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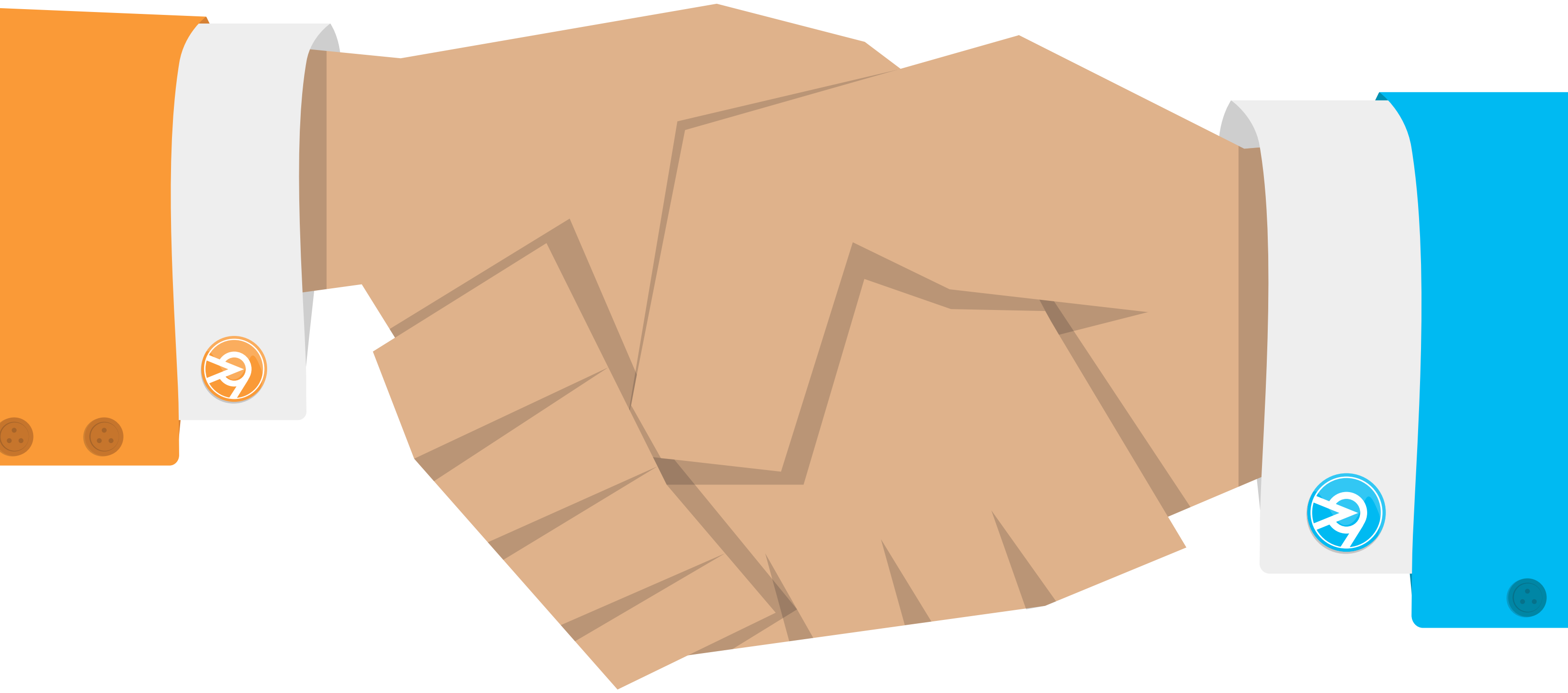

A CONSULTANT'S GUIDE

TO BUILDING LASTING CLIENT RELATIONSHIPS

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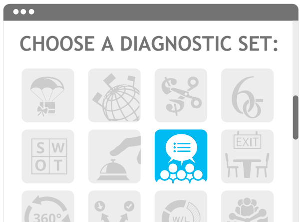

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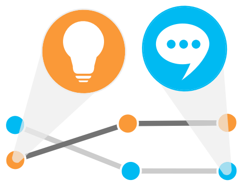

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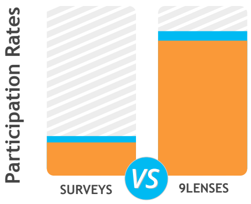

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EXECUTIVE SUMMARY

The consultant stereotype is a familiar one: the consultant marches in, takes the client's watch, tells the client what time it is, and then keeps the watch. In order to combat the negative reputation that has built itself around management consulting, consultants must work towards building lasting client relationships.

