



Converting relationships to revenue

As a professional, you want to use your skills and knowledge to help your clients achieve their goals. At the same time, you'd like to make some money. This requires adopting a client-focused way of doing business development – one that focuses on providing business value during the business development process.

The general model of providing business value

Your goal, as a professional adviser, is always to help the client make the right decision for him/herself. To help the client make the right decision (for them) you want to help them:

1. Thoroughly understand their situation by listening so you understand how they see it and then providing insight to help them see it more clearly.
2. Think about their options and pick the best one.
3. Execute the decision that they have made so they succeed.

If you decide to help clients make the right decision, rather than to “pick you”, you’ll want to be sure that you pursue situations where you will be “the right decision”. If you are a competent professional pursuing an appropriate market then picking you should be a good decision for most of your potential clients. If you are not usually the right decision, then you are pursuing the wrong market.

Defining the problem

To help the client decide how best to move forward, you and the client need to understand the context of the situation. The context is broad. Some important elements are:

- The client’s needs, goals and aspirations. Overall, what is the client trying to achieve in the business? What are the major gaps between what the client needs in order to succeed, and what he has?
- The business impact of success (or failure) on the client
- The personal impact of success (or failure) on the client What will happen for the client if he achieves his goals and aspirations?

How to Deliver Business Value

Listen to understand situation as partner/client sees it



Use insights to help partner understand his/her problem/opportunity



Identify the value of success



Help partner/client make decision

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What will happen for the client if he fails to achieve his goals and aspirations?

In addition, you and the client need to understand what the client's organization has already tried to do in the general arena of the problem that he is thinking about, and why he thinks that succeeded or failed. Even if it turns out that his definition of the problem was not right (or not the most useful definition) it's still important to understand what has been tried so you can give credit for what's been done and also learn from it.

The client always starts with some definition of the problem. Often, the initial definition is just the most visible symptom of the problem. A better problem definition is usually needed. A better problem definition can be developed by understanding the symptoms, causes, and ramifications; you can get this understanding by talking with the client and with others at his organization.

Listen to understand situation as partner/client sees it

Understand and reflect back:

- Needs, goals and aspirations
- History (of problems, of working with your firm or competitors)
- Market and competitive situation

Use insights to help partner understand his/her problem/opportunity

Provide:

- Your specialized knowledge
- Alternate ways of thinking about partner's issues (frameworks)
- Business insight

Using your insight to improve the problem definition

Once you understand the client's problem definition, you can help them improve it by bringing your specialized professional knowledge, experience and business insights to bear. At this point, you are not pushing a particular solution, but instead are helping the client think more thoroughly about his problem. One way to help him is to share some frameworks for thinking about the problem. Good frameworks will completely cover a topic in a logical fashion – and will help you and the client uncover aspects of a complex situation that might otherwise have gone unnoticed.

Although you can have your frameworks prepared ahead of time, it is particularly powerful if you can produce them by hand when you need them – showing the client that you are listening and responding to him.

At this point, you and the client will be nearing agreement on the problem. If you can get the client to state the nature of the problem clearly, then you will have already helped him immensely and will be moving forward towards a good solution.

The value of addressing the issue

Since fixing the problem or capturing the opportunity is going to require an investment of time and/or money, it's important to understand the benefits of addressing it. While you (the professional) can contribute to

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this conversation, you will greatly benefit if the client does most of the work in this phase. The more the client takes the lead and provides the relevant numbers, the less likely the client is to disown the numbers later or feel “sold” by you.

By asking questions, help the client identify what the world would look and feel like if the problem was resolved. What would be the financial benefits of resolving the problem (in terms of increased profitable revenue, decreased costs, reduced investment required) and the timing of the pay-off? What would be the strategic implications for the business?

Roughing out the financial benefits

1. What is the first year financial impact of addressing the problem?
2. What is the ongoing financial impact of addressing the problem?
3. How does addressing the problem change risks or protect against them? Companies face a wide variety of risks including operational risk, legal risk, market risk, supply risk, reputation risk, risk to intellectual property, credit risk, “act of god” risk” (e.g., hurricanes, fires)

Identifying the strategic benefits

Key issues to think with your client about are:

- Does this program address any of the core strategic goals and challenges of the company/business unit?
- How does addressing this issue change the company’s relative value proposition with respect to particular customers?
- How might market share change if this effort is successful, and why is that important?
- How might the company’s profit margin change, and would higher margins let the company do anything important strategically?
- How will competitors likely respond? Is this something that will matter enough to generate competitive response? What will the client do then?

