Building Long-Term CLIENT RELATIONSHIPS

WELCOME – OUR AGENDA

- Putting Things In Context
- Getting Started
- Targeted Engagements
- Relationship Building

Part 1

Putting Things In Context



THREE ASPECTS OF BUILDING A SUCCESSFUL PRACTICE:

- GETTING APPOINTMENTS (MARKETING)
 - GETTING CLIENTS (CLOSING AN APPOINTMENT)
 - KEEPING A CLIENT (MAINTAINING YOUR RELATIONSHIP)

The Relationship Cycle A Formula for Repeatable Success

Test

<u>Initiate</u>

Feedback

V. Relationship Feedback

- Outcome review
- Quality survey review
- Plan to move forward

I. Relationship Development

Understand the customer:

- Goals, objectives
- Technology plans
- Process alignment

IV. Rollout

- Execute Plan
- Project management
- Executive review

II. Relationship Definition

- Define performance areas
- Finalize specifications
- Define expected outcomes
- Commitment

III. Relationship Test

- •Perform test -- pilot
- Confirm specifications
- Adjust business processes

Preparation

Become The Generalist



SOME KEY ASSUMPTIONS

- YOU ARE A GENERALIST
 - 90% OF YOUR CLIENTS ARE NOT SOPHISTICATED
 - MOST ISSUES AND SOLUTIONS ARE GENERIC

• YOU CAN ANTICIPATE ISSUES AND PREPARE STANDARD SOLUTIONS

THE THREE KEY ISSUES YOUR CLIENT NEED TO ADDRESS

NO CASH - A FINANCIAL FOCUS

MORE SALES – A MARKET FOCUS

• MORE TIME – A PEOPLE/

MANAGEMENT FOCUS

NO CASH - FOCUS IS FINANCIAL

- To Diagnose Correctly, the situation must be reviewed from both an income statement or cash flow perspective and a balance sheet perspective:
 - Cash Flow
 - Pricing Problem
 - COGS Problem
 - Other Expense Problem
 - Working Capital Issue
 - Cash, Receivables, Inventory, Payables
 - Balance Sheet
 - Capital Asset Issue
 - Liability Based Issue
 - Equity Based Issue

USEFUL TECHNIQUES - ADDRESSING THE FINANCIAL ISSUE

- Be Able To Differentiate The Different Causes And Solutions Of Funding Problems:
 - Short Term vs. Structural Issue
 - Business As Usual vs. Growth/Expansion
 - Startup vs. Going Concern
 - Asset, Liability, Equity Based Options
- Develop Your Ability To Read And Analyze Financial Statements
- Be Able To Quickly Put Together The Fundamentals Of A Business Plan
- Be Able To Project and Establish Pro-Formas Under Different Scenarios

CONSIDER THE ISSUE OF BUSINESS VALUE

MORE SALES - FOCUS IS MARKET

- Diagnosis Involves Determining The Underlying Reason For Inadequate Sales:
- The Market Shift Issue
 - The Customer Issue
 - The Product Issue
 - The Sales Management Issue

USEFUL TECHNIQUES - ADDRESSING THE MARKET ISSUE

- Enhance Your Ability To Properly Diagnose The Issue:
 - Be Able To Conduct A Market Analysis
 - Be Able To Conduct An Industry/Competitor Analysis
 - Be Able To Conduct A Customer Survey
 - Be Able To Perform Sales Management/Performance Reviews
 - Be Able To Review Budgets and Results of Marketing Techniques and Expenditures
- Crafting Solutions:

• The Market Shift Redefining The Business

• The Customer Issue Customer Satisfaction Initiatives

• The Product Issue Redesign, Repricing, Repackageing

• The Management Issue Training & Incentive Programs

- KNOW HOW TO DO A MARKETING PLAN
 - START WITH THE MARKET, FOCUS ON THE CUSTOMER, MOVE INSIDE

MORE TIME - FOCUS IS PEOPLE/MANAGEMENT

 Proper Diagnosis Entails Review Of The Following Areas Of Potential Problems:

- MANAGEMENT PROCESSES & ORGANIZATIONAL STRUCTURE
 - The life-cycle correlation; planning/objective setting methodologies
 - WORK FLOW AND OPERATIONAL PROCESSES
 - Controls; Operating Procedures
 - STAFF CAPABILITIES
 - Matching The Employee View With Company Needs
 - GOVERNMENTAL REGULATIONS

USEFUL TECHNIQUES - ADDRESSING THE PEOPLE/MANAGEMENT ISSUE

- Enhance Your Knowledge Of The Fundamentals Of Management and Organizational Structure.
 - Management Issues Faced in Various Stages Of The Business Life-Cycle
 - Issues Associated With Delegation vs. Control
 - Proper Techniques for Planning, Objective Setting, Communication, and Performance Review
- Know Some Techniques For Conducting Assessments:
 - Management Assessment Tools
 - Employee Survey And Assessment Tools
 - Work Flow Analysis Tools
- Establish Some Approaches For Addressing Common Human Resource Issues:
 - Hiring Staff
 - Compensation, Benefit, and Incentive Plans
 - Performance Evaluation and Compensation Reviews
 - Employee Disciplinary, Warning, and Termination Processes
 - EEOC and Discrimination Policies and Processes
 - Employee Handbooks, etc.

