value you promise in your proposals or confirmation letters. Clients place great trust in consultants, and the fastest way to lose that trust is to perform poorly on a project.

Flawless delivery means that you:

- Start and end the project on time.
- Respect the budget.
- Keep disruption to the client's organization to an agreed-on minimum.
- Avoid surprises (if the proposal states that you need five people to complete the work, don't request five more people two weeks later).
- Ensure success by helping the client use what the project develops. Seek clients' advice on how project results can be made most valuable to them.

Use the project work as a hands-on opportunity to show clients what you and your firm can do, prove that you are always thinking about their problems, and demonstrate how you work closely with their team. Producing results is not just about achievements at the end of the project, but also about each day's incremental accomplishments.

Delivering excellent results provides value that clients can quantify and exponentially increases the potential for your client relationships to bring more work your way.

► **Rule 3: Expect a Cast of Characters**

Walking into a client environment can be like landing on an alien planet. You don't speak the language, and often you can't interpret what you see and hear. Attempting to build rapport with clients you encounter is delicate work. It requires well-developed interpersonal skills to identify the roles, influence, and characteristics of people in the organization and to figure out their needs.

It's dangerous to generalize about people because their motivations are complex, but here are a few examples of characters you might identify from their behavior: supporters, detractors, and the disengaged.

For the most part, it's unlikely that a client will walk up to you and say, "Hi, I'm your worst enemy here." Listen and think about what you observe. If someone says, "I don't care what the team decides, just tell me what you want me to do," there's probably a good reason that person is disengaged. Try to discover what it is.

Consultants who are conducting client-level marketing should be wary of clients who are takers—they can milk relationships dry. They may feel entitled to and press for discounted services just because of the volume of work they've given you. These requests can be costly, so carefully evaluate what you stand to gain or lose on each client request. Think about surprising them before they ask by providing them with occasional free extras. Just be sure you understand that they may continually demand or feel entitled to such bonuses.

Long-term clients can be suspicious of your motives. When you bring them something valuable, they may think you're angling to sell—even if what you offer is free. Don't let it dissuade you. Keep offering clients ideas, understand their sensitivity, and try not to blatantly sell. Clear thinkers will recognize and appreciate the perspectives you consistently offer.

GUERRILLA INTELLIGENCE: ALLY OR FOE?

The cruelest foe is a masked benefactor.

—Ralph Waldo Emerson*

Consulting projects are often controversial, creating both supporters and foes in client organizations. You will always have detractors—people who were against hiring you in the first place and never seem satisfied with your work. We'd all rather bask in the approval of supporters and avoid contact with detractors, but that's not realistic.

While client relationships should be cordial, clients don't have to be your friends to help you succeed. With some detractors, you may not get any further than a grudging acknowledgment that the project was not as big a disaster as they thought it would be. You never know, though—those in your detractors' networks who understand their negativity may perceive their opinions about you in a positive way.

*Ralph Waldo Emerson's quote is from his article, "The Sovereignty of Ethics," *Lectures and Biographical Sketches* (1883). Reprint: Leonard Roy Frank, ed., *Random House Webster's Quotationary* (New York: Random House, 1999), p. 239.

GUERRILLA TIP: FEE FATIGUE

Long-term clients can get fee fatigue: They simply get tired of paying consultants. In most cases, it's not triggered by poor service on your part, nor can it be prevented. Usually, they just need a break from working with outsiders. Learn to recognize the symptoms of fee fatigue and openly discuss this with the client.

Don't plan to settle in permanently with any client—get a project done and clear out. Your goal should be to return for another project in the future. You may well find that absence does make the client's heart grow fonder.

Some clients want to improve their industry visibility to promote their companies and their careers. Help them achieve their goals: Facilitate their participation in panel discussions at industry forums, publish jointly developed case studies and articles, or arrange for them to speak at conferences.

You can also help clients who want to extend their personal networks. Introduce clients to one another to share ideas and approaches. Clients love to discuss industry issues with their peers and with experts both in and out of their industries.

The clients with whom you will build the most rewarding relationships are those who take you into their confidence and include you as a trusted advisor. But you can also have profitable short-term relationships with any clients who respect your work and get along with you.

GUERRILLA INTELLIGENCE: THE RELATIONSHIP CHALLENGE

Consultants must remain objective to be effective, which requires that they keep a certain professional distance from clients. On the other hand, they have to get close enough to clients to become known and trusted. How do you do that? Tell the truth to your clients, even when it's unwelcome. That will earn you "objectivity points," which are better than style points or brownie points from the consultant's point of view.