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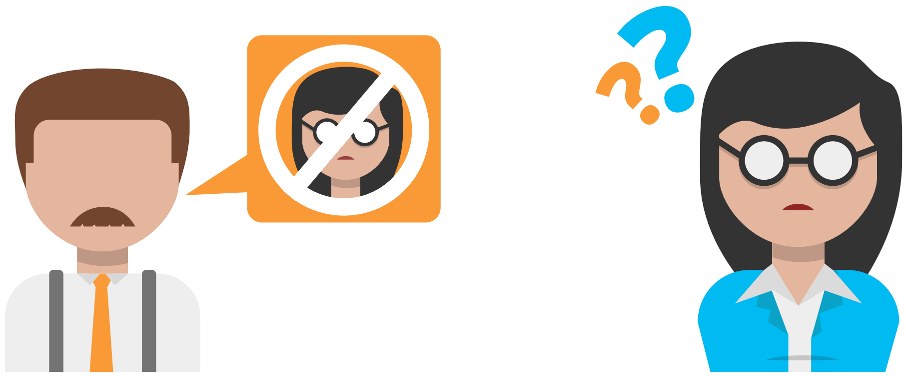


INTRODUCTION

For some, the consulting industry has long harbored a negative reputation. It has served as the punch line of many jokes and the scapegoat for many stories of what-not-to-do. Countless anecdotes have substantiated the stereotype, and numerous books have been authored on the subject. In one survey, 25% of the consultants queried cited client cynicism as the biggest challenge for consulting. Because the consultant-client relationship inherently involves a high level of trust, it is especially important for consultants to build solid relationships with their clients. Given that the reigning consultant stereotype can undoubtedly work against this trust, consultants may find it difficult to create lasting relationships.

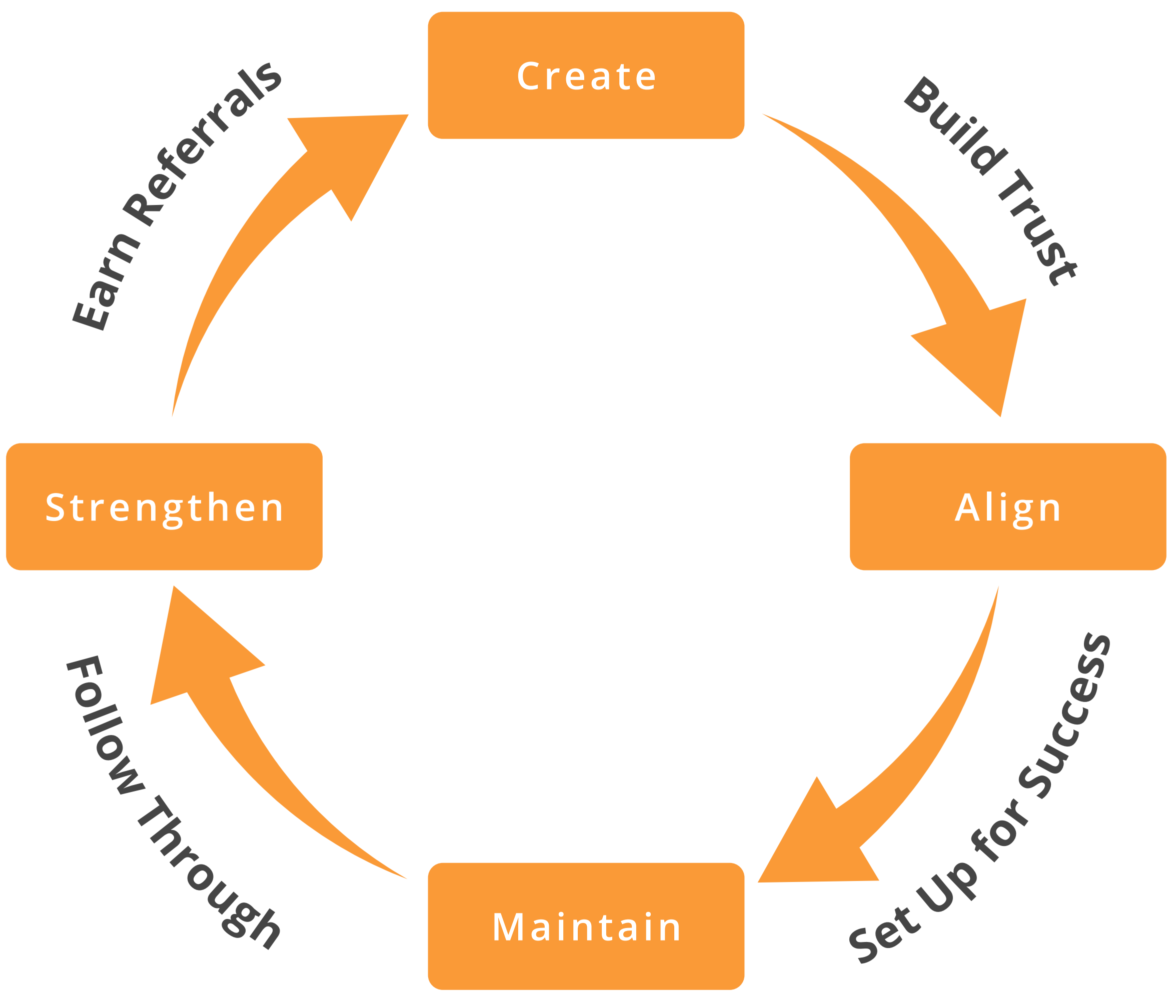
There exists a multitude of available resources offering tips on how to create a successful consultant-client partnership, from managing clients' expectations to cataloguing their favorite hobbies and restaurants. The reasons for consultant firms to focus on client relationships are many. In an era when management consultants are starting to face disruption from alternative options to traditional consulting, it is becoming ever more imperative for consulting firms to prove their worth and develop lasting relationships with their clients. While top-tier consultancies have so far successfully relied on brand recognition to attract and maintain clients, industry disruption may cause client reliance on such recognition to decline. For smaller consulting firms that rely on fewer contracts for revenue, creating lasting client relationships is even more critical.