In addition, you can think with your client about the strategic costs of not taking action, or of not taking action now? Sometimes those costs can be very important.

Identify the value of success

- How he/she measures success
- Impact of success on business
- Personal impact of success for partner

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Establishing the emotional benefits

Financial and strategic benefits are usually necessary to make change happen, but are rarely sufficient. To undertake substantial change, and to take the risks of doing something, most people need to be attracted to a better outcome. And that outcome is usually in terms of “what’s in it for me,” in emotional terms. How will the change increase the security that the client feels, or build his/her sense of who they are, or help them develop in directions that are important to them?

One way to start this discussion is to describe the vision that you see of the future as crafted by you and the client and ask them how they think they’ll feel when it’s in place.

Finding the best solution

Now that the client has a clear sense of the problem, and of the business and emotional value of solving it, he needs to figure out what the best solution is going to be.

Defining criteria for deciding

You can help the client think about the criteria that would identify a good solution. What outcomes are most important, and which can be sacrificed if necessary? What process elements, e.g., involvement of a wide range of people within the organization or a detailed timetable, are very important, and which are “nice-to-have”? Which risks must be protected against to what degree? You can offer ideas for what should be included in the criteria, but it is very important that the client decide and weight the criteria.

Generating options

You can help him begin to generate a set of options for solving the problem. These can always include “doing it yourself” and “getting help from outside”, and ideally will also include several options within each of those categories. You should also add “do nothing” because that’s almost always an option.

It is likely that at this point the client would ask you how you would think about helping him address the problem. This is a chance for you to offer a verbal outline of a proposal. If the client doesn’t ask, you can suggest that working with you is also a possibility and describe what that would look like.

Letting the client decide

It is important that at this point, you hand the problem clearly back to

Help partner/client make decision

Help partner/client:

- Draft best solution(s)
- Identify gaps and risks
- Identify alternatives to address gaps and risks (including working with you)

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What are pushaway reactions?

Pushaway reactions are the actions people take when they are conflicted over a high-quality relationship because they:

1. Like it very much and
2. Find it very unfamiliar at the same time

Tools for handling pushaway reactions

Comment on the progress being made and the apparent change in atmosphere.

Diagnose the cause:

- Did I do something inadvertently?
- Did something in the process make you feel I wasn't a good choice?

If there's a real reason you are not the best solution, acknowledge that and your relationship will grow for the future. If you believe it is a pushaway reaction, restate your motive to be helpful and go back to working on thinking through the problem with them.

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the client. The client has to own each step forward from this point, and has to make each decision with no input other than technical input from you. Up to this point, you have not been selling, you have been helping him problem solve. Beyond this point, you won't be selling either, and "not selling" is hard to do.

A good approach to starting this part of the process is to say, "So that's your problem. What's your plan to solve it?" This approach puts the problem where it belongs, in the hands of the client. It's his problem and it's his job to solve it. You will be most successful, and do the most for your ongoing relationship, if you keep the focus on how the client can solve the problem and stay away from how you could help.

As the client describes his plan, you can help him compare that option to his other options in terms of the decision criteria. If the client is emphasizing a "do it yourself" solution, you can point out the risks and the downsides of that kind of approach.

If the client is emphasizing an approach that uses outsiders, you should push him to consider what it would take to do it himself. It's only when the client has decided that the project is worth doing and that doing it himself doesn't make sense that he will turn to using an outsider, on a solid basis that will be defensible to others who might want to get involved in the decision.

The client decides

At this point the client has only a few options:

1. Decide to do it himself
2. Ask you to do it
3. Say he'd like to ask you to do it, but that he has a few specific issues that he'd need to resolve.
4. Decide he'd like to "think about it" some more
5. Say he wants to go with someone else

You want him to make the right decision. Now is the point where the person may have a pushaway reaction. Deciding he'd like to "think about it" is most likely a pushaway reaction. Deciding to do it himself or going with someone else may be a pushaway reaction or may be a rational decision. You need to diagnose what is actually happening with the tools for handling pushaway reactions.

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When a client says “I want to think about it” at the decision stage.

This is almost always a pushaway reaction. Respond by saying:

“I know that you’d like to think about it some more, but I want to make sure you act in your best interest. Is there something specific that you need to know in order to decide?”

If there isn’t, then return focus to the relationship by saying. “I’ll check in with you tomorrow, just to see how you are doing. Then I call you the day after to see what your decision is.”

Saying “I want to think about it” is virtually always a pushaway reaction. You can respond by asking what specifically he would like to think about, and then responding with an approach that gives him room but does not accept his statement.

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