

Developing Business Relationships in Professional Services

Basic Model

The previously well known “Finders, Minders and Grinders” model was analysed by Professor Kevan Scholes in 1994 in the light of changing competition in the Professional Services market. He noted that economic pressures and client preferences made it increasingly difficult for firms to justify the overhead associated with business development staff. At the same time there is a continuing need to generate new business. The tension between these two driving forces was seen to be causing businesses to rethink their selling processes.

The essence of this model is that a small number of professionals find and manage customers by arranging for work to be carried out by a larger team. In the eyes of clients however, the professionals who make the initial contact are seen as the embodiment of the firm. Customers are reluctant to buy an anonymous corporate service; in their minds, they buy the person. This can lead to serious difficulties for the supplier as senior staff get drawn into delivery situations.

Whilst recognising the difficulty of the model, Scholes says very little about the necessary attributes for the various roles. He does recognise the tensions between a desire to continue offering personal expertise and the need for business development. He also notes that there is often a reluctance or inability to take on the finder role and that individuals are often selected by default or in rotation. The suggestion being that the skills needed for the role are not well understood.

The Hunter: Farmer Model

David Maister [Managing the Professional Service Firm] takes a different perspective and discusses Hunter and Farmer businesses. The former relies on individual entrepreneurship and sees itself as a street fighter. In this type of organisation, it is everyone’s role to “chase the buffalo” and if the buffalo die out, to hunt duck. If they spot duck whilst out hunting for buffalo, they will hunt that too. There is no need to get approval: they just do it.

| Hunter | Farmer |
|-------------------------------|------------------------|
| Bag the big game | Cultivate relationship |
| Take charge | Let things develop |
| Vision | Reality |
| Aggressive | Laid Back |
| Prospector | Planner |
| Competitive | Collaborative |
| Always be closing | So, what do you think |
| Pitcher | Catcher |
| Brutish | Subtle |
| Entrepreneurial individualist | Team player |

Farmer companies have a more structured approach; they build expertise in particular areas and exploit them. They value team players and work in a collaborative rather than competitive manner. Movements into new business areas are planned and are based on responses to market feedback.

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Maister does not recommend one over the other but recognises the differences both in the likelihood of success and the traits needed in each. He notes that Hunters are more likely to be successful at finding something profitable, whilst the Farmers are likely to make more profits when they find something valuable to exploit. He notes that the Hunter approach is more amenable to one off transactional type relationships with clients whilst the Farmers are more likely to have on-going mutually relationships based on mutual respect.

In Hunter organisations, selection is likely to be based on results and feedback from the field, Farmer organisations are more likely to take a structured approach and focus on the skills needed. Maister suggests the following skills are important in a professional service firm but does not allocate them to roles.

- Communications skills [Ability to express thoughts in a logical, fluent and concise manner]
- Counselling skills [Tact, the ability to explain, to persuade others in a non-confrontational style, see the other person's point of view, keeping client informed, listening well etc.]
- Creativity and innovation
- Planning and organisation [Ability to get things done]
- Cooperativeness and team play
- Drive, self motivation

Hunter, Farmer and Fisherman

Robert Kelly suggests a development of the traditional Hunter: Farmer model, introducing an additional metaphor – the Fisherman.

He suggests that for most consulting practice leaders, the fisherman model is a more apt description of the successful business development. The fisherman is a model of both patience and well-timed aggressiveness that we need to land new clients. The fisherman also has the wisdom and respect to cultivate the fishing beds so as to always have a source of food (i.e. revenues)

The fisherman model is worthwhile considering because it is both a description of the characteristics of many successful Practice Leaders as well as a guide for developing your practice. Fishing requires some solid planning about where to go to find the fish, research about what the fish like to eat, and what lures might attract them to nibble. It requires patience while fish are nibbling and aggressiveness when its time to reel it in. It also takes the courage to throw some fish back in when it's not right

This suggests some additional skills such as planning, preparation and patience and perhaps an element of selectivity that have not been considered before.

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Rainmakers

In his books, *Rainmakers* and *Creating Rainmakers*, Ford Harding suggests that there are particular styles of employees who can generate work for service organisations. Whilst recognising that there are shared attributes, he notes that there is no one particular style or personality of person that is more likely to be successful. He also notes that many different approaches are used effectively.

He suggest the following common characteristics:

- Rainmakers are optimists
 - They see opportunities in every situation
 - They are positive
 - They don't see rejection
- They are driven people
- They have a system
- They are good listeners and synthesisers
- They never loose track of a client
- They are poor mentors
- They understand the mathematics of selling – the numbers game
- They network
- They build relationships
- They use anecdotal selling

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The Sugarcrest Report

Timothy G. Leishman suggests that the basic Finders, minders and grinders model has value but goes on to outline a more comprehensive approach. The approach takes account of the individual's orientation relative to clients and whether their key strengths are relationship or expertise biased. The work is based on the analysis of legal firms but he comments below have been generalised.

| | Expertise Bias | Relationship Bias |
|---|---------------------------------------|--------------------------------|
| External Focus Wins new business from new clients | Hired Gun External Reputation | Rainmaker Firm Ambassador |
| Internal Focus Wins new business from existing clients | Brain Surgeon Technical Specialist | Point Person Client Manager |

The Rainmaker

Rainmakers are ambassadors for their firms in the community. They have strong technical and relationship skills and an external focus. This implies that they are good networkers and tuned into what is going on in the general business environment. These are the people who make things happen.