Obviously, you want to sell clients more work. You know that and so do they. But telling them the truth about what they need always takes precedence over selling more work.

Always act in the best interests of the people in your clients' organizations, even if their actions seem to conflict with your short-term interests. Some consultants, to make more money, will push for work that is not in their clients' interests by suggesting a more complex and costly solution to a problem than necessary. Such actions are shortsighted and eventually will come back to haunt you. Sooner or later, they will tarnish your reputation with the client, and you'll be gone.

Every member of your client's organization is your client. Every interaction is a chance to influence each person's network by creating an advocate for you and your firm. Never underestimate how far an impression can travel, especially in the Internet age. Keep in mind that the staff member you speak with today could be the CEO tomorrow. People often change companies and even careers, so all relationships are important.

► **Rule 4: Draw Yourself a Diagram**

For every client organization, develop the influence map mentioned in Chapter 3 to help you quickly figure out who's who and who might need your help. Plan how you will meet the key executives in the client's organization. Determine if they are buyers of consulting services and if they will be your advocates, maintain neutrality, or be adverse to you.

Continually seek new relationships within the client's organization. Know about the industry players, your clients' competitors, and all those who influence the business. Regularly assess your relationships and target individuals who are important in reaching your goals.

If you find that 80 percent of a client's buyers don't like your firm, save your resources and put your efforts into getting business from other clients.

► **Rule 5: Invest in Strategic Clients**

All client relationships have potential value, but some clients have more strategic importance to your practice than others. And strategic clients warrant special investments.

Take a lesson from the airline industry's marketing. Airlines have frequent-flier programs to provide additional services to valued customers on the basis of the miles they fly or money they spend. In exchange for their repeat business, frequent fliers receive preferential seating, expedited check-in, upgrades, advance notice of special fares and packages, lounge use, and other bonuses. The airlines have

GUERRILLA TIP: EXTEND YOUR REACH WITH SOCIAL NETWORK SOFTWARE

Dubbed the Technology of the Year 2003 by *Business 2.0*, Social Network Applications analyze networks of people and their contacts to extend your personal and professional network faster and further. These software programs use social network theory to do everything from matching people with others in their own organizations to generating sales leads.

Vendors claim their programs can provide access to and insights about decision makers and get you business introductions that might not otherwise happen. They also say the software increases sales leads and shortens the sales cycle.

Some critics of these programs assert that social network software is another dot-com bomb waiting to happen. In the meantime, some consultants have had success with these tools so you may want to take a look at a few, like Spoke, Ryze, Visible Path, and ZeroDegrees.

created strategic relationships with their best customers scaled to the amount of business they conduct with them.

Before you invest in a strategic client, consider the following criteria.

Practice Building

Identify the practice-building benefits that justify investing in the client beyond the current project. Will an added investment generate new services you can market, an expanded industry presence, or new members for your network? If so, are they worth the investment required? Additional investment may be worthwhile if a client has the potential to refer business to you. The client may offer you long-term projects or the opportunity to move in interesting new directions. In addition, if the client is a prestigious industry or thought leader, examine whether your added investment could increase your standing in the industry or produce important referrals.

Chemistry and Culture

Consulting is a high-contact business and the success of projects hinges on the consultants' energy and motivation. A client's organizational culture strongly influences consultants' energy. Consultants thrive in an open, cordial, responsive setting, but may be discouraged

when treated poorly, have their invoices held unreasonably, have no access to authority, face endless red tape, and receive knee-jerk reactions in response to their recommendations.

During a project to help a retail client decide how best to survive bankruptcy, consultants found themselves in the project from hell. The client's site was like a ghost town—eerily silent with empty cubicles everywhere. What was worse, the organization's remaining employees deeply resented the consultants' presence. They felt the consultants were high-priced replacements for their former colleagues, and so they were sullen and uncooperative at every turn.

If a client's staff mixes well with the consulting team, it is easier to justify more marketing investment to retain that client's business. Some clients deliberately keep consultants at arm's length and resist efforts to build relationships. Although these situations can be awkward, they are workable. Clients are undesirable if they are not open to your ideas and are unwilling to see you as a potential advisor on a broader range of topics or future projects.

Will It Work?

Unless you're financially desperate, it makes little sense to pursue projects that you feel can't produce the desired result. In some cases, you may not have the right qualifications or experience, or the client may appear to be unreasonable or unresponsive.

Trust your instincts. Certain projects and clients were never meant to be. Committing ongoing marketing efforts to a client that has all the signs of trouble can wreck your reputation, kill your staff's morale, and spike employee turnover. Help the client find another firm instead. You'll earn gratitude from the client for your help and from the new consultant for the referral.

