

Winning a New Client When There Is an Incumbent

By Andrew Sobel

Breaking into a new client requires skill and perseverance under any circumstances, but especially so when the client already has a strong relationship with a firmly entrenched competitor. If the client is satisfied with an existing provider, there has to be a compelling reason for them to shift their business to you. It can and does happen, however. After enjoying the fruits of a relationship for many years, an existing advisor can get complacent, leaving room for an energetic, creative, and determined newcomer to capture the client's imagination.

Here are 9 principles that can help guide you in trying to win business from a new client which already has strong, existing relationships with the competition:

1. Look for trigger events. There are a number of circumstances that will make it easier to build a relationship. There could include things such as:

A conflict. Due to a conflict with another client, your competitor may find itself unable to execute a piece of work. This can most commonly occur with investment banks and law firms, but similar situations can arise with other types of advisors.

Executive changes. The individual who has a strong relationship with your competitor may leave or be reassigned elsewhere.

Reorganizations. This may cause the client to rethink how it distributes its business among outside firms.

Economic events or shocks. Sometimes, a profit crunch or loss of market share will trigger a company to rethink its use of advisors (e.g., clients will often change advertising agencies for these reasons).

Turnover or retirements at the competition. If a lead partner or key relationship manager retires, for example, this may be an opportunity to press your case and invest in trying to capture some share of wallet.

A service or quality failure on the part of your competition. One of my clients won over a new client despite that company's 10-year relationship with another advisor. They were told that the incumbent, in 10 years, had never learned anything about the client's business, and the client was tired of their complacency and of the generic advice they were getting.

2. Try to identify something small or non-threatening that you can work on. If, in order to hire you, a client has to dump an existing provider with whom they have a good relationship, your chances of success are very small.

How would you feel if someone you just met said, ³I want to be your friend, but you have to get rid of your best friend in order for us to build a relationship²?

3. Focus on an area where you are clearly differentiated or have a tangible strengths vis-à-vis your competitor. I've seen firms make inroads because they had a strong presence in a particular market or country, or had done some unique research around an issue of importance to the client. Ask yourself, ³Where do we have a particular strength we can leverage²?

4. Invest to earn their trust and respect. The incumbent has the advantages of knowing the client better than you and having built up a repository of trust that you lack. You're probably going to have to go above and beyond in terms of making an up-front investment in understanding the client's issues and organization.

5. Identify executives in the client organization who are not so loyal to the other provider. You'll certainly be able to capture the attention and interest of these executives more easily, potentially dividing and conquering.

6. Emphasize innovation and new ideas. Clients are always looking for fresh perspectives, and they will usually not let an existing relationship get in the way of at least listening to someone else's good ideas. One of my own clients aspired to work for a major global company based in London, one that was the largest client of their direct competitor. Their ticket to entry was a bold strategy which involved leading with a controversial but well-developed and innovative viewpoint on the future of the industry. They also leveraged strategy (5), above, by appealing to a senior executive who was less tied to the other firm. Once inside, they all but entirely displaced the competition.

7. Be patient and persistent. Usually, it will take many visits and many conversations over a long period of time--months not weeks, certainly<to find the right opening.

8. Stay in touch so you are there when your number comes up. This applies to any new business development situation, but even more so when there is a major, established competitor. You may get lucky and receive what seems like a call out of the blue because a client's advisors have an unforeseen conflict, but even such a call is likely to be the result of your systematic relationship-building efforts rather than serendipity.

9. Pick your shots. When there is a strong incumbent, breaking in can be an uphill struggle, and it's no fun to bang your head against a door. Be selective about investing your time, and focus on those few opportunities where the potential payoff (future revenue, opportunity to serve a marquis client, etc.), multiplied by the probability of success, suggest a worthwhile goal. Sometimes, until there are some major personnel changes, the client just isn't going to give you any business under any circumstances. If that's the case, move on.

Relationships do change--they aren't cast in concrete. Remember, this very week, your competitors are calling on your own best clients, trying to capture some of their business--the least you can do is return the favor.

Don't just play defense.

=====

Andrew Sobel is a leading authority on client relationships and the skills and strategies required to earn enduring client loyalty. He is a consultant and educator to major services firms worldwide. Andrew is the author of the business bestsellers *Making Rain: The Secrets of Building Lifelong Client Loyalty* (John Wiley & Sons), and *Clients for Life: How Great Professionals Develop Breakthrough Relationships* (Simon & Schuster/Fireside). He can be reached at andrew@andrewsobel.com (Tel: 505.982.0211).