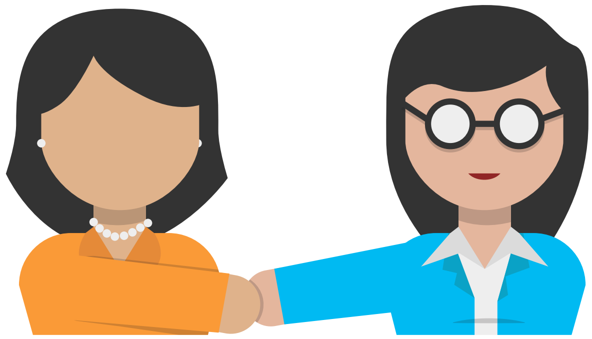
> **"Many consulting firms struggle with differentiation, making it difficult to attract clients"**

Many consulting firms struggle with differentiation, making it more difficult to attract clients and stand out from the crowd. Most successful consultants, however, have relied on building solid client relationships as their key differentiation factor. Finally, solid client relationships are the foundation for expanding client accounts, creating additional projects, and bringing in more revenue.

While the consultant stereotype will not die overnight, there are certain steps consultants can take immediately to start repairing the reputation of the consulting industry by creating lasting client relationships. In order to build an effective client relationship, it helps to think of the relationship in four stages:

- Creation (before the engagement begins)
- Alignment (setting the scope of the engagement)
- Maintenance (performance during the course of the engagement)
- Strengthening (continuing to build after the engagement is finished).





CREATING THE RELATIONSHIP

Contrary to what one might expect, the client-consultant relationship does not begin on the first day of the project. Rather, it begins before any contract is signed. In fact, creating the relationship truly starts before a client is even targeted. The basis for any lasting relationship is mutual trust and respect; for the consultant, gaining this trust and respect begins with demonstrating the firm's expertise. Proving expertise certainly involves past stories of success, but consultants also need to show prospective clients that they are actively thinking about the client's industry and bringing fresh, innovative ideas to the table. Thought leadership, a requirement for many of the top consulting firms, is one of the primary ways these firms set themselves apart. With thought leadership, consultants can target specific industries or issues, positioning themselves as experts in specific fields.

The other element of building trust is creating a personal connection. During a consulting engagement, consultants are essentially invited to see and hear all or certain parts of an organization's sensitive issues. Gaining that level of trust requires more than expertise; it is imperative that the client views the consultant as a trustworthy and likeable person. Studies show that reputation is tied to competitive advantage; consultants with poor personal reputations end up being less successful, regardless of how capable they might be.

