

15 Pitfalls of Advising Clients

By Andrew Sobel

Serving clients requires constant vigilance. While we are forced as consumers to tolerate personal computers which constantly malfunction (usually due to software problems), we know that a single mistake during a client engagement could seriously damage—or at worst end—a client relationship. Here is a compendium of what I have found are some of the most common pitfalls for professionals who work with clients:

1. The Wrong Client

The right client is the individual who owns the problem at hand, can act on your recommendations and/or engage your services, and can authorize your fees. Often—especially in a large organization—multiple individuals will fulfill these various roles. Some typical pitfalls include:

- Not meeting the economic buyer during the sales process, and relying on the user-buyer or feasibility buyer to get the sale approved (sometimes a formula for disaster)
- Working with a client who has no power to implement your recommendations
- Working with a client who has only an academic interest in the real problem

2. The Wrong Problem

The great client advisors I've studied constantly ask themselves: Am I working on the right problem? Have I defined the problem correctly? Large corporations, for example, endlessly reorganize under the assumption that the current organization structure is not working well. Yet very often the problem lies elsewhere—personality conflicts, executives who refuse to work together as a team, bloated costs, poor information systems, etc. “She helped to redefine the problem” is one of the most praiseworthy things a client can say about a professional.

3. The Wrong Advisor

Don't kid yourself that just because a client asks you for your advice, you're the right one to give it! I have known lawyers who tread on thin ice by giving too much business—versus legal—advice, management consultants who opine on psychiatric disorders, salespeople who fancy themselves as executive coaches, and investment bankers who put themselves forth as organizational strategists when they ought to stick closer to capital markets. One of the best ways to earn respect and trust from a client is to be honest about your capabilities and to recommend other qualified professionals if you're not the right person for the job.

4. Vicariously Exercising Power or Expertise

Professionals sometimes invoke the name and authority of their client to obtain respect and support in the organization. At other times the client executive himself may use the expertise and opinion of the professional advisor to shore up his own position. This practice can seriously undermine both client and advisor. President Richard Nixon and Secretary of State Henry Kissinger, for example, both encountered this pitfall. Nixon would tell people, “Henry thinks that . . .,” or, “Henry strongly believes such-and-such,” mentioning the name of his brilliant advisor in order to add weight to his own words. Kissinger, in turn, would try to bolster his own power by constantly saying, “The president is fully behind this” and “This comes directly from the president.” You don't want to become known as a skill for your top client—it will radically undermine your popularity.

5. Too Much Bad News

Author and strategy advisor C. K. Prahalad points out that clients have a limited “bandwidth for bad news.” He told me, “Very few executives have the stamina and ability to constantly push, year after year—former General Electric CEO Jack Welch was unique in this regard. When they get towards the end of their tenure, their bandwidth for bad news diminishes substantially. It's at the beginning, when they are receptive and open, that you can have the most impact.”

In fact, virtually any client who is just starting out in a new position—not just a CEO—is more open to constructive criticism, new ideas, and suggestions than she will be at the end of her tenure. You have

to be able to gauge, therefore, where your client is in her overall career and how open she will be to your counsel. Another way of putting this is that you have to choose your battles carefully—you can't take on

your client over every issue, else you risk winning the battle but losing the war.

6. Sticking with bad clients

Sometimes the personal chemistry between professional and client is just plain lousy. You may have conflicting values, or your personalities may just be so different that you clash on even the smallest issues. You will also occasionally find some clients who are just nasty or unethical. You don't have to stay in a bad relationship!

7. Believing everything your clients tell you

Whenever a company collapses into bankruptcy, the finger-pointing quickly reaches a frenzied pace. No matter how obvious it appears in hindsight that facts were misrepresented, losses concealed, and illicit practices condoned, no one—not the company directors, the chairman, the CEO, the CFO, the controller, nor their outside advisors (accountants, lawyers, bankers, and so on)—ever seems to know anything about what is really going on. Behind this is often the facile acceptance of other people's opinions, judgments, and representations of the facts. Great professionals combat this by frequently challenging what they see and hear. They have a "doubting mind," and accept very little at face value, especially when it comes to people's character and competency.

8. Losing the Support of the Broader Organization

Throughout history, advisors to kings have always walked a thin line between the security and power that derived from their relationship with the leader, and the weakness and unpopularity that resulted from the enmity of the king's subordinates—the nobles and the population at large. Cardinal Wolsey, who was lord chancellor before Thomas More, was the son of a butcher. Because of his background, politics, and strong influence over the king, the English nobles hated him—and eventually his client, King Henry VIII, dumped him.

