

[CLIENT] SAVVY



Thinking like a Client – How and Why?

Gordon Brown 19.01.2017 Tel Aviv



Who is Gordon Brown?



Who, what & why listen | The GB story

- **Two types of consultants**
 - Borrow your watch – to tell you the time
- **20 years professional services – 13 years in consultancy**
 - Marketing & BD director - PwC & Eversheds
- **Thinking like a client**
 - Came from big business - conducted over 750 top level strategic conversations
- **Built ClientSavvy**
 - Won my own work
 - Advice is legitimate - tried & tested (not theory)

- **Clients include**



ReedSmith

BAKER & MCKENZIE

Simmons
&
Simmons

DENTONS

Who, what & why listen | Sectors & markets

Aviation



Finance



Real estate



Gas / oil



Insurance



Pharma
/ healthcare

Who, what & why listen | Clients of clients



Who, what & why listen | The accent





Game has changed and is changing again



The evolution of the market | Different client needs



The need to change | The current client experience

- Value added is uncertain
- How can this be value for money?
- Lawyers are still transactional not trading partners – where is the next deal?
 - Still out of sync



Commercially

- Abstract responses
- Don't join it up
- Lack of materiality & recommendations
- Don't take risk based decisions

Culturally

- No shared values
- Not people like 'us'
- Bossy professionals
- Not part of the team

The need to change | The current client experience

*“I don’t like them – **I don’t like their ethos** – and they charge too much”*

*“That’s what we need in business **strong partners**, not bloody suppliers”*

*“I don’t like law firms that are **pompous or arrogant** – talk down to you – don’t need it really, don’t have to put up with it anymore”*

*“What matters is **getting the deal done** – not at any cost – I don’t want it perfect, I just want it to work”*

Business needs have changed | Needs a different relationship model

- Clients want more than an execution suite (utility – more later)
 - They can now define ‘value’
- They have a choice – are active, opinionated & educated buyers



- They can make comparisons between law firms
- Business is being conducted on their own terms – right firm...
- Facing pressure – strategic transformation; risk; cost reduction
- Firms have lost the agenda – clients are driving change

The game changers | Data

- In the information age – relevance & meaning to do business together is key
 - We are asking people to make high involvement decisions – large degree of information to process
- 'you know me society' has given up privacy - use my data for a customised approach



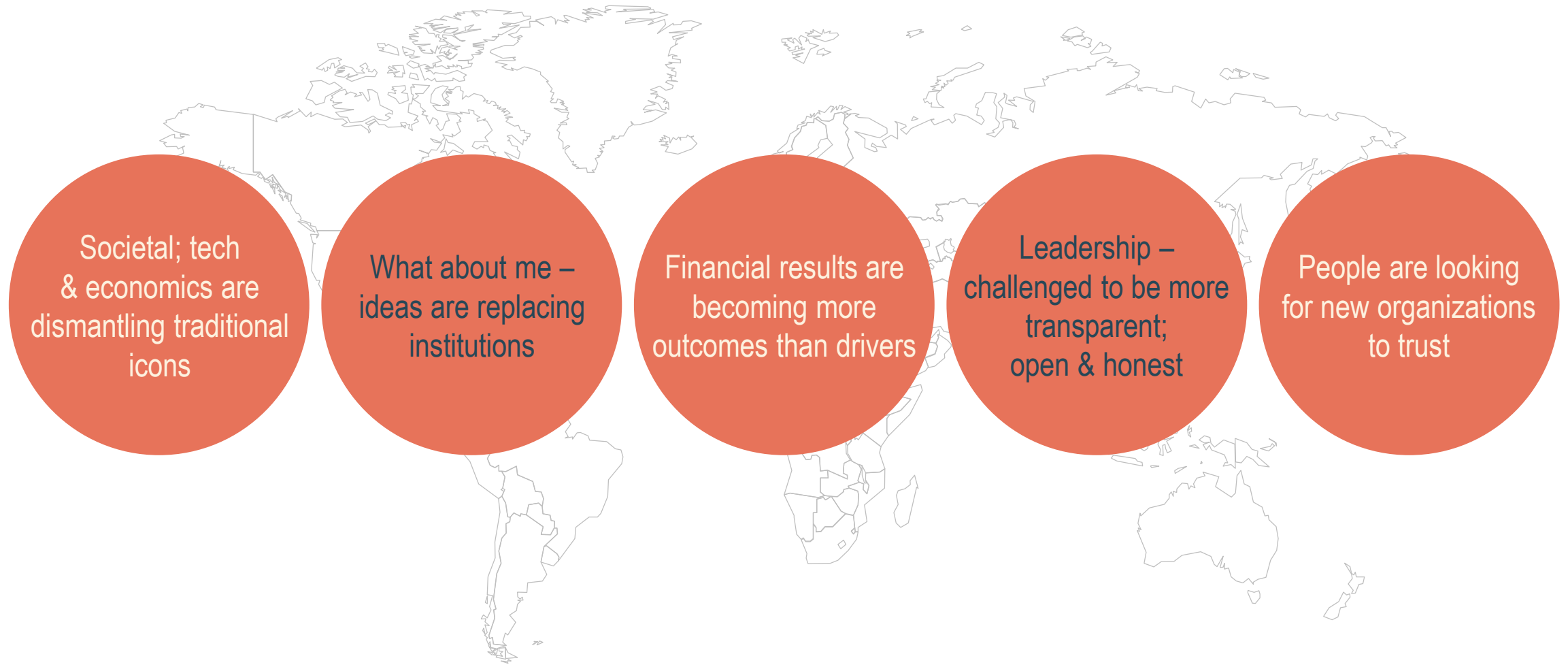
“Every 2 days we create as much information as we did from the dawn of civilisation to 2003”

- Facts are not facts - experts are not experts
- New code to connect - how business is conducted

The game changers | Everyone is an expert now



New code to connect | Crumbling pillars... trust is in transition



Key to the code | New buyer seller relationships

- **Sustainability & certainty**
 - A relationship paradox (lack of trust drives short termism)
- **Collaboration – partnerships (part of groups with similar ideas & values)**
 - Common purpose – cultural/commercial alignment
 - Connectedness – I-I & at an institutional level
 - Candid exchange - of views; ideas & experiences
- **ME – backlash to depersonalisation (recognition of individuality & personal choice)**
 - Emotional & personal decisions
- **Leadership in business is more about attitude than achievement**
 - Qualitative measures than financial outcomes – flip the paradigm

Key to the code | What UK banks are saying



“We wanted to do something intelligent to improve the overall relationship with our law firms”

“Firms aren’t yet realising the future”

“Firms are yet to get fully on-board and embrace change”

Key to the code | Clients themselves need to be more client centric



“The root cause of the financial crisis came down to one big problem – a failure to put the customers’ interest at the heart of our business and culture”

Ross McEwan
CEO RBS

Key to the code | Professional services firms are lagging

- Outdated client service mentality obscures real value
 - Billable hour
 - Know the cost of everything – the value of nothing
 - Utilisation; realisation; recovery
- All firms say they are 'client centric'
 - NO - they are not!

To be client centric | You have to think like your client

**The only way to
grow your business**

Ex.cep.tion.al

(Adj. ɪk-səp'shənəl)

1. Being an exception; uncommon.
2. **Well above average; extraordinary**
3. Deviating widely from a norm, as of physical or mental ability

Phe.nom.e.nal

(Adj. fi-nŏm'ə-nəl)

1. Of, relating to, or constituting phenomena or a phenomenon
2. **Extraordinary; outstanding**
3. *Philosophy* known or derived through the senses rather than through the mind

Stacks the odds in your favour | Compete better & look different





Your turn I. - how does that reflect you and your market?



Points to capture



Better marketing & business development



Better marketing & BD | Think differently

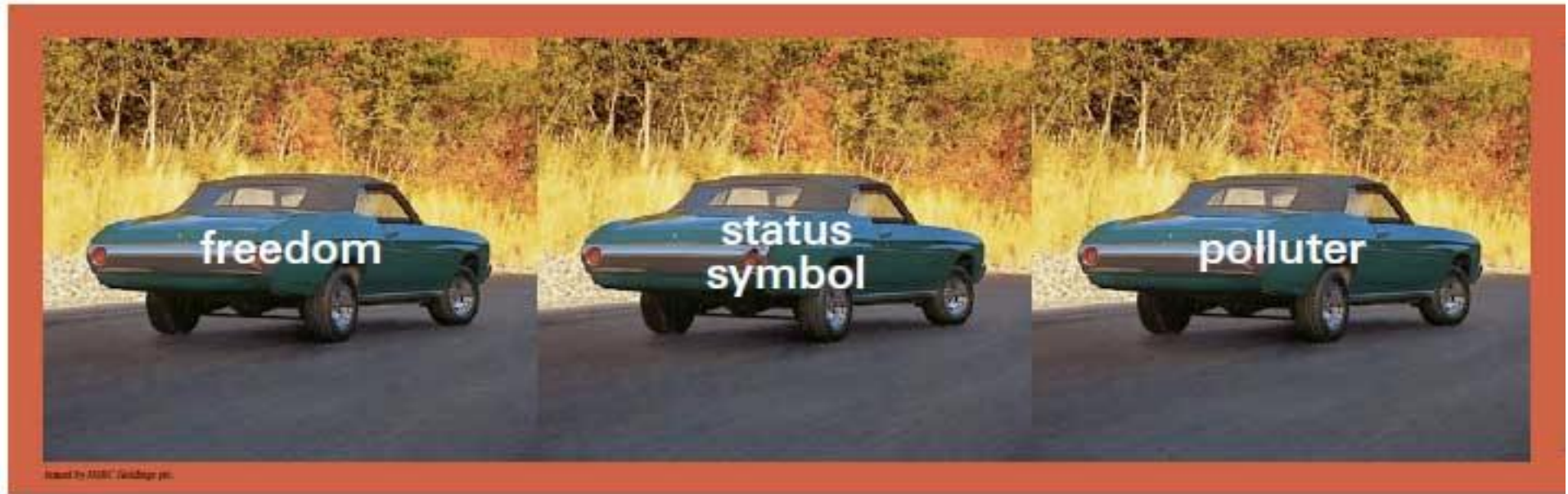
- Taking a different view (do as you have always done...)
 - How does your client think
 - What market are they in
- Strategy & planning
 - Why it goes wrong
 - Good strategy, planning & market positioning
 - What position do you hold – do you aspire to
 - Creating & keeping a customer - buying motivations
 - How clients segment works - buying decisions
- Marketing; BD & partners
 - The challenges, managing contradictions & the account gap
- Leadership



