

Relationship Growth Strategies

By Andrew Sobel

Why do some client relationships stumble along while others take off and grow? High quality work is always the starting point, and being in the right place at the right time—such as during a client crisis—can help. But there's much more. In this newsletter drawn from my new book, *All for One*, I focus on a second key strategy: Institutionalization. Relationship growth will always be gated by the specific expertise of the lead professional in charge of the client, unless he or she takes specific steps to become a door-opener rather than a gate-keeper.

Institutionalizing and Growing Client Relationships

One of the hardest journeys is evolving from an individual relationship to an institutional one, in the process broadening and growing the relationship. I like to think of this journey as a progression, from Contact—which is Level 1—to Trusted Partner, or Level 6:

Pre-client:

Level 1—Contact. You may have hundreds or even thousands of contacts—people you've met once or twice but otherwise have no particular relationship with.

Level 2—Acquaintance. Over time, you will get to know some of your contacts, and they may even become friends.

Client:

Level 3—Expert for Hire. You've been hired to solve a specific problem. About you, the client would say, "He's very knowledgeable in that area, and did excellent work on a project for us."

Level 4—Steady Supplier. At this level you've earned repeat business. The client might say, "We've had a relationship for a while now. She and her firm do a great job. In their area of expertise we'll continue to use them."

Level 5—Trusted Advisor. In order to reach *Trusted Partner*, you've got to pass through this level. It's an important milestone, and by itself is an accomplishment. The client will say, "I've known him for a long time. He's superb at what he does, and has great business sense. I really trust his judgment, and will definitely use him as a sounding board for tough issues."

Level 6—Trusted Partner. At this stage the relationship is broad and deep. There are many-to-many relationships, and the client probably uses a wide range of services from you. In talking about their trusted partnership relationships, clients have often said to me something like this: "We view them as a long-term partner in growing our business. They've built many strong relationships with our people and they consistently add value. I feel that we get the best that their firm can offer."

In studying a large number of these trusted client partnerships, I have observed the consistent use of five specific growth strategies or pathways. These are:

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Relationship expansion. This means building many-to-many relationships with the client’s organization, and also expanding and strengthening your *internal* relationships at your firm. As one chief financial officer put it, “When we make a decision about which firm to go with for a major transaction or project, I get all of my staff together, and every head must nod.” It’s no longer about just a single connection. On the other side, my research shows that your *internal* connections—your ability to identify and draw in the right colleagues and firm resources to the relationship—become essential to successful relationship expansion, especially as the size and scope of the relationship grows.

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Capabilities expansion. Clients like to pigeon-hole their external advisors, and it’s your job to demonstrate your breadth. You do this, first of all, by connecting to your client’s agenda and being agile in talking about his or her broad business issues; and then building trust in your ability to help address them. You can develop this trust by *showcasing* your firm’s capabilities. This can be done in many different ways.

You might bring in other colleagues who are “branded experts”; introduce your client to another client who has used you for a broad ranger of services; invest time to develop an incisive point of view on an issue of importance to your client—I call this the “deep dive”; or even organize an all-day workshop around a specific topic where you bring in your experts to meet with their counterparts in the client’s organization. Remember that “cross selling” rarely works—it’s a seriously discredited notion; “integrated selling” or solution selling *does* work, where you identify a need, illustrate how you can meet it, build trust in your capability, and then allow the client to become a buyer.

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Relationship management intensity. To go from good to great with a client, you have to become much more focused and systematic about a broad set of relationship management activities. These include regular communications; formal expectations setting; systematic orchestration of many-to-many relationships; and so on. At the Steady Supplier and Trusted Advisor levels, you can get away with low-key, ad-hoc, informal relationship management—but that’s not sufficient to sustain a Level 6 Trusted Partnership.

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Team leadership. Trusted Client Partnerships are built by teams, not one or two individuals, and you want *your* client relationship to become a place where the best professionals in your firm aspire to work. In any professional services firm, all of the associates know which partners are awful to work for and which ones create a great environment on their teams—and they avoid the former like the plague. You have to go from simply staffing a project to leading and inspiring a team, coaching the individuals on it, and showing a keen interest in their personal development.

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Client Account Planning. Effective client account planning is the fuel that energizes the first four growth pathways. Remember that “no client plan survives contact with the client.” Account planning should be a dynamic process that involves the client and creates an ongoing dialogue that focuses on five key questions:

What is this client’s agenda? What are the most challenging issues that the client faces, and how can we help? Do we have the right team in place to grow this client relationship? How can we best leverage the people, ideas, and resources of the firm to help this client achieve its goals?

1. Which potential opportunities do we want to invest in, and what actions can we take to pursue them?
2. What individual relationships do we need to develop and/or deepen?

Two other important factors underlie client relationship growth. The first is one you can control, and it’s *focus*. These large-scale relationships just don’t develop without a significant concentration of resources. One of my clients, for example, invested one full year of a partner’s time to build a relationship with a major Fortune-100 company. It paid off, ultimately, with a \$20 million consulting assignment. An extreme case, but a noteworthy

one that also illustrates the need for risk syndication—for indemnifying individual professionals who make these investments—when trying to build Level 6 relationships.

The second factor has to do with the ambition of your client. Ralph Shrader, the chief executive of Booz Allen Hamilton, put it this way to me: “In order to build a broad-based, institutional relationship, you have to have a client who is intent on accomplishing his goals but who also sees himself as part of a larger mission. The client has to realize he is on a bigger stage and can accomplish something very significant.”

Andrew Sobel is the leading authority on client relationships and the skills and strategies required to earn enduring client loyalty. The most widely published author in the world on business relationships, he is a consultant and educator to major services firms worldwide. Andrew is the author of the newly-released *All for One: 10 Strategies for Building Trusted Client Partnerships* (John Wiley & Sons, 2009) as well as the business bestsellers *Clients for Life* and *Making Rain*. He was a Senior Vice President and Country Managing Director for Gemini Consulting, and for the last 13 years he has led his own consulting firm, Andrew Sobel Advisors, Inc. He can be reached at www.andrewsobel.com (Tel: 505.982.0211).