

ISSUE 16

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 **CUSTOMER
ACUMEN**

**INSIGHTS TO BUILD
CLIENTS FOR LIFE**

**EMPOWERED**
LEARNING
SYSTEMS



ED/TORIAL



Dear Reader,

In any normal circumstance, it is not easy to attract new customers leave aside the thought of building and maintaining business relationships for the long term. And amid the current tumultuous times, business relationships are being strained during this period. These are times when one needs to return to business basics. What really works in navigating through the minefield of relationships is a commitment backed by trust.

This quarter in **Customer Acumen**, we look at **Building Lifelong Relationships: A Master's View**, which will throw some perspective on ways to enrich connections with your clients. This issue also re-visits some of the elements that make for a lifelong relationship and to ensure that your clients remain your clients in the changing world.

Jay reminds readers of what are the key ingredients of a healthy relationship which goes beyond the mere chemistry between individuals. Thought Leader, **Andrew Sobel**, who recently launched his new book speaks about the skills that will nurture and build trust-based relationships. **Prasad Deshpande** reviews Robert Iger's book **The Ride of a Lifetime**, an interesting account of the lessons learnt by the author when running The Walt Disney Company. Our in-house Cartoonist, **Vikram Nandwani's** toon can relate to the perils of today's business environment.



We value your relationship with us and look forward to your feedback and comments on how best we can serve you through our e-zine, **Customer Acumen**.

In light of the turbulent business climate, we wish our readers good health & stay safe.



MUSINGS

Relationships - not Business

- Jay



If there is one thing foremost that the current Covid-19 crisis is teaching us is that life matters - nothing else.

I am using the present continuous tense as we are still in the early stages of the crisis, as I write this. In India, the wave is coming nearer to the shore every day, and we can sense that this is a tsunami like never before. Judging from the experiences of other parts of the world that are thick into the crisis, we know that this will be a cataclysmic event. Will it be akin to Armageddon or a deep impact space object hitting earth, or far worse, is anyone's guess. Futurists and scientists have been warning about this scenario but have always been voices in the wilderness. While no one paid attention to the boy who cried wolf, today the wolf is at the door, and the cost is very high indeed. I am not referring to the economic cost - that is of no consequence. The human cost of this tragedy is what is appalling.

The crisis has also thrown up a strong message: shorn of all issues, what counts is relationships. Messages are pouring in from old friends, business associates and clients, and they have a common refrain. You matter. No one asks about the state of business affairs. That is secondary at this hour. Your health and safety is the chief concern. And, rightly so.

This is a matter that has been neglected often in the daily grind of chasing business deals. When your life is on a treadmill, chasing operational targets, to a salesperson a client unfortunately is not an individual but represents a number to be scored off their target list. And, vice versa. Even for clients, the salesperson represents a supplier of goods and services and does not become an individual with a life outside his delivery zone. It is a measure of today's world that in the quest for efficiency, interactions have turned into transactions that have to be executed with speed so that we can move on to the next activity.

Management experts have always warned us not to sacrifice effectiveness at the altar of efficiency. Business effectiveness was always about building a strong foundation of relationship, and then nurturing it at every stage. Somewhere along the way, the charlatans whispered into your ears that quantity should override quality. Thus, began the emphasis on 'more' rather than 'better'.

'Better' translates into knowing deeply about your customers. This means that you go behind the role, the title which is but the veneer that you encounter at first interaction. It is revealing to see a Business Development person who returns after a sales call and reports that he met X, and mentions the designation, and when asked to name the person, flounders and covers up saying that he is not good with names. To him, the position was more important as that incumbent represented a powerful person to be pleased, rather than an individual to relate to. No surprises then that the salesperson is forgotten by the client as soon as he exits the office door. And, then you wonder why there is no bond of any kind with the client!

Building a relationship is much more than chemistry between individuals. Beyond the personal likeability factor (after all not all of us are lucky to have physical charisma), a number of ingredients go into building a strong bond of relationship. More importantly, this is not a one-time exercise. Nurturing a relationship is the key to having one, and to avoid a brief transitory affair.

Let's take a quick view of a few of the key ingredients of a healthy relationship. Respect for the other is a good starting point. Relationships begin by acknowledging that all of us are unique in our own ways and celebrating this diversity of gender, choices, languages, race, cultures, thought processes, etc. is a good start. Inclusive behavior does not come naturally to most of us who are creatures of our own paradigms of the 'right' way - aka the way I live. The current wave of insidious comments on the source of the Covid-19 virus is an apt indication how xenophobic we tend to be when things go awry. Blaming the other is a vicious and primitive behavior that is a defensive and emotional reaction in us. You cannot expect to build a bridge of meaning between individuals - or nations - when you strain communication channels from the get-go.