The fact is, the closer you become to a particular executive you work with, the harder it is to also be effective with the broader organization. If you work with a larger firm, this is another reason why you have to build many-to-many relationships. If you work alone, be aware of the tradeoffs.

9. Ignoring less-senior clients

Just as it's a mistake to ignore the economic buyer, it's a mistake to ignore the seemingly "less" important executives. Mayer Rothschild, the founder of the Rothschild banking empire in the late 18th/early 19th century, was an assiduous relationship-builder, and even though he hobnobbed with kings and queens, he treated everyone with equal gravity. Wrote one of his sons, "When he had occasion to apply to an inferior or a man who had little power to assist him in carrying an object he had in view, [Father] spoke with the person as if the whole depended entirely on him, though perhaps he knew he had but the smallest possible influence in the business." Recently, a leading investment banker told me about how one of his competitors had a relatively junior staffer literally camp out in the office a "lowly" assistant treasurer. The competitor won a major transaction because of this relationship—it turned out the assistant treasurer had wide latitude in choosing bankers, a decision that many think of as the province of the CFO or CEO.

10. Agenda-pushing

"Everyone who walks in that door over there," Franklin Roosevelt once said to a visitor, pointing to the door of the Oval Office, "wants something out of you." Indeed, I've heard this refrain from dozens of top executives that I have interviewed for my books and research. Clients can smell this a mile away. You should walk in your client's office with only one agenda—his or hers.

11. One-size-fits-all

Ray Smith The former CEO of Bell Atlantic (now called Verizon) talked to me once about this type of client advisor: "Many professionals find one good solution and then apply it to every client, to every situation. By way of illustration—I had a friend who got a job as a printer's helper in college, and then started his own printing business. He's a very bright, engaging guy. But for him, the solution to everything is a brochure. If you tell him you've got problems with your computer, he'll enthusiastically say to you, 'Let's put together a pamphlet.' I avoid these one-size-fits-all advisors—they grab onto one solution that works one place, then try to sell it everywhere."

12. Crowd-pleasers

These are the advisors who tell their clients exactly what they want to hear. They lack integrity, conviction, and independence. They are like one of the protagonists in the joke about the wildlife biologist who goes to a small town in the Rockies to study mountain lions. In the general store, he asks the clerk if he's ever seen any mountain lions around the town. "Absolutely not," the clerk replies, seeking to reassure the stranger.

"That's too bad," says the biologist. "I've come out here from Boston to study them, and was hoping to stay awhile."

"Actually," the clerk tells him, hoping he'll stay and spend some badly-needed tourist dollars, "I saw a big one just last night near my house."

13. Crowd-followers

Jim Robbins, CEO of Cox Communications, says that "A good outside advisor is someone who is really thinking on the edge, who will challenge the status quo and be willing to go against the crowd." Out of insecurity, lack of imagination, or just plain conservatism, however, some professionals always advise their clients to go with the crowd, and they stick to preconceived notions about the right solution. Political advisors are notorious for this. Based on the most recent poll results, they will push their clients to espouse positions that maximize their popularity at that moment in time. During the 1970s and 1980s, for example, many large corporations became enamored of the burgeoning computer business and felt they just had to be a part of it. Following the crowd, companies as diverse as AT&T, Xerox, and Exxon all made ill-fated, expensive forays into computers and related high-technology products that they have since abandoned. In the 1990s it happened again, but this time everyone put a "dot-com" after their name.

14. Recyclers

Clients want services tailored to their particular situation, not recycled, boilerplate advice. Polonius, who advises the king and queen in Shakespeare's Hamlet, is a classic example of the advisor who offers stale, clichéd counsel. Spouting platitudes to his son Laertes such as "Neither a borrower nor a lender be" and "Above all, to thine own self be true," he exposes his own shallowness and lack of insight (his theory about Hamlet's madness is wrong). Polonius fatuously recycles the same silly advice over and over. Although these passages are often quoted by well-meaning readers, Shakespeare clearly portrays Polonius as an ineffective advisor.

15. False Counselors

In Dante's Inferno, which is the first part of his masterwork The Divine Comedy, the "false counselors" are found in the eighth circle of hell, one of the lowest, just below common thieves. These false counselors are spiritual thieves, who advised others to commit fraud. They used their intellect to rob people of their integrity, and as a result must walk for eternity enveloped in painful flames. Using one's intellectual powers to deceive and encourage wrongdoing was, for Dante, an especially egregious crime. An extreme occurrence—an historical relic of Dante's era? Not really—just look at some of the questionable but fee-generating transactions that some professional firms urged their clients into over the last five years.

Occasionally, even the best of us can fall into these traps or some milder version of them. Hopefully this list will remind you of the many landmines that lie hidden out there as you work with your clients.

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