> "Creating lasting relationship starts before a client is even targeted"

Finally, an integral part of creating lasting relationships is knowing when to walk away from a prospective client. Especially for smaller consultancies, turning down clients can certainly be difficult, but the result is tied to reputation, which is a key selling point for consulting firms. In order to build rapport and earn client referrals, a consultancy needs to be able to deliver successfully on engagements. Failing to deliver because the engagement was doomed to fail from the start is an easy way to lose that rapport. If it appears the client is looking for something a consultancy cannot provide, or if the client seems uncooperative and resistant to change, it may be best to move on without risking the firm's reputation. Breaking down the negative connotations that go hand in hand with consulting will not happen overnight, but ensuring that every client relationship is set up for success before it even starts will go a long way.

ALIGNING THE RELATIONSHIP

The next step of building a lasting relationship is aligning the relationship. Aligning the relationship is concerned with setting expectations – it involves making sure that the client's understanding of the relationship and the consultant's understanding are exactly the same. Among other things, alignment includes the terms of the contract, the scope of the project, expectations around communication, how results will be presented, and what will happen post-engagement. It is critical that both the client and the consultant understand what the other expects at every step of the way and that every expectation is met or exceeded.

Everyone in business knows the phrase "under-promise and over-deliver." There are mixed opinions around whether this concept is actually beneficial – some claim it does no good because most people do not actually value over-delivering, and under-selling can actually hurt a reputation. Others claim it is extremely valuable to any business agreement. Regardless, the keys to successful relationship alignment are to:

- Be sure to deliver on what is promised
- Exceed the unwritten expectations.

If the consultant offers more than the client expects him or her to offer, whether in terms of the scope of the engagement or the timeline of the project, then the consultant has already exceeded expectations and strengthened the bond with the client. Moreover, while over-delivering on the final outcome of a project may be underappreciated, going above and beyond with regard to proactive communication, empathy, and attention to every detail will not go unnoticed. On the other hand, however, it is also important that consultants take care to manage "scope creep," in which a project grows uncontrolled beyond the original scope but without compensation for additional work. Thus consultants must strike a balance between over-delivering to strengthen the client relationship and giving in to every client request.

In addition to aligning the client's expectations, the consultant needs to ensure that his/her own expectations for the engagement are aligned with the client's. The consultant not only needs to understand the "what" behind the project but the "why" as well. While it is important to thoroughly understand the client's end-goal and objective in hiring the consultancy, it is equally important for the consultant to understand why the client wants to meet that objective. Gaining a holistic understanding of the client and the issue at hand is vital for aligning the relationship, as such an understanding will lead to a better appreciation for the client's goals and expectations overall.

During the alignment phase of building a client relationship, it is important that the client and consultant have a mutual understanding of the role of the client throughout the engagement. Clients will vary in their initial expectations of their role; some will expect to be involved in every decision, while others will be content to sit back and let the consultant work alone. In traditional management consulting, the client frequently does not take an active role, and often consultants will be content to set that expectation. Client involvement, however, can play a critical role in a consulting engagement, as we will discuss.

> **"The consultant not only needs to understand the 'what' behind the project but the 'why' as well"**

Another aspect of aligning the relationship is building the right team for the engagement. Chances are the client accepted the proposal for the engagement because in creating the relationship the consultant built a level of personal trust with the client – with many competing proposals, the decision can come down to that. It is essential, therefore, that the client continue to trust and enjoy working with the entire consulting team. Building the right team of experts with no competing or conflicting personalities is therefore critical. Teamsourcing is crucial for determining these factors:

- The kind of experience potential team members have in the industry
- Fresh or innovative perspective that members of a team may have around the client's problem
- Personality strengths and weaknesses

These factors can help the consultant build the right team for the engagement.

The final key to aligning the client relationship is empathy. In fact, as we will discuss, empathy starts at the alignment stage but remains important throughout the process of building a lasting client relationship. Cultivating empathy means putting oneself in the client's shoes, truly striving to understand where the client is coming from at every step of the engagement. There are multiple reasons why empathy is crucial to the client relationship. In most cases the client understands the inner workings of his business and even of his industry better than the consultant does. The consultant adds value by providing an expert and unbiased perspective to the client's problem, but that does not mean that the consultant should operate with no input from the client. Additionally, the consultant should begin empathizing with the client before issues arise so that when they do, he or she can deal with the client more effectively. Starting with alignment, the engagement should consist of an open and ongoing conversation between the consultant and client to ensure all expectations are met and conflicts are solved optimally.