Open communication is another key element in the relationship building process. Even when one has difficulty in accepting others' choices, the willingness and ability to articulate in a non-threatening manner calculated to solve problems and with the intention of resolving conflicts, is an acceptable step for relationship building. Terminating dialogue or indulging in mindless diatribe against the other is a recipe for further and deep-rooted conflict. In business, when a deal does not go your way, it is foolish and churlish to accuse the other of bias or hidden agenda. It would be better to analyze and take corrective action at our own end and prepare better for the next excursion.

The willingness to seek middle ground is yet another aspect that needs due attention. Compromise is not a dirty word in a relationship that is supportive and growing. It is arrogant to believe that your reality is the only meaningful one when it comes to a business association. A professional in the field of business development is always carefully listening to pick up the unsaid cues that indicate pain points of a client. It could be about organizational constraints, budgets, hierarchy and turf issues, timing of initiatives, etc. Being prepared to offer leeway in your offerings to tackle these tacit constraints may seem like being submissive but could be the peace offering that wins the long-term war. That one gesture on your part may create an ally who remembers your timely support when they needed it most. Being prepared to negotiate and accommodate the needs of others can be just the right lubricant that opens up opportunities for deals that are stuck on grounds of false principles. Overtures made reflect whether you are open to building connections and could be the tipping point in a vital business conversation.

All the above - and many more points - are neatly wrapped up into one word, Trust. Wherever present, the foundation of a relationship is on solid and unbreakable ground. Mistakes that occur are accepted without attributing motives to the defaulting party. Strong tornadoes cannot destroy this house built on mutuality and acceptance of the other side's strengths. Forgiveness is not a sign of weakness here - but a recognition that a second chance is a corollary if anything goes wrong, as errors are not irreconcilable.

On the other hand, when Trust is absent, all the syrupy words of mutual praise are mere platitudes and a poor attempt to cover an empty facade of a contract waiting to be shredded. The house of cards will be demolished at the mere hint of a light breeze.

In life and business, build lasting mutually beneficial relationships - not paper contracts of convenience for the short haul.

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SPOTLIGHT

Andrew Sobel

Thought Leader at Andrew Sobel Advisors



*Andrew Sobel is the leading authority on the strategies and skills required to create consistent revenue growth through lifelong client loyalty. He is the most widely published author in the world on this topic, having written or co-authored eight acclaimed books on building clients for life, including the international bestsellers *Power Questions* and *Clients for Life*, which have been translated into 18 languages. He has also published over 170 articles and contributed chapters to four books on leadership, strategy, and marketing.*

Andrew's Client Relationships Re-Imagined® programs have helped over 40,000 professionals in 53 countries improve the depth and breadth of their client relationships. His clients have included leading public companies such as Citigroup, Cognizant, Hess, and Lloyds Banking Group; and also, many privately held professional service firms, including Bain & Company, PwC, Deloitte, and Booz Allen Hamilton. Andrew spent 15 years at Gemini Consulting, where he was a Country Chief Executive Officer, and for the last 18 years has run his own international consulting firm, Andrew Sobel Advisors.

CA: As the leading authority on the subject of building client relationships, please tell us why this is important and what are the skills that one needs to develop in order to build trust-based relationships?

AS: Long-term relationships reduce risk for both the provider and the client. Because you know each other well and trust each other, you can work together very efficiently and with little, if any, friction. In a long-term relationship, your sales costs as a percentage of revenue go way down. Long-term clients can also be a source of important innovation.

There are four especially important things you need to do to build your clients for life.

- First, you have to add value very early on in the sales process.
- Second, you have to layer trusted advisor skills around your core expertise. Clients hire experts, but they tend to keep advisors who have broader skills and can show how they are enabling the client's most important business goals.
- Third, you need to be a proactive agenda setter. This means learning more than your competition about your client's priorities and needs.
- Fourth, you have to build personal relationships.

CA. What are the core principles of your Trusted Advisor program and can every Business Development person reach this level?

AS: By using the right strategies and building the right skills, it's possible to achieve major improvements in the depth, breadth, and quality of your client relationships - and, ultimately, in revenue growth. Doing so requires consistent effort and the willingness to invest and learn, but the returns are well worth it. In working with well over 200 leading firms around the world, we've learned that there are five key factors that make a program to build clients for life a success:

1. **Long-term leadership sponsorship:** While results can be seen in weeks or months, really changing your culture and organizational capabilities can take several years or more. Consistent leadership support - reinforced through regular messaging and personal role-modelling of client centric behaviours - is essential.
2. **Multiple, integrated learning interventions:** Building "clients for life" capabilities require a mindset change, new skills, new behaviours, and the adoption of best practices. We have found, therefore, that combining different learning interventions over time has a powerful impact that one-off training lacks. These include in-person training workshops, mobile, digital learning, virtual live events, coaching, both one-on-one and in small groups, small accountability groups led by internal champions, codification and sharing of internal best practices and action learning projects.
3. **Organizational enablement:** At the institutional level, are you formally supporting and enabling a client-centric culture? A brief assessment can quickly highlight which organizational processes, for example, key account management, client listening, internal collaboration, etc., need to be improved in order to cultivate a more client-centric culture and empower front-line professionals.
4. **A segmented, graduated approach:** Different groups will have different skill needs. There is no one size that fits all situations. Therefore, a bespoke approach is essential.

