

YOUR COMPLIMENTARY CHAPTER 3:  
GROWING YOUR PRACTICE THROUGH  
BETTER CLIENT RELATIONSHIPS

# GROWING YOUR PROFESSIONAL PRACTICE

THE HOW-TO MANUAL

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# GROWING YOUR PROFESSIONAL PRACTICE

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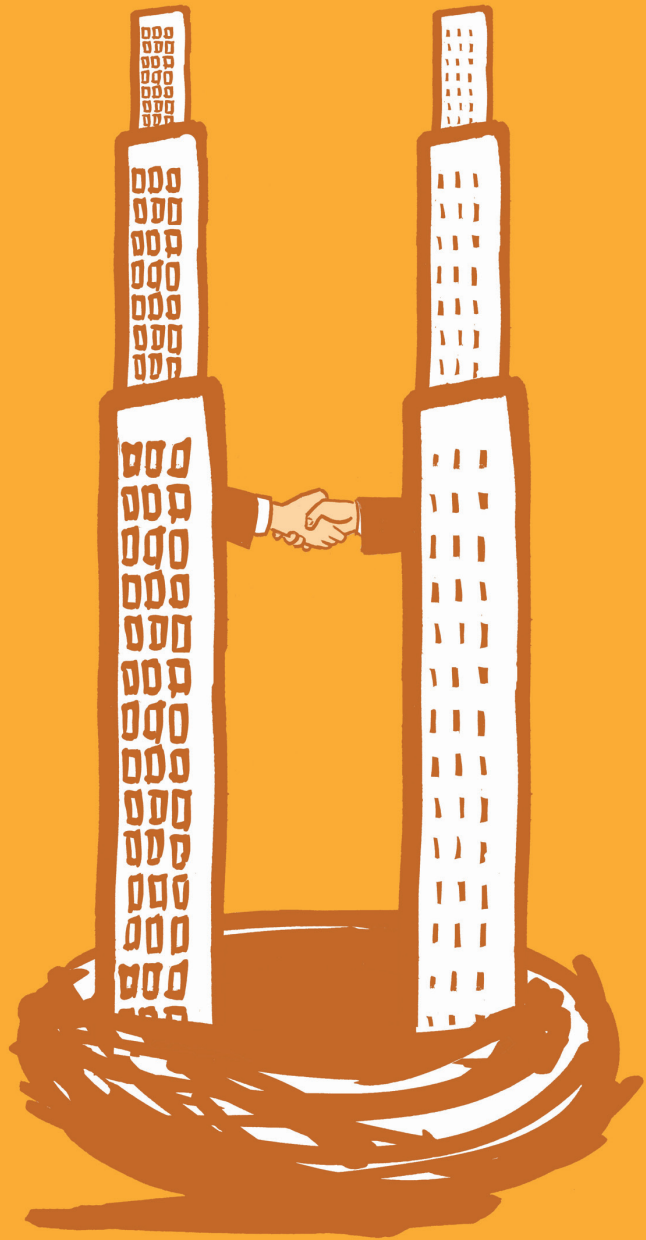
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# 3 Growing your practice through better client relationships



Your clients are partners in your future: they define your practice and how others see you. Make sure you know all there is to know about them.

**N**O DOUBT you decided to start a practice with people you admire and respect. In most instances, your clients will also come to the firm the same way, drawn by relationships and knowledge of the people involved. The same will be true of your first staff. In this way, at the beginning (and until the firm becomes big enough to be a well-known brand), any practice is you, your clients and your staff.

### Partnerships are relationships

Your clients and staff define your practice and how others see you. This is the reason why you need to spend time each year looking at your clients and staff and making sure that they too embody the brand and positioning that you have determined for yourself.

The clients and staff you have, and the way they behave and describe your firm, is more important in the long term than the name or printed image of the brand.

Another reason you need to look closely at your client relationships is that your clients dominate your current work as well as your opportunities for the future. Clients are in many ways partners in your future. It is important that at every point in your relationship with a client you know as much about them as it is possible to know, and that you can be (reasonably) sure of what they would say about you if asked.

