

## Client Relationship Management: *From Expert for Hire to Trusted Advisor to Client Partner*

By Andrew Sobel

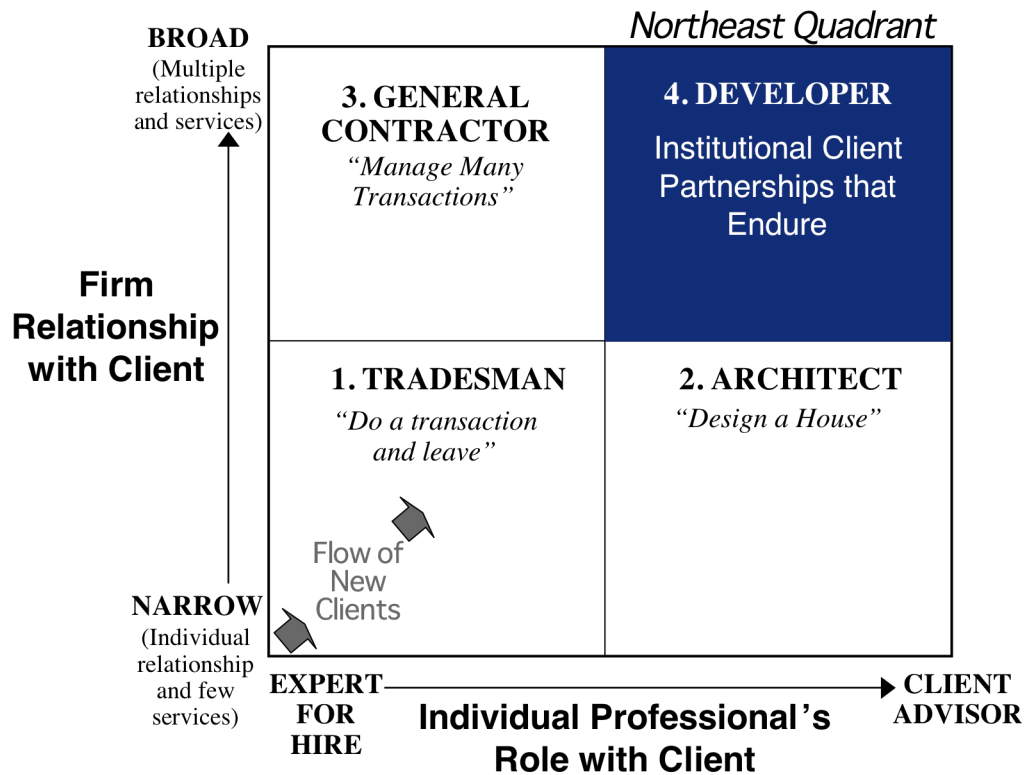
Competition, commoditization, client sophistication, and transparent markets mean that few services can be truly differentiated in their own right. Strong, enduring client relationships, therefore, are the lifeblood of most organizations. It's not easy to consistently develop these, however. One of the most critical concerns that I hear from the leaders of major service firms can be summarized as follows: "How can we more effectively mobilize our complete capabilities, across the organization, to create enduring, institutionalized client relationships? How do we consistently develop trusted-advisor relationships, and then on the basis of these, deliver the whole firm to each and every one of our clients?"

Intensifying this challenge are client demands for more value in their relationships with the providers of services. I recently conducted a major Client Relationship Management Best Practices Survey which drew responses from over 300 partners or managing directors from 13 leading professional and financial services firms. These included companies such as Citigroup, Booz Allen Hamilton, Ernst & Young, WPP Group, and Towers Perrin. Indeed, the number one trend cited by these senior professionals, in terms of what is affecting their ability to build client relationships, is client demands for greater value—for more price/performance.

The relationships that most professional firms aspire to build lie in what I call the *Northeast Quadrant*. In this space, two things have happened: first, the individual professional managing the relationship has evolved his or her role from an expert-for-hire to a trusted business advisor; and second, the firm has developed its overall relationship from a narrow one based on few services and one individual contact to a broad one founded on multiple relationships and services. These Northeast Quadrant relationships—we can also call them client partnerships—are the bedrock of most organizations.