CA: In your work, you talk about specific strategies to move confidently from a first meeting to a signed contract to grow your business. What would you say are the differences between Experts and Trusted Advisors?

AS: It's true that some people have natural attributes that enable them to be highly effective with clients. But these skills can also be learned. And, most importantly, everyone can improve. Not everyone will become a trusted advisor to their clients, but everyone can ask better questions and become a better listener.

The first step to building clients for life is a mindset change. Most professionals are subject matter experts - as they must be. But that deep, narrow expertise can become a major barrier to building great client relationships. Experts often become myopic and cannot see the forest for the trees. They focus on their own solutions and expertise at the expense of building a deep understanding of the client's issues. They often burrow so deeply into their own specialty that they are unable to see the broader context of the client's business.

Here are some of the differences between Experts-on-hire and Trusted Advisors:

- Experts tell, advisors ask great questions and listen.
- Experts are specialists, advisors are "deep generalists" who have both deep expertise and broader business knowledge.
- Experts are for hire, advisors are selective. They are willing to say "no" and push back.
- Experts have professional credibility, advisors build deep, personal trust.
- Experts are reactive, advisors are proactive agenda setters.
- Experts sell, advisors create an eager buyer.

CA: We are in the midst of unprecedented global health crisis that has already crippled economies everywhere. What is your advice for Trusted Advisors at this hour?

AS: The current public health and economic crises present unprecedented challenges for your clients. At the same time, this period also offers important opportunities to actually strengthen your client relationships and lay the groundwork for the recovery and growth of your business in the future.

Read through my list below and see which ideas are appropriate for the different clients you serve. This is not "one size fits all" - every client is a market of one with their own particular needs and preferences:

1. **Walk in their shoes.** We should always "walk in the shoes" of our clients, but especially now. Think about one of your best clients - what are they going through? What are they thinking? The answers to these questions will help guide your behaviour and allow you to assist them in appropriate ways.
2. **Understand shifting priorities.** In turbulent times, your client's priorities will rapidly shift. Becoming familiar with their agenda is no longer a once-a-year activity during crises, you have to frequently stay in touch with your clients so you can understand their evolving needs and goals.
3. **Ask thoughtful, appropriate questions.** Ask how they're dealing with internal and external challenges, what they're seeing in the marketplace, what decisions they've had to make and which ones they are still pondering, how their people are coping, what their greatest concerns are, if there is any positive news that has emerged from the turmoil, what they are focusing on next, and of course, is there anything at all you can help the with right now? When clients are scrambling to react to a crisis, however, don't pepper them with "leading" questions that betray a thinly disguised commercial interest.
4. **Make it personal.** Ask your clients how they are feeling, how their families are doing, what dislocations they are suffering, and if there's anything you can do to help. Create a personal connection with no other agenda in mind.
5. **Really Listen.**
6. **Shift from ABC to ABAV.** In sales, there's an old expression: "ABC" - always be closing. I prefer "ABAV" - always be adding value to your clients. This is especially relevant now, when there may be no sales to close - and when pushing a sale may be seen as truly off-key and insensitive.
7. **Be at the Crossroads of the Marketplace.** For example, you may know executives at many different companies in a given sector. You and your firm could be in a unique position to see what is happening across the whole market and share that intelligence.
8. **Be sensitive and sensible about discounting and free work.** You need to be flexible with your clients during a crisis and adapt to their particular needs.
9. **Respond to their current need, not just what you're an "expert" in.** Just because the client has a need that is outside your usual solution set doesn't mean you have to just sit by and watch. Especially if it's a long-term relationship client, and you know their business extremely well, you should be able to provide some level of advice and counsel.
10. **Offer to educate.** Take your implicit knowledge and experience, make it explicit, and provide learning opportunities for your clients. Your clients' employees may be working from home and/or be less busy than normal, and a virtual event

that helps build important skills can be welcome and valuable.