### Building relationships

There are many ways of classifying clients, none better than any other. It is, however, important to remember the effect that classifications can have on both staff and, even worse, clients (see Class Action). So apart from calling them something acceptable, the main thing is to distil a manageable sublist of major clients you can really focus on.

These will be clients that are:

- profitable
- sustainable
- challenging, and
- good business partners – that is, clients that are of strategic importance to the firm.

The size of this ‘major client list’ will depend on the size of your firm. It needs to be large enough to sustain the firm if all the other clients left, but also small enough to be manageable. You need to be able to review this list monthly. In my experience, if any partner has more than

### CLASS ACTION

**O**NE FIRM classified its clients as A, B and C-class clients according to the level of ongoing fees they brought in. It only took a slip of the mail merge for all the clients to find out which 'class' they belonged to, with some embarrassing consequences. The almost amusing postscript was that (having chastised the

'girl' who did the mail merge) the firm changed their categories to gold, silver and bronze. I am sure bronze class would have had much the same view as C-class clients of their relative importance!

10 'critical' clients to manage monthly, then someone is going to get short-changed. These are the clients that you need to nurture. Other clients will come and go and each year this client list will change, but if these clients are your major assets, then you need to be able to see and manage them.

### Understand client relationships

Now that you have a list of the clients that are critical to your business, review the relationships you have with them:

- Are they as strong as they could be?
- Where could they be improved?
- Is the relationship between two individuals or between two organisations?
- How deep do the relationships go?
- Could the relationship survive the change of a principal at either organisation?
- Have they referred you work?
- If not, why not?
- How much time do you spend with them discussing things other than the work you do together?
- How much do you know about their business and where it is going?

These are the type of questions you need to be able to answer for the major clients of your firm. You need to collate this information from principals, managers, other professionals who provide services to the client and from the clients themselves. You need to find a sensible way to document, store and retrieve this information (not in principals' heads!).

### Understand clients' needs

When you start working through these type of questions, you will find there is quite a bit you do not know about your clients and what they think. In many instances this is normal and reflects the fact that we all tend to 'chat' rather than actually discussing issues of importance.

This is even more the case with questions that relate directly to their relationship with you.

Issues such as which elements of your service are really important to them (for example: 'responsiveness', 'full service', partner access) are often things we only find out when the client is unhappy and leaves. It is important not to make assumptions.

## CLIENT RELATIONSHIPS

### Client service interviews

Of all the work I have ever done with professional firms, interviewing firms' clients has without a doubt been the most satisfying and worthwhile. I have saved clients who were unhappy, I have found new work, but most importantly I have found out what clients most value about their relationships with their professional advisers.

When you first think about interviewing clients there will be many excuses, both from yourself and from your colleagues, why not to call (see Table 4). My experience may help you get past these hurdles.

### Who to interview

I would recommend interviewing clients that:

- are of significance to the firm (your major client list)
- are in a period of change (growth/ownership change/difficult), and
- have been referrers to the firm.

Also, if your firm does not interview clients when they leave, consider interviewing some clients who have.

Questions are fairly open-ended and come in two types, depending on the purpose of the interviews.

### What to ask and why – market base

If you want feedback on the structure of your client base and the market within which you operate, I would ask the questions in Table 5.

### Client service feedback

If you want to use it as an opportunity to get some feedback on client service as well as to reinforce the relationship, I would ask the questions in Table 6. You might want a combination of the two – in both instances I just introduce myself as from the firm, the main aim is to get them to chat. Partners sometimes seem surprised that I can talk to clients without being in their profession or really knowing much about the client, but this has never been a problem. Similarly, I have found it works best if you do not tell them you are going to ring, that is, catch them 'unawares', but you might think otherwise.

### Listen, document and understand

All the work of interviews is lost if you then leap to conclusions. Try to understand what is behind the answers and be honest with yourself and the team. It is important to treat some comments with a grain of salt, but remember that it is more important to correct and capitalise on what clients think of you than it is to argue the facts.