The Point Person

The Point Person plays a critical role in any firm that values ongoing relationships with clients. A professional in this role has a particular talent for serving the major client, including understanding the client's needs and marshalling the firm's resources to meet those needs. They also have natural talents for bringing out the best in their colleagues. Often they are popular as line or project managers.

The most valuable contribution that the Point Person makes to a firm is to cultivate ongoing relationships with the firm's most important clients. In most firms, 80 percent of the revenue comes from 20 percent of the clients. As well, successful firms enjoy a low turnover year to year in the top 20 percent of their clients. It is not unusual to see a Point Person spending the vast majority of his or her time working for only one client.

The Point Person also brings in new clients, but usually not as a result of networking in the community like the Rainmaker. The Point Person has a talent for earning the trust of senior people within client organisations, so new work is likely to come through referrals.

The Hired Gun

The Hired Gun's success is based on specialised expertise that is recognised in the community—especially among professional colleagues. The Hired Gun often builds his or her profile in an area of expertise by writing articles and books and speaking at conferences. They also participate on institution / association committees and task forces in their areas of expertise and seek out temporary appointments with regulatory authorities.

The typical Hired Gun is the technical expert who has built a reputation for a particular niche expertise. Clients find Hired Guns, rather than the other way around

The Hired Gun makes two critical contributions to a firm. First, the Hired Gun attracts new business from new clients based on his or her reputation in the community. Second, the acknowledged reputation of the Hired Gun

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adds to the lustre of the firm's overall reputation. Although the adage that "clients hire individual, not firms" is true for the most part, being a member of the right sort of firm is a prerequisite for most potential clients. Hired Guns help to establish and renew the firm's reputation in the market in which the firm competes.

Successful Hired Guns also must have good relationship skills. Without relationship skills, Hired Guns (and Brain Surgeons) can alienate clients and colleagues. When this alienation occurs, the Hired Guns may be able to keep themselves busy by attracting new clients, but often they lose the opportunity to leverage their sustaining practices by winning repeat business or generating work for colleagues.

The Brain Surgeon

Brain surgeons are the quintessential specialists, who often are "too busy" to worry about building a profile outside the firm. They are found in traditional speciality departments. Brain Surgeons can flourish in any area of a firm that is critical to the firm's competitive advantage. The firm needs Brain Surgeons to keep it at the cutting edge in the industry

Brain surgeons have a particular talent for "R&D" of new "products." Any firm that competes on the basis of value, as opposed to cost, must have Brain Surgeons. It is true that clients often assume that any number of firms are capable of producing the same quality of work, and what they really look for is quality of service (the speciality of Point Persons). However, sophisticated clients will recognize, and pay premiums for, work that solves "unsolvable" problems or helps them develop their business in creative, new directions (the speciality of Brain Surgeons).

The principal clients of Brain Surgeons are other professionals in the firm. For the most part, firms should not expect Brain Surgeons to originate significant amounts of new business directly. However, firms intent on achieving a competitive advantage would be naive to ignore the indirect influence of Brain Surgeons on the generation of new business.

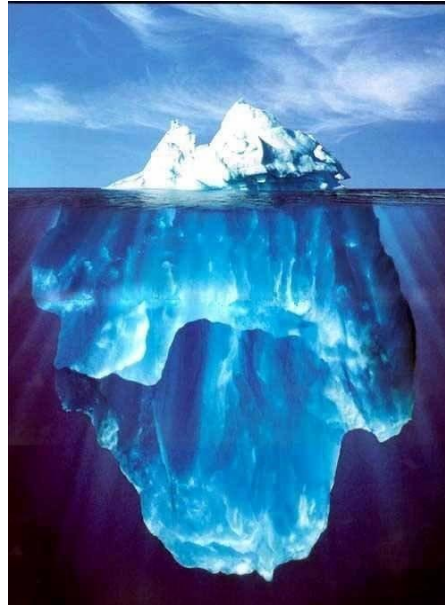
Like Rainmakers, Brain Surgeons are a rare breed. In order to be successful in the long term, Brain Surgeons must prove themselves to be not only among the smartest of their colleagues, but also capable of breaking new ground and setting new quality standards on a continuing basis. The odds of carving a niche in a firm as a Brain Surgeon usually are not as good as the odds of establishing a sustaining practice as a Hired Gun.