SOME VALUABLE TOOLS

- Use IIB Web Resources
- Use Your Local College
- Review The Basics Books

Part 2

Getting Started

The First Month

- Getting To Know Your Client
- Getting To Know The Business
- Educate Your Client
- Set The Review Process

Know Your Client

- Know His Background
- Know His Personal Life
- Know His Motivations
- Know His Fears

BECOME A TRUSTED FRIEND

Know The Business

- Business Audit
- Financial Statements
- Marketing Materials
- Customer Lists
- Revenue by Customer
- Employee Manuals
- Compensation & Benefit Plans



The Owner's Questionnaire

- General Information
- Personnel
- Sales & Marketing
- Operations & Planning
- Accounting & Finance

KEY POINT ANALYSIS

Educate Your Client

- Get Agreement On Diagnosis
- Get Agreement On Priorities
- Get Agreement on Approach
- Get Agreement On Targets
- Get Agreement On Working Relationship

Set The Review Process

- The First Monthly Meeting
 - Review Progress
 - Set Next Month's Agenda
 - Fix Responsibilities
 - Set Objectives
 - Present Invoice

Part 3

Targeted Engagements

The Consulting Program Summary

- Identify Target Programs
- Set Benchmarks

Program Profiles

- Business Planning
- Personnel/Human Resources
- Sales & Marketing
- Operations
- Accounting & Finance
- Succession Planning

Part 4

Relationship Building

Honing Your People Skills

What We'll Cover

- Benefits of showing A+ people skills
- Being authentic
- Building client trust
- Listening effectively
- Behaviors that lose clients

What Topics in This Segment?

- Benefits of active listening
- Barriers to listening
- Good habits
- Exercise
- Self-assessment



What Are People Skills?

- the ability to be authentic
- to put ideas into words
- to listen attentively
- to give support when needed
- to disagree acceptably
- to maintain a relationship



What's In It For You?

- Have your skills better used
- Become more of a partner
- Avoid no-win engagements
- Get support from clients
- Increase leverage with clients
- Build trust with clients

Five Ways to Lose Your Client

- 1. Act distant, remote.
- 2. Keep your client in a passive mood.
- 3. Assume the client will do...
- 4. Pretend to "know" the answers.
- 5. Be quick to criticize.

Let's Illustrate Authenticity

Client says:

This business audit shouldn't take you too long. A day or two and you'll be done. I wish I had some time to spend with you, but I have some critical priorities I must get to. My partner can help you. Also, don't take too much time from any of my people. They are under a lot of pressure.



Here's an Authentic Response

• Business adviser says....

You are treating this audit as though it is unimportant and small. Like a trivial matter. If it is an interruption, maybe we should reassess the timing. I would like you to treat it with more importance.

What Does Being Authentic Look Like?

- You put into words...what you're experiencing
- You say what is happening



How Well Do You Listen?

- Practice effective listening skills
- Avoid barriers to listening
- Suspend judgment until understanding...
- Seek to clarify
- Process information fully

Did You Know?

Nonverbal cues provide 93 percent of the meaning exchanged in any interaction: 35% from tone, and 58 percent from gestures, expressions, and other physical cues.

Source: Bovee, C. and Thill, J. (2000). Business Communication Today

Dimensions of Trust



Source: Schindler, P. and Thomas, C. (October 1993). The structure of interpersonal trust in the workplace. *Psychological Reports.* pp.563-73.

Ways to Enthuse Your Client

- Create a need WIIFM
- 2. Develop the client's PR (personal responsibility)
- 3. Get excited
- Give deserved approval
- Respect client's motives

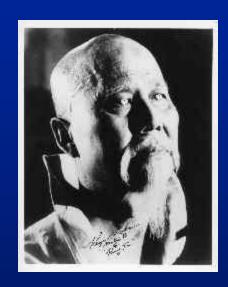


Give Your Client Support

You build trust for and commitment to you and your work by appreciating your client and showing him or her respect in little ways. These actions will enhance the passion your client will show for "getting on with the program."

Tying All This Together

 Here's a picture of a successful "life" adviser



Who is he?

Wrapup

YOUR ACTION PLAN

• POST SEMINAR ASSIGNMENT