“The real voyage of discovery consists not in seeing new landscapes but in having new eyes”

Marcel Proust

How does your client think ? | A different view



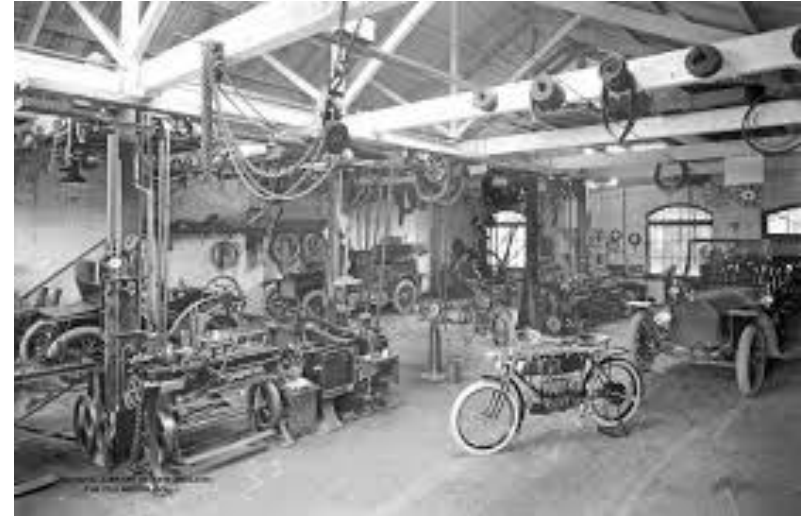
How does your client think ? | A different view



What market is your client in | How & why things get done

<u>Customers</u>	<u>Business</u>	<u>Market</u>
Harley Davidson	Motor cycles	Boys Toys
Kodak	Photography	Memories

What market is your client in | How & why things get done



What market is your client in | How & why things get done

Customers	Business	Market
Harley Davidson	Motorcycles	Boys Toys
Kodak	Photography	Memories
Rolex	Watch	Status/ Jewellery
Starbucks	Coffee	3 rd place
Revlon	Cosmetics	Hope

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Accountancy Firm	Audit	Risk / Compliance
Law Firm	Litigation	Justice / Resolution

How your client thinks | Defines how you must think & act

- Selling one thing – clients buying another
- Risk talking to clients in a language they don't understand





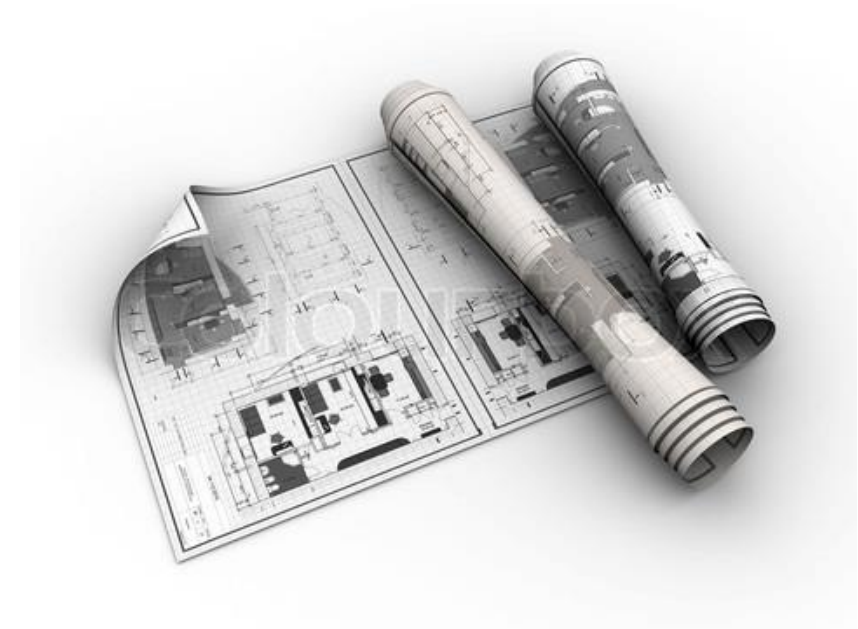
Your turn 2. – strategy & planning – why it goes wrong?





Plans need to be excellent | Box ticking

- **No firm does enough to know clients & their business**
 - No compelling proposition = a race to the bottom on price
 - Who buys; how they buy; why they buy
 - (apart from spikes) Growth is still by substitution
- **The 'Uns' of planning**
 - Unthinking; unimaginative; uninspiring
 - Wish lists = unmeasurable; unachievable
 - Confusion – between sales & marketing
 - Selling what you have
- **Planning works against long term partnering – year by year**

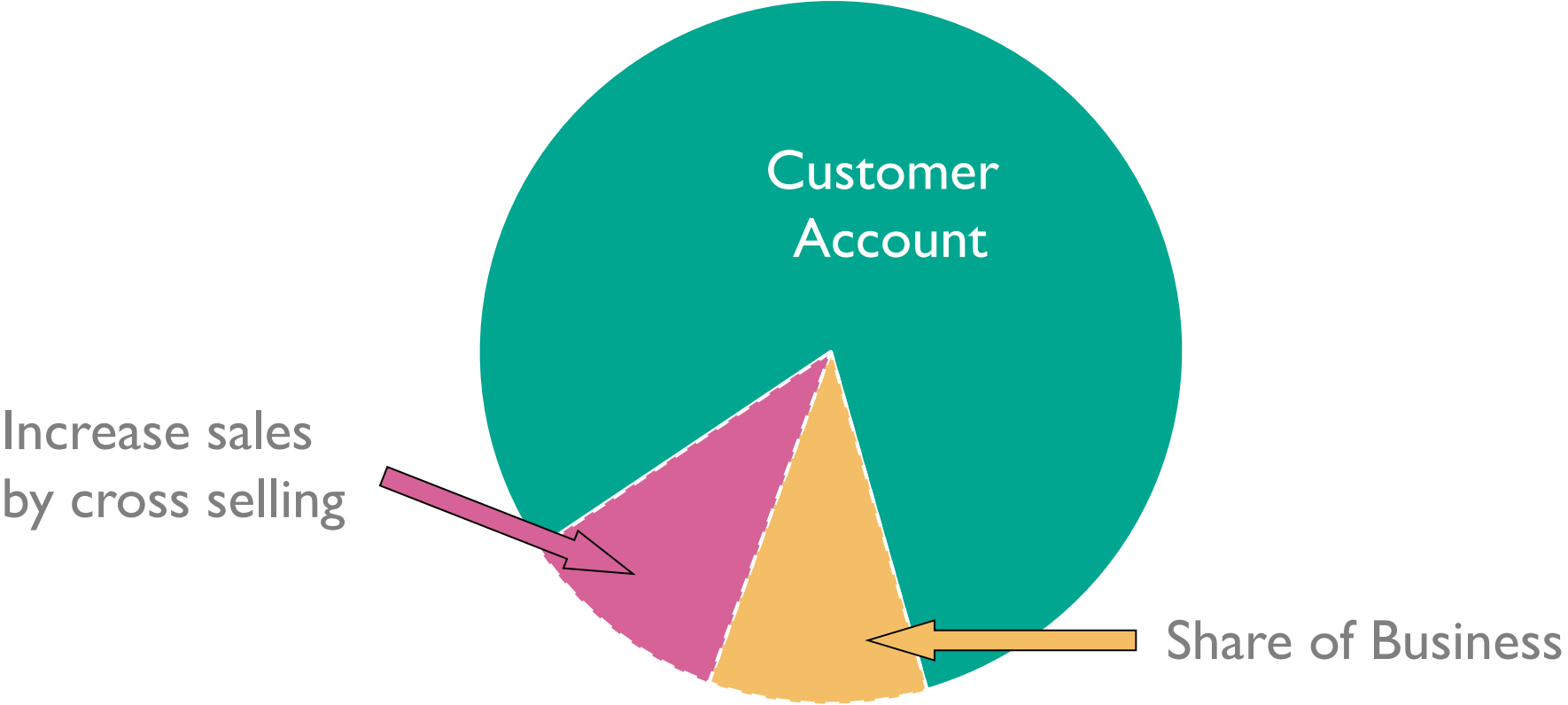


Plans need to be excellent | Mixing up objectives & outcomes

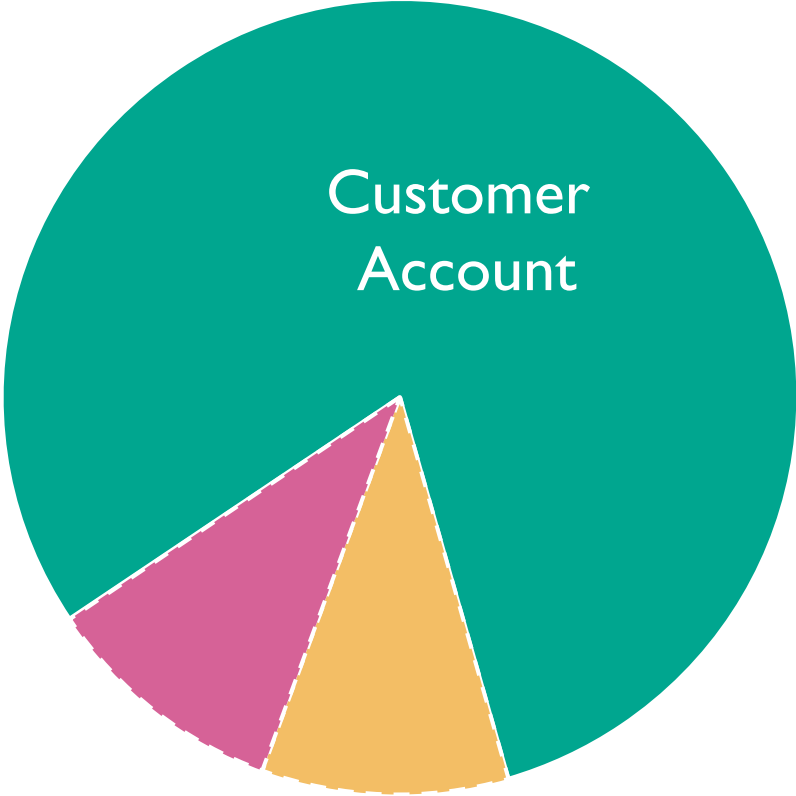
- **Measuring the wrong things – fee generation**
 - No tie in with new ‘code’
 - What you can help their business achieve
- **What can’t be measured – doesn’t get done**
- **Feedback is all wrong (later)**
- **Not enough input from client to plans**
 - Done to clients – not with or for them
 - NO to cross selling