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The pace pipeline model

Walker, Ferguson and Denvir recommend a structured approach to marketing and selling professional services in their book "Creating new clients". Again, the focus is on the strategy rather than the skills and personal attributes of the sales person but the implied attributes are:

1. Preparation – gaining intelligence on the client organisation
2. An organised, structured approach
3. A problem orientated style
4. A client orientated style
5. Understanding the client's business drivers
6. Questioning and listening approach
7. Generating options
8. Seeking relationships that provide repeat business
9. Building trust



✓Building trust

✓Credibility

✓Confidence

✓Initial impact

✓Honesty

✓Delivering as promised

✓Competence

✓Knowledge

✓Track record

✓Expertise

✓Searching [non-manipulative] questioning

✓Compatibility

✓Active Listening

✓Adapting behaviour

✓Showing we care

✓Showing vulnerability

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Marketing Consultancy Services

In his paper on Managing and Marketing Professional Consulting Services for the Small, Specialist Consulting Firm, Justin Spangaro suggests that the attributes of successful business developers fall into four categories:

1. Technical Skills
 - Possession of sound technical ability
 - Never ending self development
 - Commitment to professional standards
2. Business Skills
 - Financial planning and management
 - Business and legal arrangements
 - Professional and business ethics
 - Compliance with regulations
 - Financial independence
 - Ability to negotiate and sell intrinsically
3. Personal Emotional Skills
 - Networking
 - Communications
 - Interpersonal relationships with clients, peers, subordinates and family
 - Entrepreneurial attitude
 - Love for the profession
 - Courage to challenge limitations
 - Opportunistic
 - Desire to assist others
 - Never ending self development
 - Ambition
 - Positive attitude
 - Self-confidence and high level of self awareness
4. Personal Physical Skills
 - Balance between personal life and business
 - Energy and enthusiasm
 - Professional appearance and presentation
 - Good health

Similar competence sets are provided in other reference works on consultancy services.

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Establishing credibility

Kevin Temple suggests that the route to effective sales in service situations depends on establishing credibility with the buyer. He suggests the following seven-point approach.

1. Objective
2. Transition to Reference Story
3. Business Issue
4. Problems
5. Solution
6. Value
7. Transition Back to the Prospect

Whilst this is an approach rather than a set of competences, it is clear that the various skills and attributes mentioned above will have value.

This implies the following skills:

1. Preparation
2. Listening
3. Options orientation
4. Knowledge of customer situation
5. Knowledge of company's capabilities
6. Ability to link company's capabilities to the client's needs

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Relationship Marketing

Paul DiModica, Editor, BDM News suggests that the seven step approach outlined opposite is necessary to establish an ongoing relationship with clients. In particular, he notes that the initial sale cannot be on a relationship basis since there is no relationship at that stage. A transactional approach is needed.

This suggests that a different style may be needed for the initial sale and this vindicates the approach recommended by several authors of moving as quickly as possible to a trial sale, which allows the firm to demonstrate capability. This allows the relationship building process to be put in action.



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SPIN Selling

Neil Rackham's recommended approach is based on research into effective approaches in selling high value goods and services. He suggests that success is not based on personal attributes of the seller or the techniques applied. He concludes that success depends only on the correct application of a questioning strategy, which follows the acronym SPIN, which means:

- S** Situation
- P** Problem
- I** Implied needs
- N** Needs-payoff

Whilst there are no explicit references to necessary skills, a number are implied:

1. Questioning
2. Listening
3. Options generation
4. Finding linkages between customer need and organisation's goods and services
5. Ability to analyse and think quickly
6. Persuasion and influencing skills

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AIDA

AIDA is the original sales training acronym, from the late 1950's, when selling was first treated as a professional discipline, and sales training began. AIDA is even more relevant today. If you remember just one sales or selling model, remember AIDA. Often called the 'Hierarchy of Effects', AIDA describes the basic process by which people become motivated to act on external stimulus, including the way that successful selling happens and sales are made.

A - Attention

I - Interest

D - Desire

A - Action

The AIDA process also applies to any advertising or communication that aims to generate a response, and it provides a reliable template for the design of all sorts of marketing material.

Simply, when we buy something we buy according to the AIDA process. So when we sell something we must sell go through the AIDA stages. Something first gets our attention; if it's relevant to us we are interested to learn or hear more about it. If the product or service then appears to closely match our needs and/or aspirations, and resources, particularly if it is special, unique, or rare, we begin to desire it. If we are prompted or stimulated to overcome our natural caution we may then become motivated or susceptible to taking action to buy.

This suggests some attributes and competences:

Attention

- Presentable
- Good telephone manner
- Honest
- Friendly
- Positive

Interest

- Preparation
- Knowledge of products
- Knowledge of customer issues and business
- Rapport skills
- Flexibility

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Desire

- Empathy
- Trust / Trustworthiness
- Influencing skills
- Connection with individual and organisation
- Self Confidence
- Knowledge of product / service and benefits
- Enthusiasm
- Knowledge of competitors' weaknesses
- Ability to match customer need to own service

Action

- Understanding of process
- Willingness to take risks
- Action orientated
- Stepwise approach