



MAGENTA PERFORMANCE
PARTNERS

WHAT DO YOUR CLIENTS MOST VALUE?



MAGENTA INSIGHTS

INTRODUCTION



Creating extra value for your clients keeps you engaged with them, and valued by them. However, many professional service firms struggle to clearly articulate what their key clients most value from their relationship at any given time in that relationship.

In the book 'Major Account Sales Strategy', globally recognised sales performance adviser Neil Rackham points out that...

"Strategies based on the selling process are usually far less effective than strategies based on the buying process. Our problem, as salespeople, is that it's far easier to understand the steps of selling than those of buying. And it's far more dangerous, because we tend to base strategy on what we understand, rather than on what's effective."

What's likely to be most effective in building strong client relationships, is consistently delivering 'things' that the clients most value. The challenge is really knowing what these 'things' are.

DEFINING 'VALUE'

Because the concept of 'value' means different things to different people, it might be helpful to express a point of view about the components that make up a client's overall assessment of value in a commercial sense.

The proposition we lead with is that there are three things that clients think about when considering how they 'value' their relationship with their product or service providers:

1. The **value of the product or service itself**;
2. The additional **value derived or lost from the experience of dealing with the provider** in relation to the delivery of the product or service; and
3. The **other value received (or given) from the broader relationship** with the product or service provider – independent of the actual delivery of the product or service

How accurately, and how often, do you assess the value your products or services deliver – across these three domains of value?

In each case, value represents the delta between the benefit gleaned from the service, interaction and relationship and the costs (real and opportunity) associated with realising those benefits.

And in each case, the client will assess value in absolute terms, and then relative to their perception of the value they might or do receive from other product or service providers.

IT FEELS GREAT, AS A CLIENT, TO BE ASKED

A few years ago I was sitting in the London office of my previous firm and received a call from the partner who handled our work in our local UK law firm. He asked me if I'd be happy to receive a call from another partner in his firm, who we'd never had any dealings with, for the purpose of giving me an opportunity to objectively discuss the value I felt they delivered to us.

Our experience of this firm was already very positive, and the conversation that ensued very much reinforced that perception.

By involving another (independent) partner in the firm, I felt they had a genuine interest. I'd been heard (some legitimate misunderstandings, based on flawed assumptions on the part of both parties, were tidied up). And I know, from subsequent experience, that they adjusted their relationship stance and client management approach with us based on what I had shared with them about what we most valued from our legal advisers.

All firms invest significant time, money and other resources building and defending client relationships - and more again on marketing and other business development activities. But how often do they take the direct route - and ask the simple questions?



*My experience with our London lawyers
was a great reminder about the
power, efficiency, goodwill generation
and satisfaction that comes from
simply asking the question...
'what do you most value?'*

This enables you to direct your focus and resources to where they will have the most impact.

HOW DO YOU REALLY KNOW?

An internet search will steer you to many publications, based on academic and other research, that outline how clients choose their suppliers – and what weight they give, at different times, to the different factors involved in their selection.

Common elements recur in these studies. We know that customers value:

- A sense that the provider genuinely cares for them
- On time delivery
- Superior quality and reliability
- Best or reasonable price
- Strong of understanding of their issues and world
- Chemistry
- Reputation
- Alignment with their buying preference (eg as a commodity or a high value-add specialist)

And sometimes other factors such as strategic imperative, access to certain other people or information and a range of other factors will be in play.

But being effective with your sales and client relationship building effort requires acknowledgement that every client's situation and need is likely to be different.

Finding, and then really understanding, and responding to those differences will open the door to your winning edge.



WHERE THE EDGE MIGHT BE FOUND?

In the world of leadership and motivation, the esteemed US psychologist Herzberg described the difference between 'satisfaction' and 'motivation'.

His research highlighted the fact that many things which had previously been viewed as motivational were, in reality, things that could cause satisfaction (if present) or dissatisfaction (where they are absent), but did not provide the extra motivational drive so critical to really strong, enduring involvement and performance.

