No Client Plan Survives Contact with the Client (Part I)

Each year, a large forest is consumed to make paper for all of the client plans that are written around the world. Trees and business professionals alike generally loathe the task.

I can understand why the trees are upset, but why do many client-facing executives dislike this exercise? Here are some typical comments I hear about the activity of client planning:

“I’m too busy with my clients to write plans. Besides, I know exactly what they want and need.”

“Client revenue is very unpredictable. Since you never know where it’s going to come from, you can’t plan it.”

“These documents just sit on the shelve. They’re not used.”

“Account planning around here is a bureaucratic exercise and nobody takes it very seriously.”

“Our account plan includes 20 pages of forms, requiring me to forecast revenue by product, geography, industry, etc. It’s really unwieldy and unrealistic.”

Despite these prevailing attitudes, client planning is a very important and useful activity—if it’s done properly. Ideally, it creates a focal point for deep, strategic thinking about how to grow and develop your most important relationships and break into new ones. It helps to mobilize your organization around key clients in a methodical way, and it’s a reminder of all the small things you should be doing day-in, day-out, such as understanding your clients as people and not just as professionals.

Developing and evolving a client plan should involve lots of discussions and interaction with your client. Thus the pirated quote contained in the title to this article—“No client plan survives contact with the client.” The famous 19th century German military strategist, Field Marshall Helmuthâ€¨ von Moltke, wrote once that “No battle plan survives contact with the enemy.” His point was that once the battle starts, the plan you devised beforehand will invariably have to change. For our purposes, this means that you cannot develop a client plan as an isolated, academic exercise. Sometimes, I see firms create plans that are simply a menu of services that they think the client will buy. A really good client plan, in contrast, is a living, evolving set of intentions and action steps that are informed by constant dialogue with the client. So naturally, no client plan will survive contact with the client—it will change and evolve based on that contact.

Here are the first 8 of 16 principles that I believe represent best practice for developing client plans:

Concentrate on the quality of your thinking, not the forms. What is most important is the depth and creativity of the discussion, not the complexity of the planning forms. I have been shown plan templates that would require an army of analysts to fill out—that is, if they had a free month. A two-page summary of how you’re going to try to grow a client relationship may actually be an excellent way of synthesizing your intent. Don’t worry so much about the planning forms—worry about your thinking process and your dialogue with your team and the rest of your organization.

Involve your client in designing the plan. So you're asking, "But why would my client want to help me write my plan? What's in it for him/her?" Well, why not? If you're writing a plan to help a client improve his business, why wouldn't you want to sit down, and say something like, "I've been thinking about how best I (we) can help you in the coming year, and I wanted to gain a better understanding of the challenges you see looming on the horizon and the priorities you're going to be focusing on. I also wanted to share some ideas with you that we've been developing." Unless the client hates your guts or is extremely distrustful, she's going to be flattered and delighted that someone is taking a serious interest in her business and in building a long-term relationship.

Clearly articulate your understanding of the client's goals and strategy. I don't care if you provide M&A services, software, or legal advice—you have to have a clear understanding of your client's goals, strategy, and operational priorities, even if these things are not the direct focus of your work. Many professionals, however, lack this basic knowledge. You need to know this because whatever service or product you sell, it has to create a benefit that relates to those strategic and operational goals. If you cannot articulate this understanding in a few bullet points, then you have some homework to do.

Focus on the key relationships you need to build or strengthen. Many plans focus on setting out general client needs and then the different services that you will provide to meet those presumed needs. This is great for budgeting purposes, but not the right first step for building a long-term relationship. You should make a list of all of the key executives that you need to build a relationship with to complete the current work or engagement, as well as those you need to get to know in order to deepen the relationship or expand it into new areas. This list could have as few as 2 or 3 names or as many as 20 or more, depending on the size and complexity of the relationship. You should put a number from 1 to 5 next to each name, where 1=we hardly know this individual or have met her only once and 5=I am this person's trusted advisor.

Identify the buying influences. There are as many as five types of distinct buying influences involved in any purchasing decision. These are:

The economic buyer: She can authorize the purchase. Her concern is ROI—"Is this a good investment for my company?" Usually there is only one true economic buyer.

The user buyer: He will be working with you on a day-to-day basis. He can influence the sale, but does not make the final decision to buy. His concern is, "How well will this person/firm work with me and get the job done?" There can be many user buyers.

The technical buyer. She assesses whether or not your offering is "up to spec." She may be a procurement officer, an engineer (for products), or a staff professional. A sub-variant of the technical buyer is the "feasibility buyer". These buyers can say no, but they cannot say, "Yes."

The Coach. This is someone who knows you and likes your work, and wants you to win. In any complex sale, a coach is absolutely necessary. It could be an employee, a former employee, or even the economic buyer or the user buyer.

Other influencers. Sometimes, there are figures (board members, staff analysts, etc.) who may influence the decision to buy but who do not fit neatly into the first five categories.

Do you understand how the relationships (the individual clients) you outlined in step 5 relate to this buyer influence framework? You'd better, if you want to grow this client relationship.

Understand both rational and personal agendas. Sometimes, people have a hard time with this simple distinction. An executive's rational agenda might be to "cut costs by 10%" or "grow market share" or "reduce our legal liability for this product." That's usually easy to determine. A personal agenda could be, "Get promoted to CFO" or "Retire gracefully in two years and leave a legacy" or "Work fewer hours to spend more time with my family." As one of my own clients told me, "Just remember that your clients care FAR more about their own careers and their personal success and happiness than they do about shareholder value or cost cutting programs." Outside advisors, broadly speaking, must be working to shareholders' interests and goals, but you must also add personal value to clients—in the end, that's what they often remember you most for!

Identify how you're going to add value. We all talk about value ad nauseum, and we often assume it is defined by hard, quantitative measures. The first step is to really understand how your client defines value. What are the outcomes they seek? What will success look like for them? Beyond the "core" value that you have contracted for, what kinds of "surprise" value and "personal" value (see number 6, above) can you add in the relationship?

Map your competition. A client of mine, the CEO of a major investment bank, told me that "Even the toughest, hardest-to-reach clients are doing good business with someone." In other words, you may feel like there's no good business to be had, and that you are last in line for the lunch buffet, but almost certainly there is a competitor of yours who is doing well serving that client. Who are you competing against? What are their strengths and weaknesses? How happy is the client with their services? (Often, if you ask, clients will be very forthcoming about their dissatisfaction with another provider!). When thinking about the competition, a good question to ask yourself is, "If I were one of my competitors and wanted to gain a foothold with this client, what would my strategy be?" Then, think about implementing some of that strategy yourself.

Next month, we'll look in depth at the remaining 8 client planning principles:

Think about share of wallet.

Strategize how to make the wallet larger.

Ask yourself and your team lots of tough questions.

Learn from the past and engage in "prospective hindsight."

Identify your dream team.

Get a disinterested, honest broker to participate in the planning process.

Convert the plan to specific action steps and monitor progress.

Follow up with a comprehensive, mid-year review of the relationship.

See you in September!

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