



ISSUE 01

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# CUSTOMER ACUMEN

INSIGHTS TO BUILD  
CLIENTS FOR LIFE



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Dear Reader,

We bring to you our inaugural issue of our e-zine, **Customer Acumen (CA)**, a quarterly insight into the world of building concrete relationships with your customers. This offering is intended to ensure that you, as business stakeholders, will continue to strengthen the bridges of your relationship with your clients, examine key concern areas and thereby continue to have a deeper and lasting engagement with your most prized assets – your customers. Also, many of you have sought nuggets from us to assist you with new ideas of navigating through the world of business.

To echo the adage, 'every company's greatest assets are its customers because without customers, there is no company'. Companies today are stressing the need of staying connected with customers right from the point of purchase and throughout the journey thereafter, especially in the light of competitors who are ready to grab your share of the wallet. Needless to say that establishing new contacts can be an expensive affair.

In this issue, **Jay**, highlights key essential differences between an Expert and a Trusted Advisor using the terminology made famous by Dr. Jagdish Sheth and Andrew Sobel in their classic book, 'Clients for Life'. We also have views from **K V S Manian, President – Corporate, Institutional & Investment Banking, Kotak Mahindra Bank**, who discusses the challenges faced by banking professionals in not only acquiring, but in sustaining a relationship for life.

**Rohan Shahane** takes a sneak peek into Sobel & Panas' insightful read – '**Power Questions**' which stresses on the importance of asking thought-provoking questions to tailor advice and build relationships. Our in-house Cartoonist, **Vikram Nandwani** guarantees to tickle your funny bone with his rendition of the adage 'the customer is always right'.

We value your feedback and your comments on what else you would like us to feature for your benefit. So, look forward to perspectives from thought leaders and successful practitioners from the wide arena of business, be it, marketing & sales, market research, advertising, CRM, technology, etc.

After all, we value your relationship – for life!!





MUSINGS



## The Road to Building a Client for Life

- Jay

*A satisfied customer is the best business strategy of all.  
(Michael LeBoeuf)*

Building bridges of enduring relationship with a client is what drives most businesses. However, in a world of changing fashions where a customer's attention span is limited and his head turns when any novelty is offered to him, the challenge of building long term relationships is a genuine one.

In the world of professional services, the task is even more acute. What can one do to remain significant in the client's mind? And how does one differentiate from the crowd of people who are vying for the client's time? And, how can one stay away from the constant under-cutting in pricing one's services in a competitive arena? These - and other similar questions - plague every professional who wishes to make a meaningful impact by acquiring & retaining clients for long periods.

The best reference point to answer these questions and get clarity is the work of Dr. Jagdish Sheth & Andrew Sobel who wrote their classic book, '**Clients For Life**' nearly two decades ago. In the book a major distinction created is between being an '*Expert for hire*' and a '*Trusted Advisor*'. The authors stress that a crucial difference is in the mind-set of the two persons.

An 'Expert' is certainly one who is knowledgeable and skillful but he typically has a transactional outlook to an assignment. No doubt a good 'Expert' is focused and committed to the task at hand, and accomplishes it effectively; however, rarely will he stretch beyond the scope of work specified at the beginning of the assignment. Another characteristic of this person is that he is often a specialist, and a good one at that. So good, in fact, that as a functional specialist he can analyze all elements of the problem at hand and is hired to offer solutions from his ready kit, filled with experience garnered over the years. The Expert also tends to be more in the 'telling' mode, possessed as he is

with a rich track-record of having solved problems in many complex situations in the past. Quickly sizing up the task at hand, he tends to be prescriptive in his approach and in some cases, may even project that ‘no one can do the job as well as I can’! The value that the Expert brings is the sum of his specialization with the explicit output that he delivers, and sometimes can be quantified up-front thereby offering a neat and ready package of service outcome to the client.

The Trusted Advisor, by definition, displays different characteristics, the most significant of which is a relationship of trust. This relationship is unique to each association. In other words, it is not fungible across associations. The relationship of trust is the end product of a series of smaller steps wherein the client is calibrating you on a number of parameters of trustworthiness that involves our credibility (based on your words), reliability (founded on your actions), intimacy (based on your empathy), your focus (attentiveness based on your orientation), etc.

This also involves certain behaviors like active listening and the ability to ask powerful questions, coupled with a collaborative demeanor which enables one to synthesize ideas and draw vital insights, usually hidden from view. Without overawing the client with his brilliance the Trusted Advisor fits into the client’s environment seamlessly and soon becomes a key element both for ideation and decision-making. His presence is gentle and not heavy-handed and therefore not obtrusive, which make him a ready conduit for others in the magic circle of the client to come to him with ideas, suggestions and alternative thoughts which otherwise stay latent for fear of ridicule. This ability to imaginatively blend and integrate seemingly contrary points of view is a vital tool in the hands of a good facilitator who respectively acknowledges that he is not the sole fountainhead of wisdom but a channel of integration.