MAINTAINING THE RELATIONSHIP

Maintaining the client relationship occurs during the course of the actual consulting engagement, from the discovery phase to the presentation of results and beyond. The part of the process wherein the consultant is actively gathering and analyzing data presents a number of opportunities to foster the consultant-client relationship. There are several steps the consultant can take in order to effectively maintain the client relationship.

Throughout the engagement, the consultant must continue to maintain the positive image that he or she has created from the start. Even if the consultant enters the engagement with a sterling reputation, defaulting to the stereotype of closed-off, no-sympathy consulting will destroy everything the consultant has built. Thus the consultant must continue to be consciously humble, candid, sincere, and most importantly, willing to admit to mistakes.

Although consultants may worry that mistakes may damage their credibility, admitting to mistakes prevents them from escalating and demonstrates that the consultant has the client's best interest at heart, strengthening the consultant-client trust.

Additionally, the consultant must continue to empathize with the client. Political and cultural difficulties may create barriers to the consultant's efforts, and the client may object to the consultant's methodologies or preliminary recommendations. Yet throughout the engagement, the consultant should take care to listen to the client, attempting to understand things from the client's point of view. The client organization is always unique in some way, and a one-size-fits-all solution may not always be appropriate – not because it is the wrong solution to a particular problem, but because the problem may be more complex than it seems on the surface.

> "A similar problem does not always necessitate a similar solution"

A similar problem does not always necessitate a similar solution. On the other hand, of course, the consultant's value-add is to provide external expertise and solutions that are free from bias. The object, therefore, is for the consultant to find the balance between listening to the client and exerting his or her expertise over the client. The key to finding this balance is empathy.

The next step to maintaining a lasting client relationship is to keep the client involved. As the consultant conducts the discovery part of the engagement, collecting and analyzing data, he or she should always include the input of the client organization's employees.

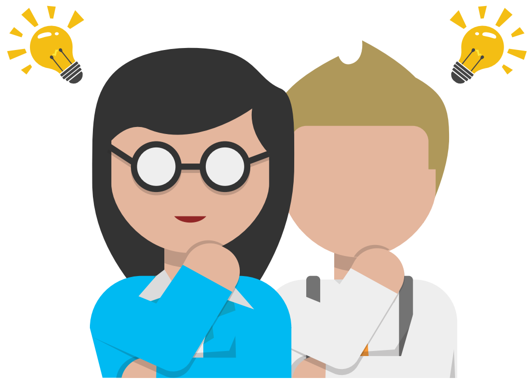
> "One of the biggest mistakes a consultant can make is to ignore the human side of the data"

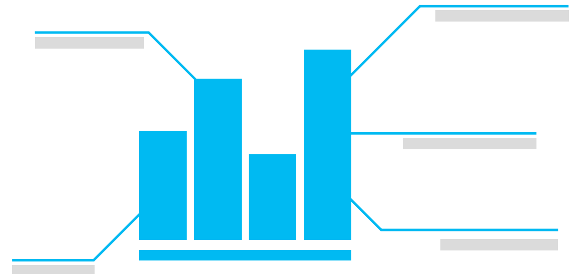
One of the biggest mistakes a consultant can make is to ignore the human side of the data. Because all data is ultimately derived from people and affects people, the best interpreters of data are often the people from whom the data is collected. Employees are involved in the inner workings of the organization, and thus they have valuable insight to bring to the table, but the organization rarely attempts to connect this insight in any meaningful way. The consultant, therefore, has the opportunity to gather the information the organization already possesses, connect and organize it, and tap it for answers to the organization's problems. Moreover, people are a valuable resource in validating the conclusions derived from raw data. Data and analytics can never fully replace the complexity and intricacy of the way people think and act, and so consultants would do well to employ human data in order to verify the conclusions drawn from the raw data.

Much of the time, in fact, employees are eager to have their voices heard. If there is a problem that slows an organization significantly, chances are employees are just as keen as management to eradicate that problem. Employees who want to be heard thus probably have something valuable to say. As we have discussed before, many consultants tend to assume that their client organizations are adverse to change. While some bias may exist, however, many times employees do want change – but they also want to understand the change. Keeping employees engaged throughout the project can help facilitate openness to change. It is especially crucial for the consultant to engage the stakeholders who hold the power to implement recommendations, as these stakeholders will be far more likely to put time and energy towards that implementation if they are fully involved. Presenting preliminary findings as they come in, for example, will help ensure that the client remains invested. Additionally, communicating these preliminary findings early creates stepping stones to the final recommendations. If the consultant withholds all information until the end, the client is far more likely to be overwhelmed by the conclusions and may be either unable or unwilling to implement recommendations. Feeding conclusions to the client piece by piece will allow the consultant to test the waters and allow the client to acclimate to the ultimate results.