Kick out the cross sell | Deliver strategic value



Kick out the cross sell | Deliver strategic value



Plans need to be excellent | The sum doesn't add up

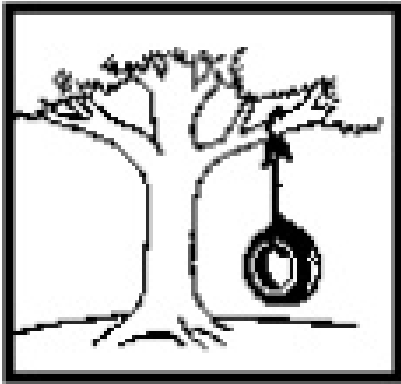
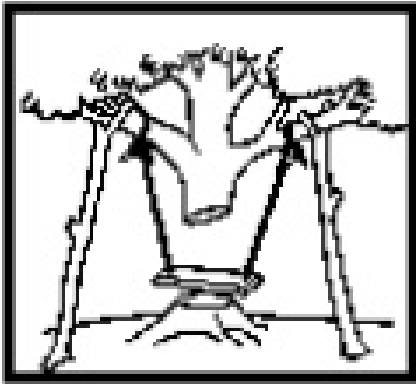
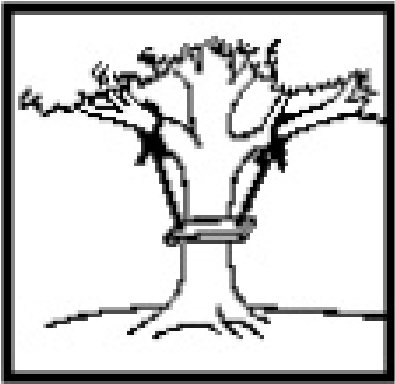
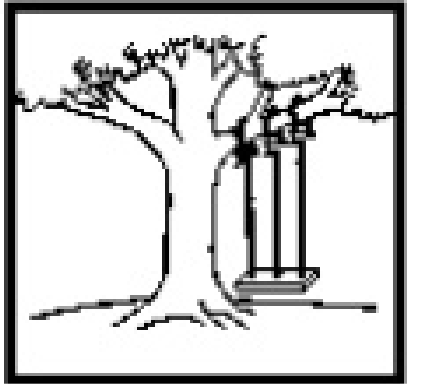
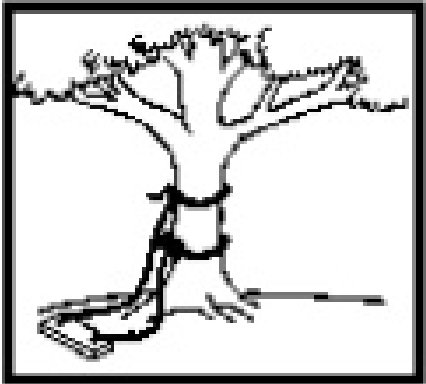
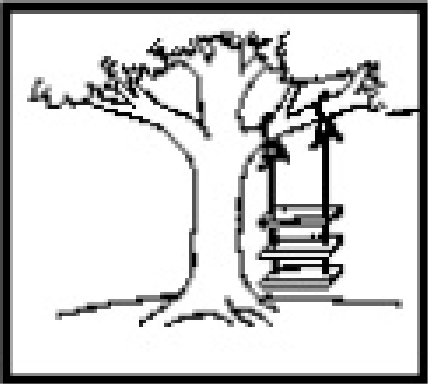
Good strategy

- Pick market /clients to dominate
- Single factor to compete
- Focus resources
- 'Fish where the fish are'
- Remember who the customer is

Bad strategy

- Let politics and history dictate
- Try to be good at everything
- Dabble or aggregate market
- Forget who the customer is

Plans need to be executed | Join it up



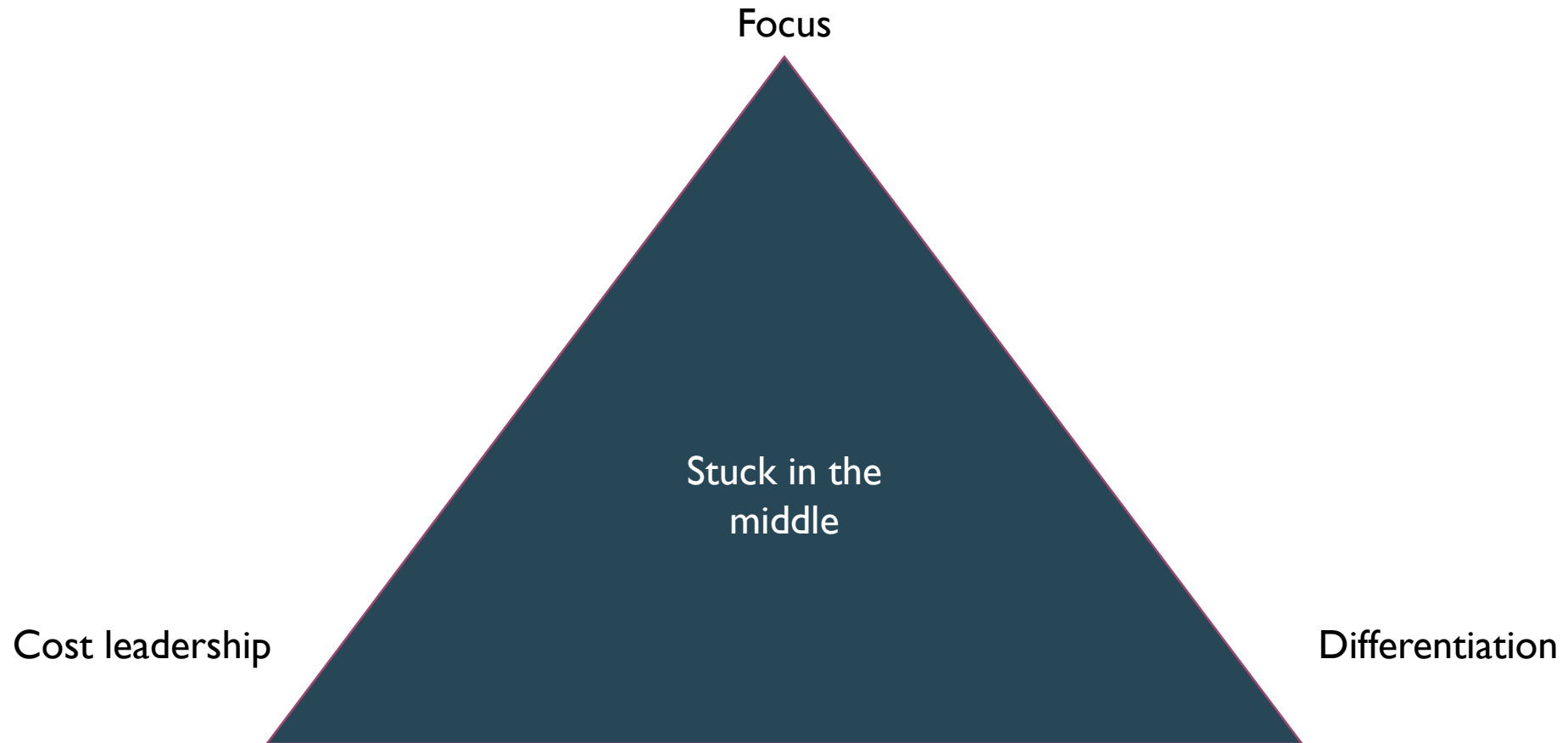
Plans need to be executed | Review & renew

- **No plan survives contact with the 'enemy'**
 - Conditions change – we got our assumptions wrong
 - Clients and competitors do unexpected things
- **Don't be scared to get it wrong**
 - Perfection is the enemy of the good
- **We didn't do what we said we were going to do**
- **It's not just how good you are – it's how much you want it**

(bad) Plans | Can kill your business

Planning abilities			
		<u>Effective</u>	<u>Ineffective</u>
Organisational effectiveness	<u>Effective</u>	Success	Fail quickly
	<u>Ineffective</u>	Fail slowly	'slow death'

(good) Plans – step 1 | Be clear of your market position



(good) Plans – step 2 | Know where you sit & where you are going?