In their seminal book, Seth and Sobel have contrasted the two different roles of the Expert and Advisor in the following manner:

<b>Experts</b>	<b>Advisors</b>
Have depth	Have depth and breadth
Tell	Listen
Provide answers	Ask great questions
Develop professional trust	Develop professional & personal trust
Control	Collaborate
Supply expertize	Supply insight
Analyze	Synthesize

Reaching the stage of becoming a Trusted Advisor is not an overnight exercise. Instead, it is a long (and often

arduous journey) of crossing many small milestones towards the final destination. While competence is essential, it has to be coupled with many other ingredients (characterized by Seth and Sobel as being a 'Deep Generalist' – more on this in my next article), chiefly patience & a quiet confidence in one's abilities. While the first transaction may well be when you are introduced as an Expert, given time and assessment of the real needs of the client, it may well get transformed in to one of Trusted Advisor.

What is central to both, of course, is to deliver value to the client as perceived through his eyes. Greater the value generated, higher the chances of building an on-going rapport and stronger the bridge of relationship between both of you and consequent bond of trust for future association, thereby the creation of the bedrock leading to a 'client for life'.



SPOTLIGHT

**KVS Manian**

**President – Corporate, Institutional & Investment Banking  
Kotak Mahindra Bank Limited**



***KVS Manian** heads the Corporate, Institutional & Investment Banking at Kotak Mahindra Bank Ltd since April 2014. Manian also oversees the firm's Institutional Equities business.*

*Manian is building a high-quality corporate franchise that offers integrated corporate and investment banking solutions. Some key initiatives under Manian's leadership include upgrading the service and technology infrastructure, introducing a segment-focused structure with offerings tailored to the needs of clients, and integration of client coverage across capital markets, advisory and banking products. Manian believes in a philosophy that relationships with corporates need to be built on the twin foundations of trust and value addition.*

*Prior to this, Manian was President – Consumer Banking, where he steered the bank from a single branch to over 600 branches and more than 1,000 ATMs across the country in a span of 10 years. He is the architect of the integrated Consumer franchise across asset and liability products. During his tenure, the bank launched several unique and innovative products. In the latter part of his stint as head of Consumer Banking, Manian also oversaw the retail brokerage business of Kotak Securities.*

*Manian played a crucial role in Kotak's journey from a NBFC to a bank. The end-to-end execution of the project within the planned time frame is testimony to Manian's ability to focus on every small detail, without losing sight of the big picture.*

*He is part of the Bank's Operating Management Committee (OMANCOM) that drives and oversees Kotak Mahindra Group's growth charter. Throughout his two decade long association with the Group, he has been instrumental in setting up and metamorphosing many business divisions into success stories. Manian brings his strategic vision combined with his "high energy" and "bias for action" style in execution to every business he manages.*

*Manian started his journey with Kotak in the Investment Banking business in February 1995 in the Compliance function and then moved on to businesses like Corporate Finance and Retail Loans before getting involved with the Banking business of the group.*

*Manian believes in team work and people's potential, and supports an open culture in the organisation. With his strong business acumen, informal and no-nonsense approach, Manian continues to lead the success story at Kotak Mahindra Bank.*

*Manian is an electrical engineer from IIT (BHU) - Varanasi, Post Graduate in Financial Management from Jamnalal Bajaj Institute of Management Studies and a Cost and Works Accountant. He has 30 years of rich experience in areas like Investment Banking, Corporate Banking, Consumer Banking, Financial Accounting and Control, Management Accounting, Project Management and Operations.*

*Philanthropic at heart, Manian has been acknowledged as the Highest Individual Pledge Raiser in the Corporate Challenge category by United Way of Mumbai at the Mumbai Marathon for two years in a row – 2014 & 2015.*

**CA: It is said that a customer is central to an enterprise. In your view, how should an enterprise create long term relationships with a customer?**

**KM:** Every firm has to clearly choose the fundamental pillars of their relationship. So there is no one right way. The choice is based on the DNA of the firm itself as well as areas of strength they have or have invested in. In my mind, the key to building long term sustainable relationships is to build "relevance" to the customer. For economic relationships, viability is critical. But this also means that over time, the reasons for relevance can change for a customer and therefore, the ability of the firm to adapt itself to maintain relevance becomes key to maintaining long term relationships. Transactions have relevance for a period and that is why they don't necessarily create long term relationships. They are merely starting points. So for us, the basis of building long term relationships are "value addition through ideas", "customer centricity – think of the best solution for the customer" and "execution excellence". We believe these help us remain relevant for our customers over a period of time.

**CA: What are the challenges faced by businesses today in not only maintaining existing client relationships,**

## **but in building new ones in the face of competition?**

**KM:** The challenges in a relationship arise when it gets tested on each transaction along the way. As I said earlier, economic viability is critical in these relationships and it is difficult to be the most economical in every transaction. And as customers look for best in class or best priced solution in each aspect, you can't win all of them. The key is to choose your customers aligned with your strengths and maximise wallet share. You can't win all of them, but you can get a disproportionate share is the key thought. As far as new customers are concerned, again, if the only means and cornerstone of acquiring and building new relationships is pricing, it becomes a race to the bottom and hence going back to the answer to the first question, relationships need to be built on sustainable foundations and that is always the key challenge and requires not only deep thinking to form those but also unwavering execution.