> **“Data & analytics can never fully replace the complexity & intricacy of the way people think and act”**

When it comes to forming conclusions, each consultant will lend his or her own expertise to the methodology he or she uses. There are some principles, however, that should apply to every data analysis. For example, when conducting analysis the consultant should first create a narrative framework for the data. While the hard numbers and facts the data provides will lend credence to even the most disagreeable conclusions, the conclusions will really ring true for the client if the consultant uses the data to tell a compelling story. We’ll discuss this principle at greater length in the following section.





STRENGTHENING THE RELATIONSHIP

The final step to building a lasting client relationship is strengthening the relationship after the engagement has concluded and the results, deliverables, and recommendations have been handed over to the client. Strengthening the relationship after the bulk of the work is done is a difficult but critical step to creating a lasting client relationship. It is only after looking back at the whole experience after the job is done that most clients will decide whether or not to create a lasting partnership with the consultant. Thus strengthening the relationship is where exceeding expectations and ensuring client satisfaction come into play.

> The consultant should keep in mind that the ultimate goal of the engagement should not be simply to inform the client what caused the problem and how to fix it, but to help the client actually improve his or her business.

Perhaps the most important thing a consultant can do to strengthen the client relationship is to follow through and remain invested in the outcome of the engagement, ensuring all recommendations are implemented successfully. Many consultants will hand over their conclusions and recommendations and exit the scene, leaving the client to determine how and when to execute those recommendations. In these cases, client organizations frequently fail to execute. Perhaps there are cultural or political barriers in the way, or perhaps the organization simply does not have the resources to do what needs to be done. Regardless, if the client does not implement the recommendations, the chances that there will be perceivable ROI from the engagement are slim, and the relationship between the consultant and client may take a hit.

There are a number of things a consultant can do to ensure the client executes all recommendations. The first is to remain open to massaging the recommendations, changing them to better fit the client's needs if necessary.

Thus, rather than prescribing a pre-made solution to the client's specific problem regardless of the client's willingness or ability to implement it, the consultant should probe deep to find the anomalies in the client's particular situation. He or she should bring the client in to collaborate on a solution, using the client's input on what the organization is capable of and adjusting if necessary. Throughout the process, the consultant should project confidence while avoiding arrogance. Arrogance will only serve to hurt the mutual respect and trust that have been created between the consultant and client. Confidence mixed with humility, on the other hand, will give the client the assurance he or she needs while strengthening the relationship. Moreover, co-creating a solution with the client will ensure that the solution will be actionable for the client. The client may understand the recommendations and want to implement them, but without a clear way forward the client frequently will not be able to act.

"Co-creating solutions with a client will ensure that they are ultimately more actionable"

Another way the consultant can exceed client expectations is to offer fresh insight that the client does not foresee. Oftentimes client organizations simply expect the consultant to provide validation of what they already know to be the root cause of an issue. In big data consulting, for example, clients will hand over large amounts of data for consultants to analyze, but chances are they have already drawn some conclusions around the data. Creating new knowledge for the client, whether through performing deeper analysis of the existing data or gathering new data the client may have overlooked, would demonstrate a clear value-add to the client.

"As a consultant creating new knowledge for clients is key"