**TABLE 4: REASONS TO INTERVIEW CLIENTS**

Excuses not to call	Reasons to call
Clients are too busy	No client has ever said they were too busy to talk to me.
Clients are not interested in what we do	Clients are paying good money for you to work for them and they not only notice but are interested.
Only someone who knows the client can ring	Provided the person who rings says they are ringing on your behalf, clients are always happy to talk. Clients will often feel more comfortable talking about you to someone else and it almost guarantees you will hear the truth.
You are not an accountant/lawyer/architect – only a ‘professional’ can interview clients	Clients have never asked which department I am from, they have never asked whether I am a ‘professional’, they take the interview at face value. Remember that these interviews are not about work, they are about relationships.
The client is not happy with us now, wait until later	This is the best time to talk to them – it shows you have nothing to hide and they may open up and you could resolve the issue faster.
The clients only know me	Most clients know more about the teams that work on their jobs than you think they do, they know their names, their skills, they care about them and are happy to talk about them.
They won’t have anything to say	Clients love to be asked what they think, they love talking about their businesses, they often talk for hours!
You do not have a reason to talk to him	Again, this is a good time to talk because then you can talk about service and value rather than work.
I am too busy	This is a great time to use someone else who is less busy to make contact with your client.
I know what they think	I have never interviewed a client where the partner/principal did not learn something they did not know before the interview – don’t make assumptions!
We do not have someone who can call the clients	If you are a sole practitioner, get someone else you trust, perhaps even your accountant or lawyer, to do it for you and you can return the favour for them.
I am uncomfortable with the idea of ringing and asking questions	This is the real reason most of us do not want to ring our clients. It is often harder to ring your own clients than someone you do not know. Get someone else to ring the client, the important thing is to find out what they think, not to replace you in their affections.

CLIENT RELATIONSHIPS

TABLE 5: EXAMPLES OF MARKET BASE QUESTIONS	
Question	Rationale
Who else did you look at when you were looking for a provider and why?	This is where you find out who clients compare you to. This can sometimes be surprising, will probably change over time and will differ from discipline to discipline within the firm. These are the competitors you need to watch, not the ones <b>you</b> think are important.
Is there anything that distinguishes us from our competitors?	This is where it is important to listen for what clients think, and how they express it, not what you think. Often what you think sets you apart is not important to the client.
What keeps you with us?	Often a leading question, this is where clients will sometimes praise you for the work you have done already and indicate their concept of the value of what you offer. Otherwise it will tell you which clients need to be brought closer to the firm.
Is there anything that would make you leave us or any work you feel we could not do?	Again, this helps define you in the clients' terms and tells you which parts of your business you need to emphasise.
How do you describe your business/ organisation in terms of size/market segment?	The answer will help you describe your target market in their terms rather than yours. I have met firms who think they are servicing small clients when the clients think they are big!

TABLE 6: EXAMPLES OF SERVICE FEEDBACK QUESTIONS	
Question	Rationale
What brought you to the firm?	Here we need to find out how and why the client came to our firm. What prompted them to look. Who referred them?
What are the issues of most importance to your business?	This is the 'what keeps you awake at night?' question. Clients usually love talking about their businesses and this gives them a chance to tell you what their major issues are, so you can make sure you address them. If you think there is something you can do to help them, then say so while you have them on the phone.
What do you see as the real value of working with us?	This is where you find out why the clients pay the bill. While I have had some discussion with clients about the amount of the bill, the real issue is the value rather than the cost. Knowing what they value can help you make sure the invoices reflect the value not just the fees.
Was there anything we should have done that we did not do?	Often a leading question, this is where clients will sometimes tell you of things that you could do (more fees) but often also praise you for the work you have done already (referrals, testimonials).
Is there any other work that we could be doing for you but are not?	For newer clients this is a chance for you to make sure they know about all the services you offer. For longer-term clients this is a chance to make sure you have as much of their work as possible or to find out why another provider is doing some of their work instead of you.
We hold client service meetings for all our major clients. Are any issues you think we should discuss?	This tells the client that they are important to you and gives you a chance to check that they get all the invitations and communications you send out and which ones are of interest.
(If response has been positive) We are often asked for referees who can talk about the work we do. Would you be a referrer?	This is a chance to get clients to tell you what they think, if they are not prepared to be a referee, then this is when you can find out why. If they are, it reminds them of their positive opinion of your firm and provides you with a good list of referrers when required.