**CA: As a senior professional in the banking industry, do you find differences in the way that a bank approaches its corporate banking customers versus the retail banking customer?**

**KM:** The fundamentals of relationship management do not change irrespective of whether the customer is a corporate or a retail customer. And the three key pillars we have chosen remain the same. The difference is in execution. In corporate banking, it is far more personalised and far more Relationship Manager (RM) driven, whereas retail banks would standardise but vary the standardisation basis segmentation and make the delivery more technology driven than RM driven, relatively speaking. The corporates and the top end of retail customers may be equally demanding and in fact may even merge. When you serve the CEO of a Corporate, the segment becomes fungible and your philosophy on serving customers and relationship management can't be very different.

**CA: At Kotak Mahindra Bank, how do you differentiate yourself with the competition in the arena of corporate banking?**

**KM:** As I said in the answer to the first question, our three pillars are

- Value addition
- Execution excellence
- Solution orientation

As a bank, we have always felt that pure balance sheet size oriented lending will not differentiate us from the other banks which are bigger and incumbent banks. This view will also not make our business model viable for our shareholders in the long run. So we lead with Investment Banking, structured products and other value added products which give us unparalleled share of mind and access with in a corporate. We have built a culture where RMs will stretch and demonstrate execution excellence. We are also building technology based execution



capabilities which can give us an edge over competition. Above all we are building a culture of customer first. If the customer can raise money cheaper from the debt markets than the loan market (which is also our balance sheet), there is a conflict of interest, but we would lead the relationship with the DCM product rather than the loan product because that is in the best interest of the customer. Doing what is right for the customers wins their trust and in the medium term helps us maximise our revenues. This requires deep rooted conviction.

**CA: What is your advice to young business development professionals new to corporate banking?**

**KM:** The two simple things I have for young professionals are:

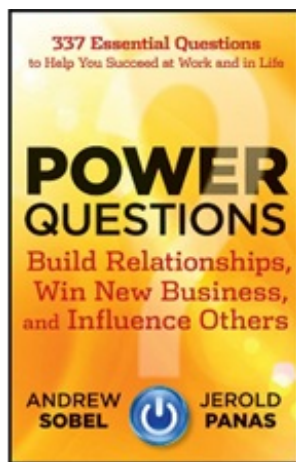
- "Knowledge and skill" - don't ever get commoditised, so acquire that.
- Think for your customer and your targets will be achieved.



# RESOURCE

## Power Questions

- Andrew Sobel & Jerold Panas



In the 5<sup>th</sup> century BC, the classical Greek philosopher, Socrates, introduced a rather unique and radical approach to understanding information, developing knowledge and enabling deep learning. His approach, called the '*Socratic Method*', was truly an array of powerful questions in the hands of a master, who used them effectively to provoke, probe and produce information, so as to elicit potent meaning to the fullest.

Inspirational figures such as Albert Einstein once said - "*I have no special talents. I am only passionately curious*" and Peter F. Drucker, the quintessential management guru, made a telling comment when he said - "*The leader of the past knew how to tell. The leader of the future will know how to ask.*"

Truly so. Questions are the keys to the future. *Power Questions*, in turn, help unlock and maximize the potential of what the future holds. One is reminded of the 1997 Apple Inc. campaign - 'Think Different', that gave to the world the iconic 'crazy ones' commercial. The underlying assertion being, the few crazy ones change things and push the human race forward. History is replete with such 'crazy ones' who influenced, shaped and altered the narrative for a certain generation and continue to do so. Interestingly, one finds a common theme amongst most of them - they had/have the art and ability of asking great questions!

In a world where one is increasingly expected to know and provide answers/solutions, stepping-back and offering a question instead might seem like losing the plot. Nonetheless, with a little courage, preparation and practiced nuance, the outcomes could be far superior than imagined. This is the message and know-how Andrew Sobel and Jerold Panas offer in their practical, yet sage tool kit - *Power Questions*.

This riveting read covers real conversations with CEOs, billionaires, clients, colleagues and friends, setting out a series of ‘intentionally posed’ strategic questions that will help you dramatically deepen your professional and personal relationships and win new business. In all, there are thirty-five engaging stories, each illustrating the extraordinary power and impact of a thought-provoking, incisive power question. Besides, to help readers navigate a variety of challenging conversations, over 200 ‘situation based’, insightful questions are provided at the end of the book.

As the authors remind us – “putting these questions to use will connect us more deeply with our clients, drive quickly to the heart of the problem, and unlock our professional and personal influence in unexpected and delightful ways.”

Importantly, the book does not just tell but teaches, it does not just prescribe, but provokes!

“I can always tell how experienced and insightful a prospective consultant, banker or lawyer is by the quality of their questions and how intently they listen” ~ *CEO of a US\$12 billion Company*

So, what power questions are you thinking to ask?!

<http://www.empoweredindia.com>

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