

Adding More Value

By Andrew Sobel

At one of my recent workshops, the participants were discussing what is different about managing client relationships today compared to ten years ago. A hand shot up: “Clients want twice as much value for half the price!” I hear this lament frequently, in fact. No question: Today’s clients (often former consultants, law firm partners, or bankers themselves!) are discerning, sophisticated buyers who often know exactly what they want and how much they think they should pay for it. So in this edition of Client Loyalty, I thought it would be timely to revisit the concept of value. I find it useful to think in terms of core value, surprise value, and personal value—a concept I’ve mentioned in other newsletters, but which I treat in depth here. It’s also important to address ways to improve the client’s perception of the value you are delivering. Let’s explore these ideas a bit more.

CORE VALUE

This is what your client contracts with you to deliver. Obviously, you need to do a great job at core value if you want to stay in the game. Here are some typical types of core value that you should think about:

Problem solving: providing the answer, providing the methodology, or getting the result directly (e.g., doing it for your clients, or outsourcing it for them)

Speed: Getting it done faster than the client could do it on his or her own

Market knowledge: Investment bankers, for example, offer their clients insights into the state of capital markets and industry competitive dynamics

Organizational continuity: During a period of change, a benefit for the client may be getting the work done without disrupting the day-to-day operations of the business

Independence and objectivity: Providing an honest, detached point of view

Perspective: Bringing picture thinking which helps frame and prioritize the issues, and pulls the client out of the day-to-day details

Judgment: Assisting your client in making difficult calls

Specialized data: This could include special surveys and market analyses that clients cannot undertake on their own

SURPRISE VALUE

Surprise value is when you help your clients improve their business in unexpected ways. These could include:

Unexpected problem-solving: Adding value by pointing out issues, problems, or improvement opportunities that you were never formally chartered to focus on.

Connection: Creating connections for your client--connections to people and to valuable information

Reflection: Listening carefully and acting as a wise sounding board for ideas and proposals

Education: Enabling your client to learn and helping her to teach others. Transferring skills and knowledge to the client's organization.

Consensus: Helping bring people along; persuading and influencing to effect positive change

PERSONAL VALUE

Every client gains something on a personal level from working with you and your firm. Don't underestimate this: Often, this personal value turns out to be the most valuable thing a client remembers about your work. Personal value for your clients could include:

Having fun while working with you

Advancing their careers as a result of your joint work

Getting career counseling and other types of personal advice

Feeling recognized and important

Improving personal skills

Benefiting in other personal ways—e.g., you help a client's family member in his job search, counsel a teenage daughter about colleges, etc.

PERCEPTION OF VALUE

Ever feel that a client didn't fully appreciate the great job you did? The client could be right—maybe it wasn't so great—but more often, the professional advisor hasn't done some very simple things to enhance the client's perception of delivered value. Here are some strategies for doing this:

Discuss expectations at the beginning of the engagement, and review them periodically as the work progresses. These discussions are valuable because typically it takes a few minutes to review the key milestones, and then your client will spend most of the time talking about what's really on her mind. I'm a firm believer that doing a really great job goes beyond the narrow concept of "meeting expectations," but documenting and reviewing mutual expectations is a good place to start.

Clearly communicate the value that you have achieved. Don't be shy! Besides, you may discover that you either have fallen short in some area, or that your client perceives some added value that you don't recognize.

Give clients a sense of transparency and control.

Give your clients credit. Make them feel that you've assisted them, helped them, brought out the best in them—but not superceded them. Remember the words of the famous 16th century Jesuit priest and advisor, Baltasar Gracian: "Princes like to be helped but not surpassed. When you are counseling someone, you should appear to be reminding him of something he had forgotten, not the light he was unable to see."

Leave clients wanting more, not wishing you would stop hanging around so much. When there is scarcity, perceived value shoots up (think diamonds and gold); when there is a surfeit of something, its value plummets (think sheet metal). You want clients wishing they could get more of your time, not figuring out ways to reduce their perceived dependency on you.

I do believe that value is more important than ever and that schmoozing, while not dead on arrival, is no longer enough to command loyalty (if it ever was!). With that in mind, think about all the different layers of value that you can offer your clients. Use these concepts, by the way, when you are building a potential relationship with a new client—they can be a useful way of framing, during a sales situation, the value that you can offer.

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