Relationship	Supplier	Service provider	Trusted advisor	Strategic partner	Distinctive leader
Client Agenda	unknown	understand	suggest	co-develop	lead
Modus Operandi	project delivery	idea generation	being a better business	commercial value	market leadership (corporate value)
Approach	reactive	responsive	proactive	at the table	‘setting the table’
Professional deliverable	functional capability	experience	expertise	specialist knowledge	strategic/thought leadership
Proposition (to client)	technical solutions (core)	resources & processes (operational)	problem solving (organisational)	delivering results (individual)	transformational change (accelerate the business)
Commercial Context (value)	value = cost saving	value = process improvement	perceived as adding ‘different’ value	value that changes outcomes	value that can alter client’s direction
Pricing	panel pricing - poor margins	panel pricing – low margins	bespoke pricing – improving margins	strategic pricing – further margin gains	Highest margins



Good plans must understand buying motivations



Creating keeping clients | Make their decisions easy

- Find out what they want
 - Satisfy those needs
- Make sure they get more of what they want from you than anyone else
 - Make sure they know it
- Only work where you are expert – ‘all things is not a compelling propositions’
- Be very clear about the work you want

Creating keeping clients | Make their decisions easy

- **Make sure they feel & know they are important**
 - More clients lost through indifference
- **Push (no)**
 - Features & tech excellence
 - Product profitability (margins)
 - We know best – telling
- **Pull (yes)**
 - Clients needs & expectations
 - Customer profitability
 - You know best – listening

Business buying decisions | Price is not a motivator – value is



“81% will pay a premium for industry experience and industry-specific solutions”

*ITSMA professional services & solutions
2013 brand tracking survey*

Business buying decisions | What is value?

- **Utility for their business**
 - Make money/ save money
 - Make them a better business/de risk them
 - Compete better/ buying success
 - (accelerated business outcomes – EY)
 - **Anyone can offer ‘good product’**
- **Respect & integrity**
 - **Insight & inspiring staff**
 - **Ideas; vision & skills transfer**
 - **Specialist knowledge**

Business buying decisions | What is value? – the C's of commerciality

- **Context**
 - How & why things get done around here
 - Common purpose
 - **Commentary**
 - Through the line – managing complexity
 - **Challenges**
 - 'heads up' on the industry
 - **Cost**
 - Materiality = time & money
 - Save costs – but pay you more
- **Collaboration**
 - With them & with yourselves
 - **Consistency of advice**
 - **Collective responsibility**
 - Accountability
 - **Connected**
 - **Confidence**
 - Execution certainty
 - Common sense

Organisational needs | The foundation/rational motive

Buyer is fulfilling an explicit need – best ‘man’ for the job

- Security
 - Prevention of future problems
 - Safe/ no risk answer
 - Durability
 - A solution with a shelf life – low maintenance
 - Convenience
 - Efficiency – save time/money – easy to use
- Gain
 - Increased profits/income
 - Standards
 - Exceeding ‘legal requirements’ – recognition/accreditation from ‘authorities’

Organisational needs | The emotive motive

The way things get done around here - trust is the engine of commercial growth

- Physiological
 - Strengthen the way the business functions
- Safety
 - Securing/protecting assets
 - Wont accept a riskier solution – even for higher return
- Affiliation
 - Social responsibility – buying locally
 - Alliances with partners
- Esteem
 - Working with leaders
 - ‘you don’t get fired for buying IBM’
- Actualisation
 - Increase knowledge
 - Forefront of technology

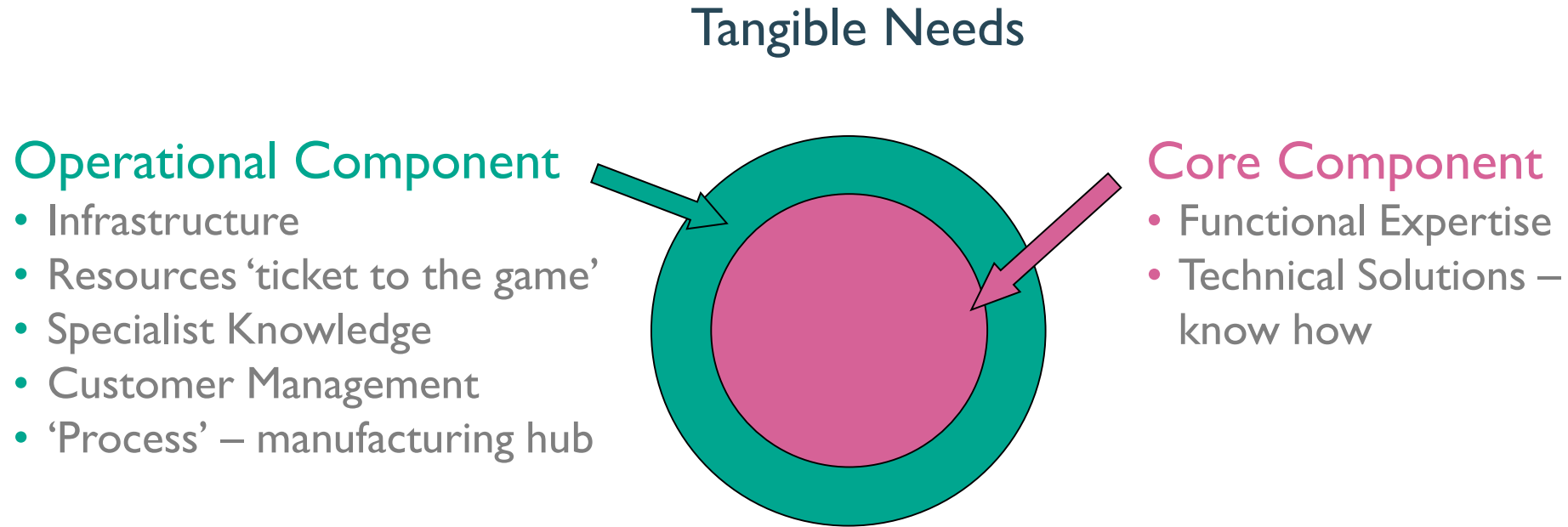
Personal relevance – self continuity; distinctiveness & enhancement

- Pride
 - Personal achievement from a good buy
 - Make company millions
 - Make my bonus
- Recognition
 - Praise
 - Your boss makes his bonus
- Positivity
 - Pleasure & fun to work with
 - People like me
- Fear
 - The fear of getting it wrong
 - Out manoeuvred – loss of competitive position

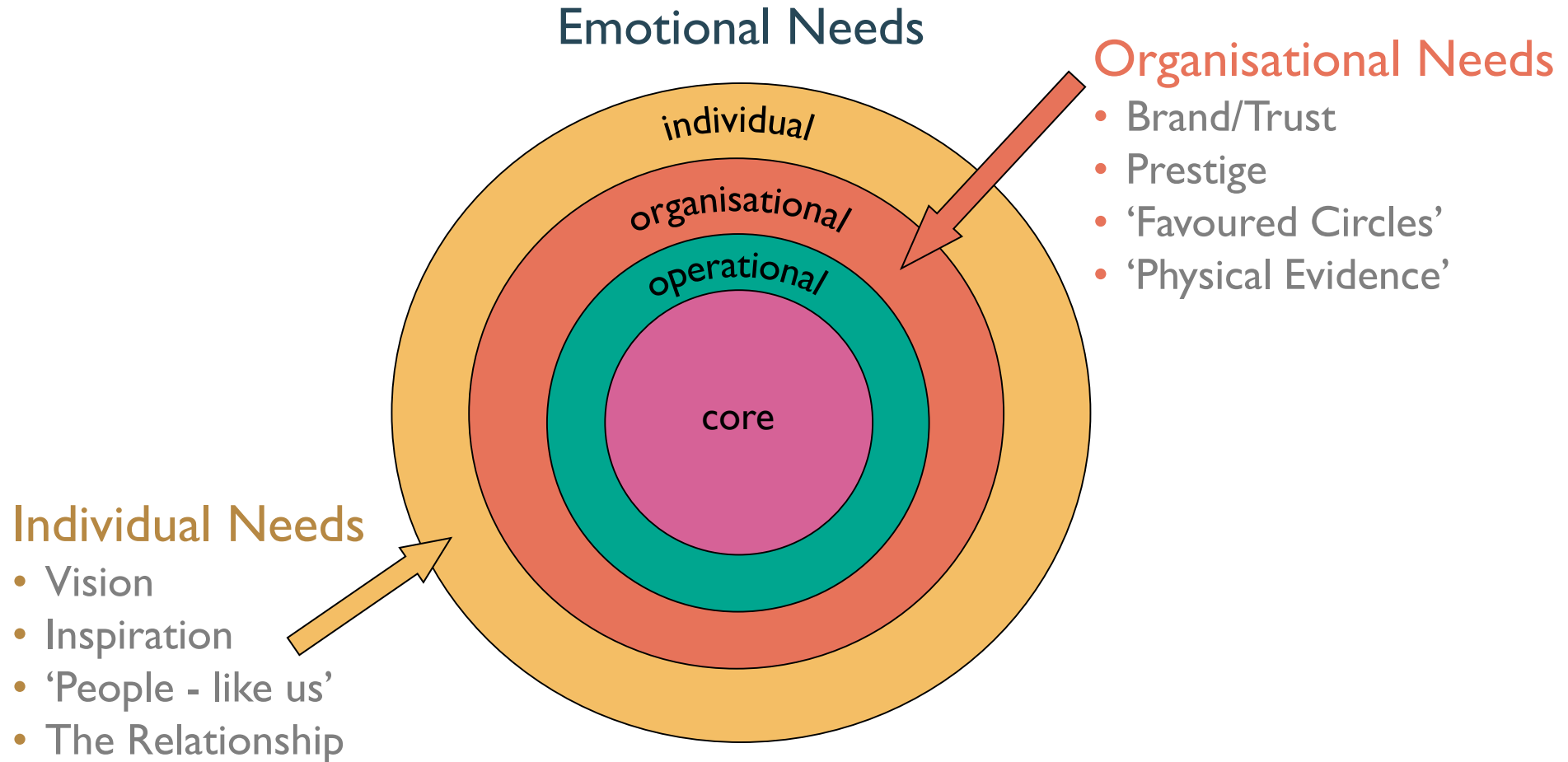
Buyer characteristics

- Feelers
 - Want empathy; participation in problem
 - Partnership & loyalty
- Thinkers
 - Action & energy
 - Results & objectives – not relationships
 - Quick responses & prompt action
 - Best deal
- Sensors
 - Detail; accuracy of information
 - Reliability – plans & structure
- Intuition
 - Innovation; flexibility & quantum leaps
 - Will bend the rules to get a result