If a client has raised an issue, then it is important that they see you have done something about it, otherwise they will feel as if the whole process was a PR exercise. In the area of client opinions, perception *is* reality.

Once you have decided the format that client documentation will take, make sure you keep the details of these interviews on file. If clients discuss some sensitive issues, then keep the documents password-protected, but be careful that you do not restrict access too far. These client interviews are only worth doing if you:

- listen with an open mind
- understand the issues from the client point of view
- pass the learning from the interview on to *all* those people involved with the client, and
- take action – and be seen to take action – on those issues that the client has raised.

The documentation will allow whoever does the interviews to confirm which interviews have been done, and to make sure they know what has been done on an issue before they talk to the client again.

### Identify value

As we have already mentioned, the cost of professional services is usually reasonably easy to identify and quantify. The main issue for clients, though, is not the cost to you, but the value to them. It is always worth considering:

### The real cost of services to the client

A client needs to earn sufficient income and profit in order to pay for your services. But the real cost to the client is more than the dollars on the invoice. Other things need to be factored into the equation:

- the cost of their time (both real and opportunity) spent working with you
- the cost of having you on their premises, perhaps disrupting the schedules of their staff, and
- the time and effort they need to spend sourcing data, finding information and answering your questions.

Think about these costs when you look at setting your fees.

### The value you deliver

Much has been written, and even more discussed, over the past 20 years about the commoditisation of professional services. Audit fees, for example, continue to decline in real terms and the growth of ‘fixed fee for service’ providers does little to encourage a view of professional services as a good return on investment.

Have a look at the communication you provide to your clients – there are terms of engagement, retainer letters, terms and conditions, fee arrangements and schedules of rates. The delivery of

### KNOW WHAT YOUR CLIENT THINKS ABOUT YOU

**A**FIRM's managing partner told me that the single point of contact between the principal and the client was not only critical to the workings of the firm, it was what the clients valued above everything else. It was what set the firm apart from its competitors.

In conducting client interviews I spoke to a client who said that what he liked best about the firm was that he could ring a wide range of principals depending on the question he had and get an

answer. He said what set the firm apart for him was the confidence it had in all of their principals to answer a question and then communicate between themselves what had happened.

If this firm had not asked clients what they thought, then it would have been very easy to go along, doing what they had always done and ignoring what the client really valued.

these is standard before any work has been done. While the legal fraternity may consider this to be prudent, the fact is most of this 'communication' does nothing to encourage clients to think about value. It speaks only about cost. Have a look at all these documents as if you were receiving, not sending them.

What is the client going to get for the fees you charge? In simple terms the answer might be accounting, contracts, legal representation, designs; but these are commodities that the client could look at doing without, providing themselves or searching for the lowest-cost provider. If the answer instead was peace of mind, a strong basis upon which to value or finance the business or security of operation, then this is something that is not only valuable but also difficult to price and compare. You can get an alternative price on having your accounts done, but not on peace of mind.

While the general value of services will be much the same, there is also part of the value that is unique to the client, depending on their business and situation. The key is to identify, and make sure the client understands, that value.

The general value from professional services can be:

- peace of mind
- external advice
- board-level input
- professional expertise
- technical advice
- compliance, or
- legal protection.

It is important to remember that many of these types of value are, because of their general nature, taken for granted by clients. This is what they expect from a professional services provider, and this is what they think they are paying the high fees for.