Taking a lead from Herzberg's findings, the question 'what do your clients really value?' could be re-framed and posed in two parts:

1. What causes your clients to be satisfied or dissatisfied with their relationship with you?

And, in order to generate extra connection and appreciation,

2. What really motivates your clients to engage with you?

Perceptions of value for money, chemistry, a sense of understanding the needs and situation are all important drivers of satisfaction (or dissatisfaction). However, with a number of your competitors very likely able to match you in these areas, it might be that they simply serve to keep you in the game.

Understanding what sits beyond a satisfied client, and causes your client to be motivated to actively engage with you, tolerate the occasional slip up, promote and refer you to others, and get you involved early in their decision making and planning requires you to have real and specific knowledge about what they most value.

Engaging your clients in a conversation about what they most value will help you find what really motivates them.

Shaping that conversation in a way that ensures you explore the value of the product or service itself, the value attributed to the experience of dealing with you the product or service is delivered, and the extra value your relationship brings - will help ensure you don't miss vital areas.

Examples of what we've heard people tell us they most value from their relationship with service providers include:

- A genuine and actualised sense of care for, and commitment to, the them and their best interests
- Responsiveness
- Understand not only your client's world, but your clients' clients worlds and the buying style and approach of their clients
- Involvement in your planning – including inviting your clients to your organisational planning sessions and to your key client planning sessions
- Follow up – beyond when your client expects to hear from you
- Evidence that you've made a real effort to understand your client's situation
- Evidence to reinforce that you've made a real effort to ensure the right people are engaged
- You've talked straight – said things as they are
- No unhappy surprises
- Happy surprises
- You surprise them with what you remember about them (at a personal and organisational level)
- Using your network to your client's advantage
- Market-leading expertise
- Leveraging your expertise – applying smartly-targeted value-add benefits that are directed at the client's most pressing needs rather than merely showering them with your knowledge
- Not trying to cross-sell all the time
- Being there when they most need support
- Real accessibility – weekends, public holidays
- The phones are answered promptly – by a person
- Speed in letting them know when they've mucked things up
- Initiating cost consciousness on their behalf
- Demonstrating consistent enthusiasm, positivity and a solution orientation

Question without notice...

Can you list the top 3 things each of the key stakeholders in your top 10 clients most value?

If you can't, asking them might just trigger a highly valuable conversation for your business.

SOME OF THE THINGS WE'VE LEARNED FROM OUR WORK WITH THE BEST KEY CLIENT TEAMS

The requirement to gather deep understanding of what their clients' really value is written into their role descriptions.

They understand what the client does not value.

Everyone on the client team can articulate the client's strategy, source of competitive advantage and business model very fluently and consistently.

Understanding what the client really values enables them to build crisp value propositions for different services in different clients.

These value propositions are tested with the client and then socialised amongst the client team.

They use technology well – to capture and share information about their clients, their clients' clients, and their clients markets.

They don't miss the little things – returned phone calls, accuracy in correspondence etc

HOW DO YOU RATE YOUR CURRENT KNOWLEDGE OF WHAT YOUR KEY CLIENTS MOST VALUE?

Re-posing the question at the foot of the previous page - can you list the top 3 things each of the key stakeholders in your top 10 clients most value?

What can you point to, in terms of a different way of engaging with your key clients, that would provide those clients with evidence that you understand what they most value?

Are your client engagement survey outcomes and NPS (net promoter scores) etc. prominent in your performance review discussions?

Does your debrief of major client engagements and other interactions include an assessment of what you've learned about what the client most values?





ADDRESS

Level 32, 101 Miller Street, North
Sydney NSW 2060

TELEPHONE

+61 2 9959 2354

EMAIL

info@magentaperformance.com

WEB

www.magentaperformance.com

© Magenta Performance Partners Pty Limited.