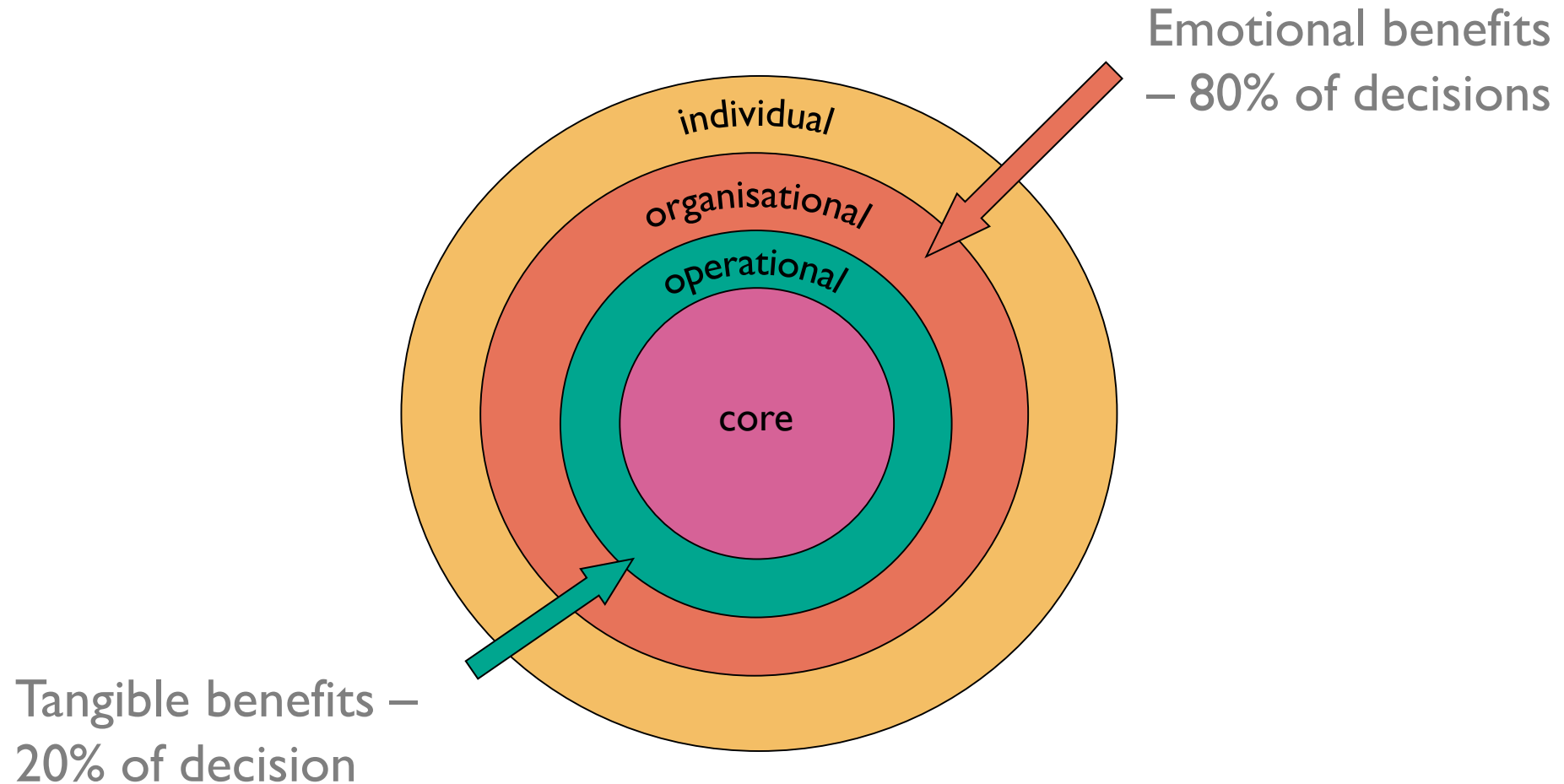
The service/value concept | Hygiene factors = 'ticket to the game'



The service/value concept | Motivators



The service/value concept | Where to focus your efforts



ABC work types | Clients see their challenges as unique

- **A - Expert**
 - Large & complex (unchartered problems)
 - Mission critical
 - Acknowledged brand
 - Price – costs what it costs
 - **B – Experience**
 - Seen it before (known problems)
 - Common & recurring (track record)
 - Price – to a budget
 - **C – Efficiency**
 - Volume recurring work
 - Proven process
 - Price – to a price
- **Strategic = customised**
 - **Complex = collaborative**
 - **Commodity = cheap**

How the client works | Their operating model

- Lead
- Manage
- Supervise



Marketing; BD and partners

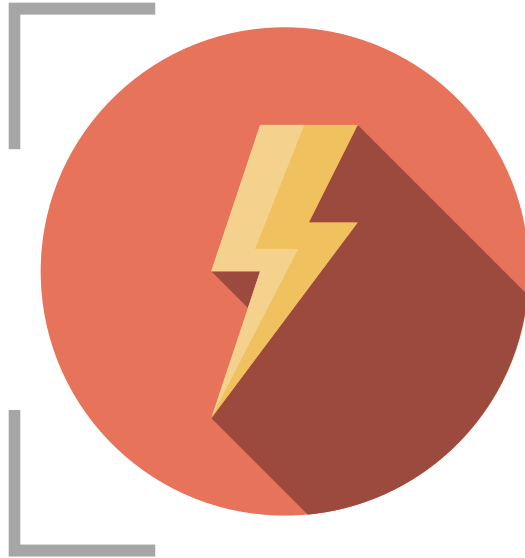




Marketing



Marketing a product v's a service | The standard definition



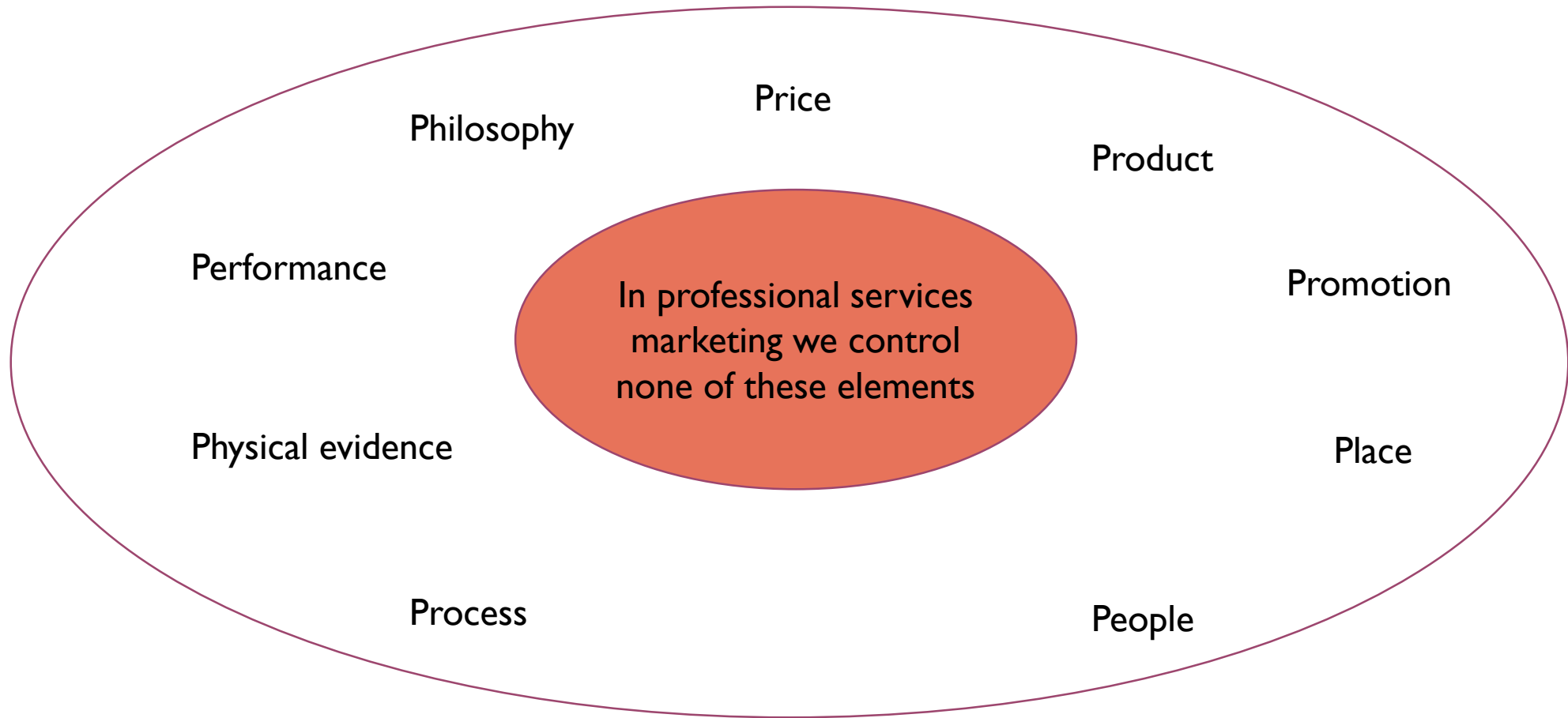
“any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product”