The more specific value statements may include hints of this general value, but the key is to express it in more individual ways. This is perhaps where professionals have the most to learn. In my interviews with professional services firm clients, they have rarely found it hard to articulate the value of the relationship.

## BEWARE THE EMAIL TRAP #1

**W**HILE email is a fabulous enabler, it can also be a convenient excuse for avoiding personal contact. In my conversations with professional service firm clients, very few have difficulty spelling out the value they get from their advisers.

While the actual work clearly differs and the value may differ in specific terms, certainly the major area in which clients get value is in personal contact with their advisers.

Much of the real value you deliver to clients happens not in the reports or results you deliver, but in the issues you mention in passing, the advice you are able to give on the spot.

This only really happens when we talk to clients face-to-face or, at the very least, on the phone. You can delegate and do work at arm's length, but in my experience value is only delivered in person.

A quick email can be a good way of passing information on, so send through links or emails but then keep a note of them and make sure you discuss them the next time you meet. This avoids wasting time and ensures that you discuss the issues concerned even if the client has deleted the emails!

Examples include:

*'What I like about (the firm) is that although I own and run my business on my own, I can always ring and speak to one of the partners who works on my file and ask them a question or for an opinion. It is like having a board of advisers on tap.'*

*'The (specific) opinion is something I need to get from a regulatory point of view and they do a good job. The real value, though, comes from the list of things my staff and I could do better next year. It is as if I get a professional quality improvement program along with the compliance. I look forward to the list (of things we should be doing) changing every year, I want it to get longer not shorter.'*

The key is to find the specific value of your service to each client and ensure they recognise and appreciate that value. It is important that each stakeholder understands and appreciates the value of the services throughout the lifetime of the engagement. For this, you need to take the individual into account when assessing the specific value.

It is easy to understand that individuals at different clients have different needs and perceptions of value. What we also need to remember is the same is true of different individuals *within the same client*. If we are going to protect the firm's client relationships from generational and management changes, then it is critical we develop and maintain relationships with more than one stakeholder at the client. Understanding the true nature of our client relationships is critical to your ability to grow and prosper.

### WHAT TO DO NOW

- ☐ Analyse your client relationships.
- ☐ Ask what clients think.
- ☐ Understand what they need.
- ☐ Identify the value of what you do for the client.



# Work with Me

Hi, I am Vivienne Corcoran, the author of *Growing Your Professional Practice – The How-To Manual*. I specialise in helping professional practices of all kinds and sizes to grow and prosper.

I am available for:

- Strategy and growth consulting
- Professional development mentoring and coaching
- Business development training for marketing, business development and client facing staff
- Client engagement and service advice
- Marketing strategy, development and implementation
- Conference facilitation and speaking.



## A selection of topics I have spoken on include:

- Starting your own business
- Building a career in professional services
- Building the practice you want
- Building effective teams
- Business development and client engagement
- Client service feedback – what do clients really want?
- Getting your practice known
- Identifying value in your practice
- Things women need to know to start their own businesses
- Communications in professional services
- Effective communications
- Finding your target market
- Marketing 101
- Presentation training and goal setting

## Testimonials

'Vivienne's experience with professional firms meant she brought our leadership team together to agree on a Strategic Action Plan and has since developed and delivered focused training. The partnership group and the Firm are now very clear on what is needed for us to grow and thrive.'  
— David King, CEO, Robertson Hyetts Solicitors.

'Vivienne has been a major driver of our client service program. She has developed, gained support for and implemented client service initiatives across the firm. The client listening, feedback and service programs Vivienne developed are now an integral part of our business and a major driver of service improvement in our firm.' — Melanie Kent, National Marketing Director, Pitcher Partners.

'Vivienne has developed and delivered several training activities for our professional development programs. Each has been targeted, focused and engaging and the participant evaluations have been outstanding.' — Julie McCormack, Manager, Clinical Training Unit, Dental Health Services Victoria.

'Engaging, great interactive presentation.' 'Vivienne is a brilliant speaker, and clearly knows her skills and the market.' 'Very informative.' — Participant feedback from recent training sessions.

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