11. **Have a point of view about the crisis.** No one knows for sure exactly how things will turn out. But you can have a conversation with your clients about the range of possibilities and options, and contingencies, that they should be considering. This might simply mean carefully reading what the experts are saying, and synthesizing that into several potential scenarios.
12. **Be helpful, but don't get in your clients' hair.** Maintain contact with clients, but don't get in their way. If a client is focused on urgent operational matters like ascertaining the location of each employee or enacting time-critical decisions like the cancellation of meetings, there may be nothing you can help them with right now. You don't want to come across as over-eager and insensitive.
13. **Throttle back the over-the-top "everything will be fine" boosterism.** I like to be positive and confident--but realistic. Some of your clients are undoubtedly feeling dismayed, depressed, upset, adrift, shocked, and/or helpless because of external events. Don't come across like a naïve booster and spout platitudes like "We'll all be so much better and stronger when this is over." Maybe that's true, but what if your client has an elderly parent, or a child with a medical condition, and they are afraid their loved one won't even make it?

CA: Can you tell us about your new book, 'It Starts with Clients: Your 100-Day Plan to Build Lifelong Relationships and Revenue'?

AS: Available from March 31st, my book will lead you through 100 days of the specific actions that will enable you to build lifelong relationships and revenue.

I have distilled my accumulated learning of many decades into a road map for action which I believe would be extremely useful to a practitioner and also has insights for clients.

In *It Starts with Clients*, you will:

- Learn specific strategies to attract more clients and move confidently from a first meeting to a signed contract.
- Discover how to become an influential agenda setter and create a steady stream of sole-source business.
- Learn how to access and build relationships with influential C-suite executives.
- Increase retention - and thereby supercharge your revenue growth and reduce your sales costs - by inspiring deep loyalty from your clients.



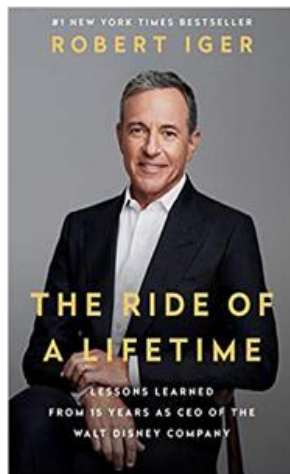
RESOURCES

The Ride of a Lifetime

- Robert Iger



Reviewed By Prasad Deshpande



The reason why this is such a good book is because it is a great story. Bob Iger, the CEO of Disney, weaves a page turning, yarn full of twists and turns, laced with dollops of homespun wisdom as he describes how he worked his way to the top, leading Disney through giant mergers and technology disruptions.

There are a number of very good reasons why we should all read this book as there is a lesson for almost everyone. My six takeaways are:

1. How to Manage Relationships. Getting the best out of talented, but capricious subordinates, building the stamina to turnaround and nurture strategic relationships with Steve Jobs and his immensely talented, but insecure boss Michael Eisner. Persuading Ike Perlmutter, the secretive former Israeli military officer who controlled Marvel Entertainment, to sell his company to Disney in 2009 for US\$ 4 billion after patiently waiting for over a year till Ike was ready to sell.
2. How to run a creative business. In the creative field, a company is often highly dependent on the talents of a few individuals and, without those individuals, future prospects would look bleak. Iger obviously came to the same realization and would likely not have wanted to acquire Pixar without Lasseter and Catmull on board. Iger shares the critical lessons on how to manage creative talent that he learned while watching Jobs.
3. Humility makes a leader more capable. When Iger was appointed as the ABC Entertainment President in 1989, a business he knew nothing about, his key subordinates Bloomer and Harber supported him fully. "They would have been completely justified in their disdain for the guy who knew nothing about their business but was about to be their boss. Instead they were

two of the most supportive people I've ever worked with."

4. The importance of Trust: This was key when dealing with George Lucas and Rupert Murdoch. Bob persuaded these media titans to part with their most prized assets, by being sensitive to their needs and building trust. It wasn't easy for him even after the deals were done, especially with George Lucas who suffered from 'sellers remorse'. George publicly disparaged the first Star Wars movie that Disney produced independently.

5. Change the Status Quo: One of his first acts at the top of Disney was to slim down its all-powerful and feared "strategic planning" unit, staffed by 65 analysts with MBAs from top business schools who ran strategy under Eisner. Nobody liked them and he thought Disney needed to advance faster. It was the best decision he made in his early years that helped change Disney's culture.

6. Incentives drive behavior in times of disruption: "The decision to disrupt businesses that are fundamentally working but whose future is in question-intentionally taking on short-term losses in the hope of generating long-term growth-requires no small amount of courage."

Iger devotes time at the end of the book describing the evolution of his thinking about on-demand streaming and he addresses the challenges posed by such a radical realignment of businesses that were designed to produce content for third-party distributors. Even the nature of incentive programs for executives had to be redesigned because the company is now using different metrics for success. Iger discloses that executive stock grants for some Disney employees would be determined by how much they contribute to the implementation of the strategy driving the launch of Disney Plus.

This book is a practical guide to building a multibillion-dollar business. Fascinatingly, it provides a window into the mind of a leader who came from literally nowhere and in a 40 year 'ride' help build one of the world's most iconic organizations.

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