Profit

Again, profit is imperative for long-term relationships. Can you profit from working with this client, and if so, how much? Volume of fees is usually a false indicator of profit because large-fee projects can lock you into low margins for years. Look at forecasted profit to decide whether the client warrants additional marketing attention.

Sometimes clients tempt you with promises to provide new business referrals, expand your network, or put you in the project opportunity lead stream. Discount all such promises and evaluate whether the relationship can actually produce the benefits necessary for an additional investment.

Ask yourself whether the client will require sufficient consulting services for you to profit long-term, both financially and otherwise.

Location

Every consultant has a different perspective on travel. Most are resigned to travel being a part of the business. Think about where your clients are located and decide whether the investment in travel is worth it. And don't forget to evaluate the impact of traveling on your other client commitments and on your life: Travel can exact a severe physical toll.

Clients whose locations are close to yours may be preferable for long-term relationships. In *The Art of War*, Sun Tzu calls this the "facile," or easy ground.⁴ While certainly not the only factor in your decision, location should be a consideration.

Identifying a strategic client comes down to one question: Will it be mutually beneficial for you and the client to invest in each other? If the answer is yes, that client goes to the top of your list. Then, you must decide how much of your profit or time you are willing to invest in the client to win more work or referrals. That will vary with the size and profitability of your practice. To return to the airline analogy, some frequent fliers receive more preferential treatment than others based on how much business they do with the airlines. You can also apply that approach to your best clients.

► **Rule 6: Loyalty Is a Two-Way Street**

Client loyalty is tough to come by. Clients who think another consultant can provide greater value may be quick to forget about the past miracles you've pulled off for them and switch firms. Managing client relationships is about mutual long-term gain. No loyalty should be expected on either side without that.

Some consultants are easily drawn to the next sales opportunity with a different client instead of building on established client relationships to generate new projects. Perhaps it's the lure of the chase or the excitement of new clients, but it's often a mistake to abandon a strategic client for an unknown entity.

Be patient and understand the realities clients face. Don't throw in the towel when things don't go your way or you think clients don't show appropriate appreciation for you. Clients have an obligation to check out alternatives and consider every option that might help them achieve their goals. And your firm may not be the one they need at the time.

Even though your clients may not seem loyal to you, be loyal to them. Despite their inconsistency and explorations with other consultants, always provide them with consistently great service. Give them focused, useful points of view as promptly as possible. Keep in

mind that you can offer existing clients higher quality work, with similar or less effort, at higher profit margins than your competitors.

► **Rule 7: Know When to Fold 'Em**

Know when to walk away from a client relationship. Not all clients are worth the investment necessary to get more business from them. Although most clients add to your practice, some subtract. Try to continue working with clients who share your interest in long-term relationships. Consider pulling the plug on client relationships in the following circumstances:

- *They are only transaction-oriented.* Clients that only care about one project at a time and are unmoved by the wonders you have worked for them in the past are usually poor investments. If they treat you like a vendor instead of like a professional advisor, look elsewhere.
- *They are openly opportunistic.* Some clients will switch consultants in a heartbeat. Often for small decreases in consulting fees, these clients change consultants faster than you can say Benedict Arnold. Don't waste your time with them unless you are prepared to play an endless game of fee negotiation.
- *Every interaction is adversarial.* If you love to fight, then this may be your ideal client. For the rest of us, dealing with contentious people is a drag. Let them find other victims to torture.
- *They don't reciprocate.* Some clients ask consultants for unpaid extras like conducting research and making presentations. After the extras are provided, they turn around and hire your competitor, even though you are well qualified to complete the work. Reciprocity shouldn't be expected in every case, but consultants should expect some consideration for past efforts.
- *You become isolated from decision makers.* As pointed out earlier, you shouldn't take on a project if you don't have access to decision makers. But if, as a project unfolds, you are shunted off to gatekeepers who can only say "no" and thwart your attempts to reach those who can say "yes"—it's time to think about throwing down your cards and getting out of the game.

It is critical to your long-term success to know when to pull back from, or even drop out of, a client relationship. Don't remain engaged in an unproductive situation—it's not good for you or for your practice.

Carefully select the clients with whom you want to build long-term relationships; they are the backbone of your consulting practice. The objective of your client-level marketing should be to create partnerships with your most profitable clients so that you can help plan and participate in their future consulting needs. Although consultants provide services to clients, ultimately consulting is a people business, and it will only be as successful as the relationships you forge with the people in your clients' organizations.