Characteristics

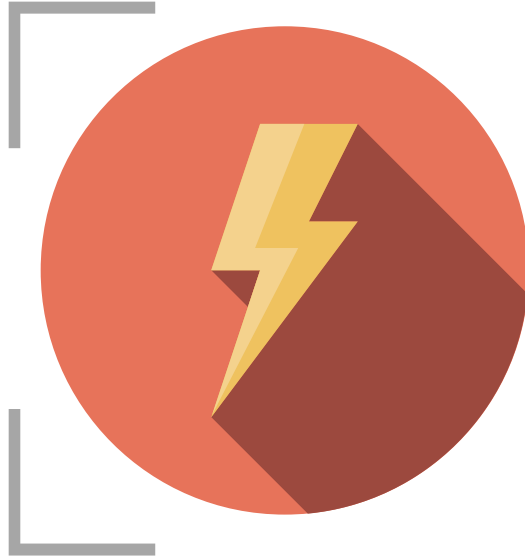
- Intangibility
- Inseparability
- Heterogeneity

- Perishability
- Ownership
- ‘post purchase dissonance’

What is the role | Marketing professional services



Marketing professional services | Struggles with credibility & purpose



*“half the money I spend is wasted;
the trouble is, I don’t know which half”*

John Wanamaker

Credibility & purpose | Brand building – not business building

- Centralised corporate function
 - from a generalist local function)
- Campaigns moved from product to issue to theme (which is right... but)
 - Where is the provenance? - marketing has little/no connection with clients or client facing professionals
 - Not commercial enough
 - Doesn't understand the business or the 'product'
- Campaigns are not necessarily what clients have asked for (or will pay money for)
 - Marketing is unthinking; risk averse; 'fad surfing' & jumping on band wagons

Credibility & purpose | Brand building – not business building

- Campaigns are fewer; bigger; ‘better’ aggregated campaigns
 - Consistency = standardisation
- Thought leadership paradox
 - Globally relevant; locally irrelevant – not applicable at an account level
- Losing relevance = loss of funding < 2% of revenue

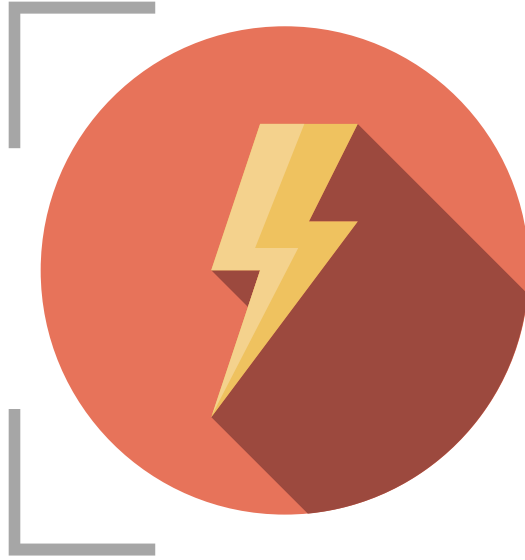
‘when the market got tough – marketing budgets got cut!’

‘no such thing as commodity markets – only commodity marketing’

Credibility & purpose | Formal marketing losing relevance

- **Inefficient operating model = decoupling from the business**
 - Specialism risks further fragmentation
 - Informal/indirect partner approaches are more effective
- **The perfect Risk storm**
 - Redundancy (financial wastage)
 - Reputation
 - Relevance
 - ROI
 - Repetition (not enough)
- **Loss of control of go to market strategy**

Reconnecting marketing to the market | A new definition



To help a firm accelerate profitable revenue growth through actions & producing tools that help fashion demand & better connect buyer & seller by:

- *creating relevance - new conversations with clients*
 - *building reputation*
 - *developing relationships*

Reconnecting marketing to the market | Make selling easier

- **Push the thinking - anticipate/influence the demand**
 - Get rid of the mush words (C suite; brand equity; brand stretch)
- **Get to know clients - B2I (buyer personas)**
 - Build better business profiles (buyer programmes)
 - The hard to get to (cash rich/time starved have names)
 - Who = demographics
 - Like = preferences
 - Do = behaviours
- **Better account messaging & framing compelling propositions**
 - Quality content is not enough – personalise content & out bound targeting
 - An ‘omni’ channel approach

Reconnecting marketing to the market | Make selling easier

- **Focus (education)**
 - Reputation = media
 - Relevance = skills; capabilities & track record
 - Relationships = what partners can talk about
- **Coherence**
 - Route to higher impact
 - Repeat exposure
 - Genuine forward looking insight
- **Don't forget deployment – design programmes from how they will be used**
 - Allow local adaption + put senior resource on priority clients





BD - Selling



Selling | Professionalise the function



All good things come to those that wait – but that's only what the hustlers have left behind

Less process | More sales culture

- **Scope of a professional service purchase is more complex**
 - Know client's big bets – strategic agenda
 - Facing pressure & passing it on
 - (remember) High involvement decisions
 - Clients needs are dynamic; they change

- **Change the paradigm – strategic agenda is service line agnostic**

- **Partners lack confidence & motivation**
 - Selling the right things – a compelling proposition (account messaging)
 - Transactional focus = smash & grab
 - Selling = numbers & failure is built in
 - Are they too comfortable – too successful ?

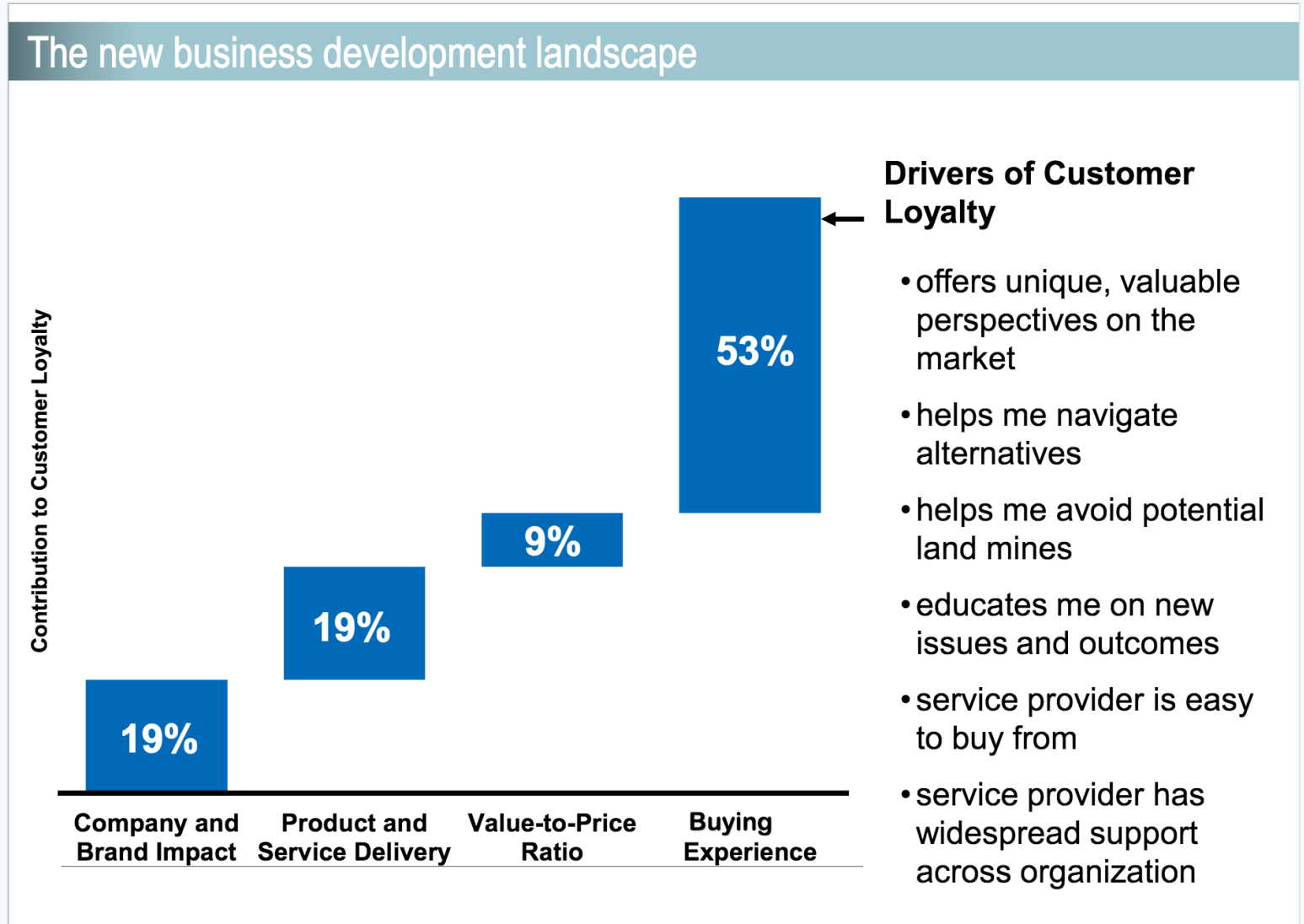
Less process | More sales culture

- **Account management programmes – running out of steam - clients see no value**
 - Set up with wrong objective – disguised selling tools
 - IT focussed & process
 - Short term goals miss strategic & transformational agenda
 - + lack of BD talent & client facing experience
- **Sometimes client feedback is not worth the paper it's written on**
 - Wrong questions – wrong feedback (their ambition for you)
 - 'rowing boat scenario'
 - Beware of client fatigue
 - Conversations are art – not science (less quant more qual)
 - Can't interpret what you get – little strategic analysis