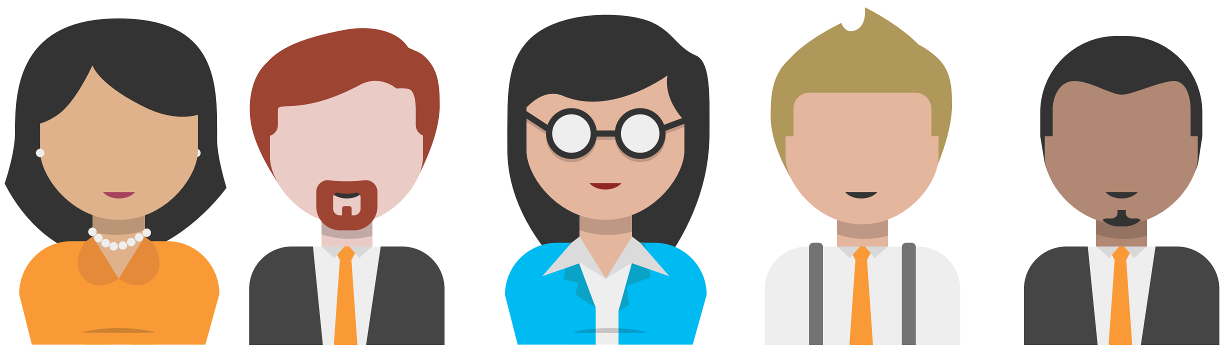
Throughout the post-engagement, communication with the client is critical. Effective communication of conclusions, recommendations, and immediate next steps can make the difference between an overall positive experience for the client and a neutral or negative one. There are a number of things that consultants can do to effectively communicate during the post-engagement. First, it is important for the client and consultant to reach a mutual understanding around the engagement results. As we discussed above, when clients become uncooperative, they are often simply labeled "difficult", when much of the time they simply do not fully understand the solution or process that the consultant proposes. Thus the consultant must take care to ensure that he or she has communicated to the client clearly and that the client truly understands the issue at hand. Empathy comes in to play here, and the consultant who takes pains to understand roadblocks from the client's perspective will be far more successful in continuing to engage the client after the project is complete. Likewise, the consultant should aim to come to a mutual understanding with the client. If the consultant does not understand the client's opinions or objections to the engagement results, he or she should reach an understanding with the client before dismissing any objections. Mutual understanding will go a long way towards strengthening the consultant-client relationship.

Additionally, the consultant needs to communicate with purpose. Not every piece of data will make sense to every stakeholder, and stakeholders may absorb information in different ways, depending on their roles and experience. This is where the concept of "smart data" or the "data audit" comes into play: everything from the solution itself to how it is communicated needs to be customized specifically to the client. Most consultants are data-driven, but the presence of data (particularly big data) makes it all the more essential for the consultant to cancel out the data "noise" that results from large data sets that have not been cleansed or organized. The consultant must ensure that stakeholders see exactly the data they need to see in exactly the format that makes the most sense to them, rather than presenting data and findings with no specific meaning attached. Just as the consultant must understand the customer's "why" while aligning the relationship, the client must understand the consultant's "why" in the implementation phase.

As we discussed before, another step of effective communication is to tell a story with the data. Recall that data comes from humans and ultimately impacts humans; while data relays facts, they need interpretation to be truly compelling. Humans relate best to human experience, and using the data to tell a story will help the client to better understand the goal of the recommendations and the importance of implementing them. A compelling analogy or illustration could help explain the data, or a comparison to a similar client's past experience could further bolster conclusions. The most meaningful data will be quantitative data that is matched with qualitative data in a narrative that weaves throughout all the data.

"The most meaningful data will be quantitative & matched with qualitative data in a narrative"

Finally, the consultant whom the client will remember is one who remains invested in the outcome of the engagement. A consultant who follows up with the client will demonstrate that he or she actually cares that the engagement resulted in improvement for the client. Follow-up after the discovery part of the engagement is frequently something that is not expected of consultants today, but it is key to strengthening the client relationship. Moreover, tracking the client's progress towards the ultimate solution or goal will allow the consultant to actively demonstrate the ROI for the engagement. Following up will also encourage the client to actually implement the consultant's recommendations. Fostering the idea that the consultant and client will work together to solve the problem, rather than simply creating a cold set of deliverables and shipping them to the client, will strengthen the relationship considerably.



CONCLUSION

Successfully strengthening the consultant-client relationship acts as the catalyst to additional engagements with the client. The consultant who has built an image of himself or herself as a humble, sincere, and empathetic partner who brings the client discernible results will have a better chance at winning further contracts or expanding the scope of an engagement. Clients can then become salespeople through referrals and recommendations.

Building a lasting client relationship is a long process for the consultant. A lasting relationship requires careful management of the consultant's own image, expectations, and communication before the engagement takes place, while setting the scope of the engagement, during the engagement, and after the engagement has concluded.

Connect With 9Lenses

We empower business leaders and consultants to use this data as a road map to drive improvements and help employees acquire the knowledge and skills to make business excellence sustainable. Whether you want to take your business to the next level or grow sales and customers, the Lenses provide the focus.

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