These two key dimensions are portrayed on the client development matrix, below. A given client relationship can be approximately positioned in the matrix by asking a few simple questions. The matrix distinguishes four different positions, each with its own characteristics:

## The Client Development Matrix



**(1) Tradesman (or, "Expert for Hire"):** This is where most relationships begin. At this point, the trust and mutual understanding that might deepen and broaden the relationship simply have not developed yet. This is not a "bad" position to be in, but probably not one where you want to remain for long.

**(2) Architect:** In this quadrant, you've demonstrated a series of qualities—trustworthiness, independence, judgment, big-picture thinking, empathy, and others—that earn you a position as a trusted advisor within your client's inner circle. You are, metaphorically, an architect who helps the client develop a vision or strategy but who is not involved in implementation—in building the house itself. This is a great role to play, but without moving up the other axis and broadening the relationship at a firm level, your ability to grow this client will be severely limited.

**(3) General Contractor:** You've successfully broadened the relationship and developed a significant revenue stream with this client. You may in fact be managing a very large, multifaceted program. Don't kid yourself, however—you're still in "RFP territory," just as you were when you were a solitary expert for hire.

(4) Developer: This is the ultimate goal: to be a trusted advisor to your client and to harness the full power of your organization to deliver outstanding results. In this top-right quadrant you have built a true client partnership. You are leading your client's agenda, have built many-to-many relationships, and are meeting an array of client needs. It's not an easy task to play this role with a client, but if you succeed, you and your firm will probably have a client for life—and a highly profitable one at that. You'll also experience great personal satisfaction in the role of a trusted counselor who is having a significant impact on his or her client's success.

### What enables the development of “Northeast Quadrant” client partnerships?

Over the last ten years, I have conducted extensive research into the ingredients of successful, enduring client relationships. I have also worked closely with many leading professional and financial services firms on this topic. It's clear to me that there are approximately 10 major building blocks—essential strategies or practices—that are necessary to evolve from an expert-for-hire to a trusted advisor to, finally, a trusted client partner. These building blocks, properly executed, enable you to move firmly into the Northeast Quadrant of the client development matrix.

Some of these building blocks are principally driven by the client relationship manager or account executive. For example:

- *Developing Relationship Capital.* Each client-facing professional has the responsibility of building a strong network of what I call “relationship hubs”—those critical, few individuals who can really make a difference. A firm's total relationship capital is, naturally, the sum of all of these.
- *Institutionalizing the client relationship.* A variety of strategies must be brought to bear to accomplish this, including creating many-to-many relationships, building a team with the right mix of “deep generalists” and subject-matter experts, and engaging in systematic account planning and development.

Other building blocks must be principally driven at the firm level. For example:

- *Creating a trusted advisor pipeline.* For every 100 professionals hired, only a few will eventually be able to go on and manage major client relationships. How do you systematically select, retain, and develop relationship managers who can take on this critical responsibility 8 or 10 years down the road?
- *Fostering firm-wide collaboration.* There are a number of factors which can encourage collaboration across boundaries, as well as obstacles that prevent collaboration. It is the responsibility of senior management to manage these factors and deliberately foster familiarity and trust and the frictionless movement of people, ideas, and resources into major client relationships.

For each of these 10 building blocks, I have developed a comprehensive framework which outlines the essential tasks, codified a set of best practices, and created implementation tools. Please contact me if you'd like to discuss any aspect of client relationship management in more depth.

Andrew is Executive Director and co-founder of the Client Leadership Forum, a group of leading services firms which share best practices for effective relationship management and support research into “next practice” for building clients for life.

What are the essential tasks of a client relationship manager? Here are six to think about:

1. *Aspiration Setting*: Establishing ambitious, stretch goals for the relationship that are always aligned with client needs.
2. *Relationship strategy*: Deciding what opportunities you should pursue and which individual executive relationships you should invest in.
3. *Client leadership*: Becoming a trusted advisor to the client and a recognized thought leader within the client organization.
4. *Team leadership and growth*: Mobilizing, orchestrating, motivating, and developing the right group of professionals—from across the firm—to serve the client
5. *Quality assurance*: Ensure that the work product is of high quality and meets the client's expectations
6. *Commercial management*: Managing pricing, contracting, and negotiating; ensuring firm profit standards are being met; making thoughtful decisions about investments in the client; and so on.