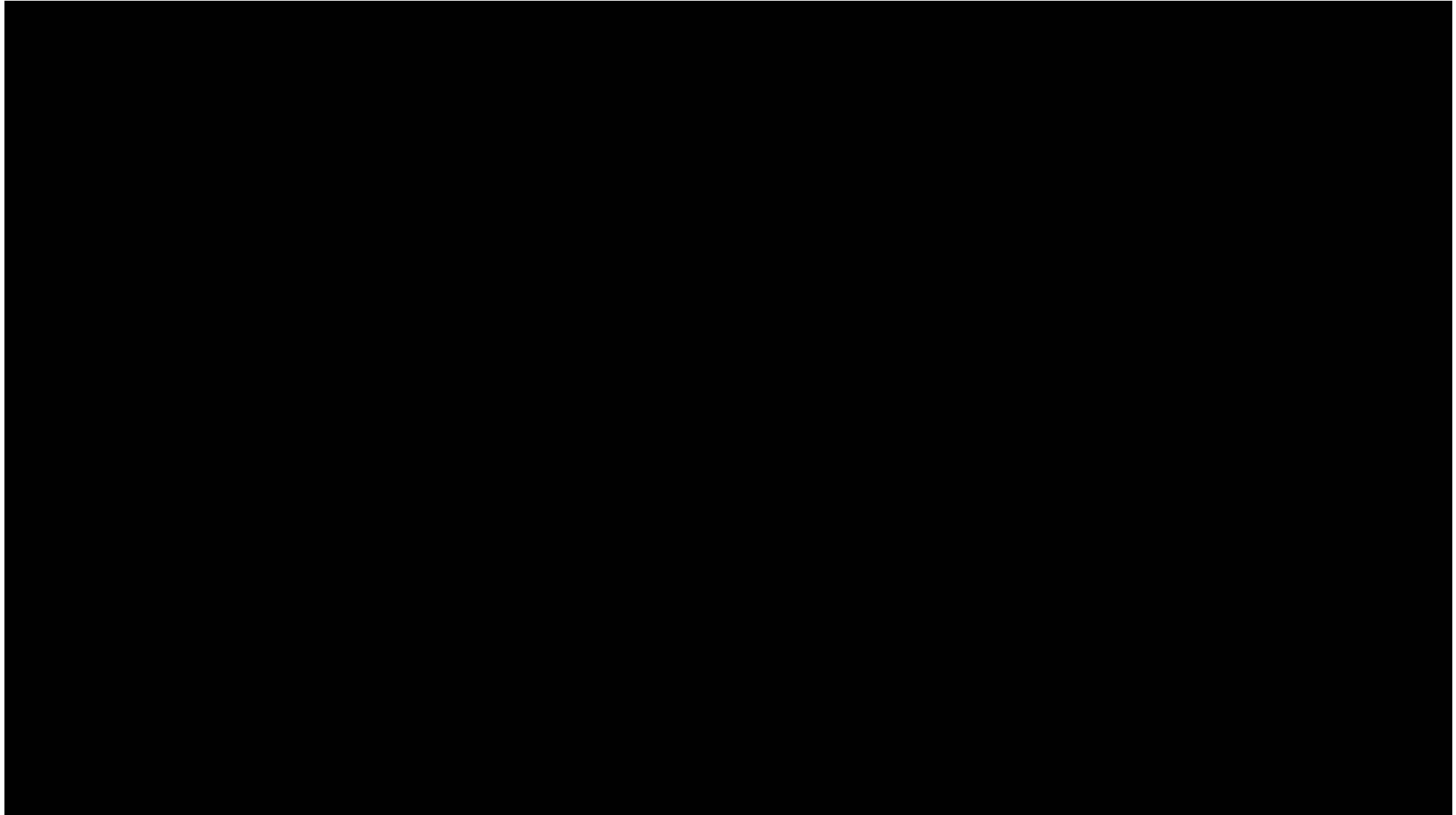
Less process | More sales culture

- **Hitting big targets in a challenging market – not more of the same**
 - EY 40% of growth from 250 clients
 - Everyone should sell – so must know firm & client story
- **Selling is a professional game – we want to be sold well to**
 - Clients have professionalised their purchase functions
 - Want their firms to be hungry - passionate about the client's business
- **A better buying experience**

Less process | A better buying experience



More confidence | Is a very powerful motivator





Partners as account leaders



Partners as account leaders | Looking for help to win work



Kings & queens of the castle – to head of deployment

Partners as account leaders | Looking for help to win work

- Complexity of work increases needs tech solutions & team work
 - Time spent here is time lost in the market
- Greater pressure than before = bigger short term targets = opportunistic
 - Greater scrutiny & measurement
 - Risk averse – don't have band width
- Won't take 'no crap' to clients
 - I know my client – (lower levels of marketing support – therefore see it as noise)
- BD/planning - targets they get strung up for

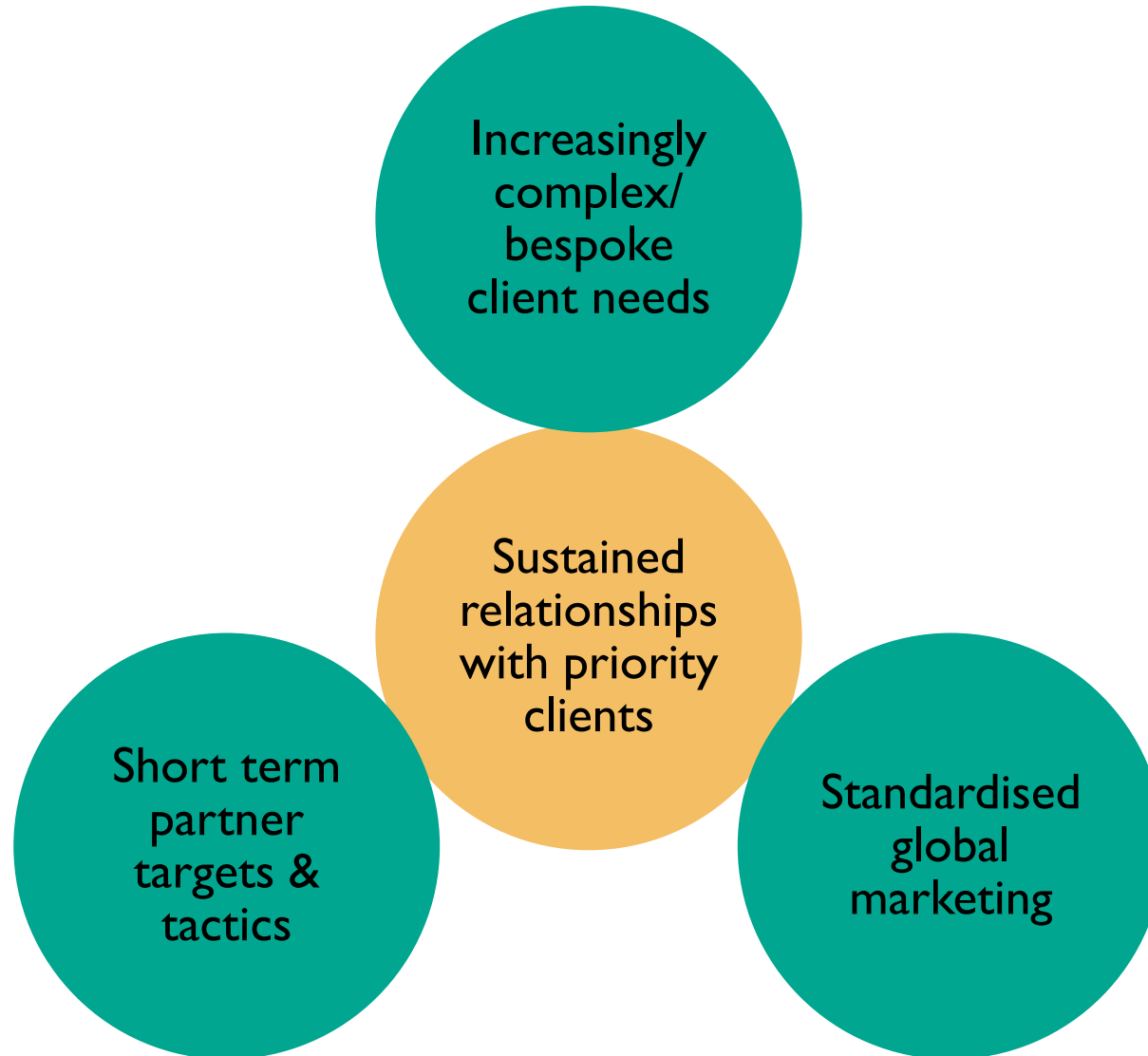
Partners as account leaders | Looking for help to win work

- **Looking for help to build relationships**
 - Opportunities to meet
 - Bespoke insight to talk about
 - Awareness of a track record - 'what we have done'
- **Better account messaging (compelling)**
 - To respond quickly to opportunities
- **Defaulting to informal partner led marketing they find effective**

Looking for help to win work | Informal... but can be effective



The account gap | Contradictions



The account gap | Contradictions

- Risk that disconnected formal marketing programs can confuse
 - Informal uncoordinated account activity can undermine brand
 - Effective informal marketing is rarely recorded – share; learn; sharpen & reuse missed
- Step change in how prof services firms engage (not selling legal/accounting products)
 - Longer term view
- Some want to move away from individual relationships – others moving away from ‘the firm’
 - Not loan wolf – connected at an institutional level
 - Don’t want one trick ponies
 - Some will follow the partner (empower them – but a risk)
 - All want better 2 way relationships



The leadership challenge



Leadership | “Ill prepared for law firm management”

- “Herding cats & managing hedgehogs”
 - Bold with a sense of realism about erosions of margin & earning capacity
 - ‘Holistic’ view of how their firm wins work – it doesn’t belong to a function
 - Focus more on leading their firms to market – or fail to direct the evolution of the business



- Managing contradictions (marketing/selling – collaborating or competing?)
- Beware of benchmarks – what other appear to be doing

“they see the bogey man everywhere”

Leadership | “Ill prepared for law firm management”

- Leadership is the defining talent all professional services firms now need
 - It's not mystical or magical – strategic choices that make a difference
 - The ‘shareholders’ work in the firm; the next office & don't like change
 - Partners protect their positions & income - minutia is a weapon to slow change (will test the leader on this)



- What's on the board agenda – management or leadership?
 - Managing change is lost on internal complexities
- Know when to invest
 - Resource – the race for talent
 - Not ‘show me the money’

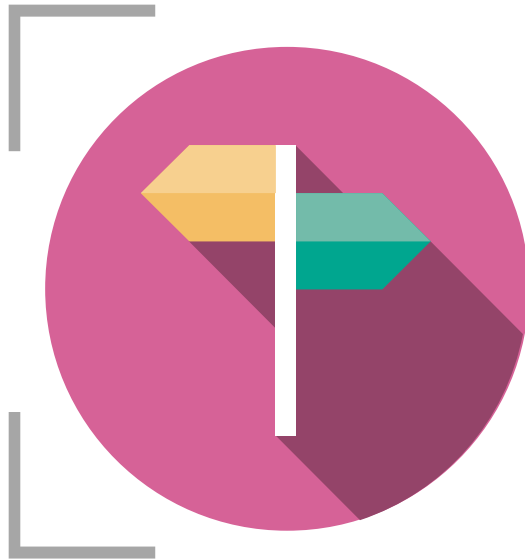
Leadership | “Ill prepared for law firm management”

- It's not about quick fixes
- Be visible, enthusiastic & energise everyone
- Communications - make sure everyone knows the strategy



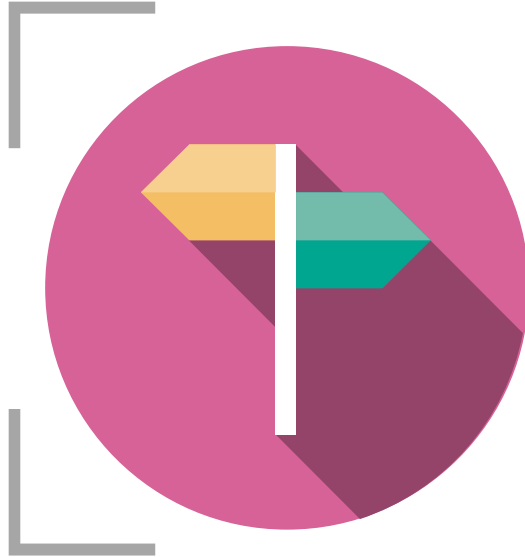
- Do not tolerate mediocrity & remove obstacles
- Clients respond to leadership – leaders have major selling potential
- Leadership to lead – have a plan
 - Targeting resources
 - Measurement
 - Reward & recognition
 - Make the changes – be accountable

To be a truly client centric business | Market; selling; client mgt at the center



Be more professional at marketing, selling & account management – integrate them

Operationalise the change | Marginal gains

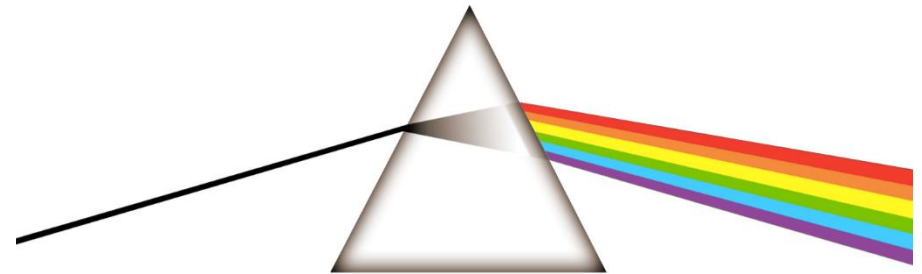


“Small improvements in a number of different aspects of what we do can have a huge impact to the overall performance of the team.”

Sir David Brailsford

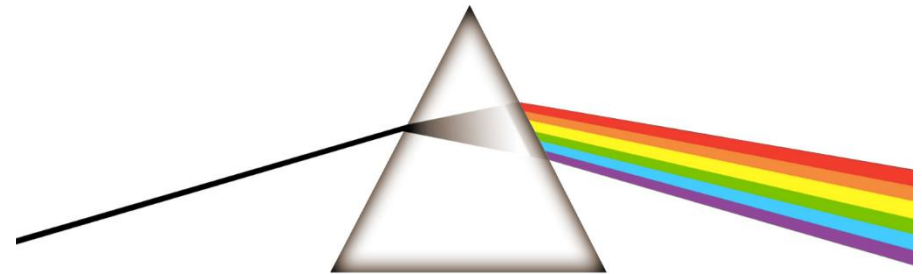
Operationalise the change | Clear direction

- Purpose - true to an enduring idea to make sense of the short term change
 - (remember) more attitude than achievement
 - Confidence
- Organisations - that are more transparent open & honest
 - Less hierarchical – more collaborative
 - Boldness with honesty – intuition with creativity
 - Dare to be wrong
- New partnerships with clients (especially in innovation)
 - Generous and honesty
 - Sustainability



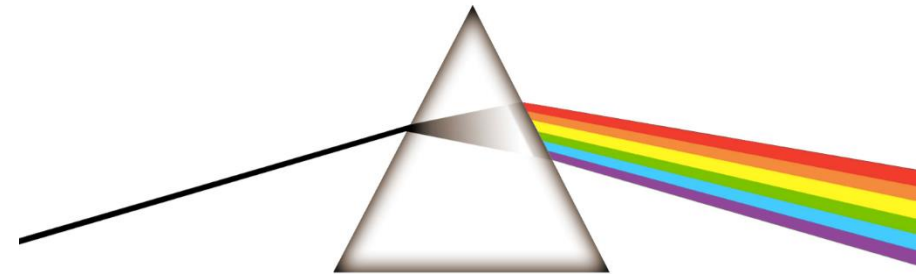
Operationalise the change | Think like a client

- Back to where we started – be client savvy – new eyes
 - Different view – think like a client
 - Better strategy & planning & co-ordinating marketing; selling; partners
- Needs time & high ambition
- Reduce complexity – just start



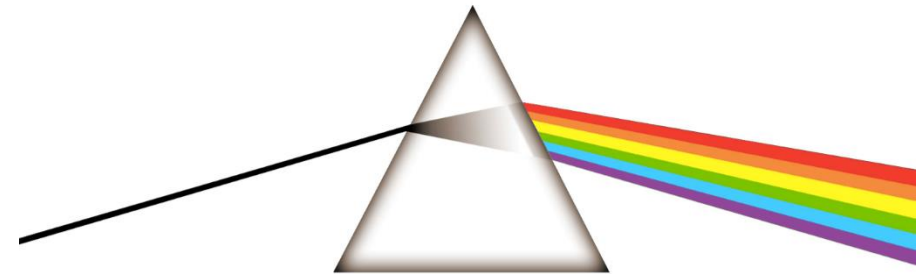
Think like a client | Account marketing

- Treats clients as a market of 1
 - Helps anticipate demand & optimise response at an account level
 - Helps create 'new' demands
- Forces marketing; selling; partners to work better together
- Creates new avenues & angles to engage with clients
- Determines a distinctive leadership position – you can dominate (only where you are expert)
- Creates/requires better client conversations – that count



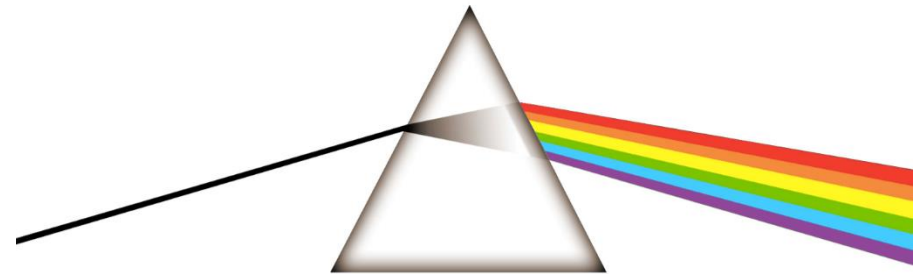
Think like a client | Account marketing

- Saves money & gets better returns on investment
 - Better deployment (which clients gets what & why)
- Gets current campaigns into clients
- Helps grow existing relationships – build new ones
- Creates opportunities to tailor content

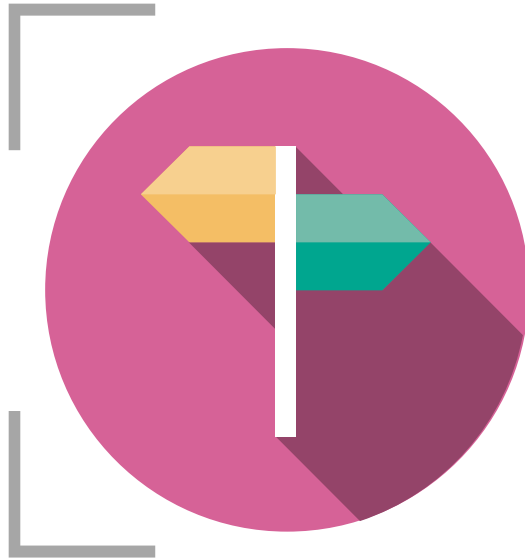


Think like a client | Account marketing

- Clients get strategic dialogue – they say no firm does enough of
- An approach based on their needs – not selling professional services product
- Utility to grow their business – tailored solutions
- Relationships they can trust
- Beneficial exchange & genuine partnerships is business



Think like a client | Only hard yards left



“You’ll reach your goal only through suffering and toil.”

Sir David Brailsford



Q&A







Bridging the account gap | Successfully agreeing an instruction ????

- Desire
 - Driven by brand & marketing (may not drive the purchase)
- Deed
 - Selling – pricing/pitching can drive (care on loyalty to price points)
 - But does not create loyalty to the brand
- Decision – (deed & decision don't need to come together)
 - Tailored approach
 - Want a yes; no – not a maybe

