

Strategic Client Management: The role of the Business Engagement Manager

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Summary of sources: HBR, Strategy and Business, Deloitte, Bain & Company, David Maister, True Professionalism, Good Leadership

Organizations who shift to a centralized professional services model initially create significant savings by reducing duplicate services across business lines. Eventually, those cost savings reach their apex, and “Central Services” has to add value in other ways. This requires a large behavioral shift from being the internal expert on any given business discipline (Finance, IT, Marketing, HR, etc...) to becoming an expert on the aspirations, goals, strategies, and challenges of the business lines. Because they eventually want to be treated as clients who have options for where they buy their services.

What business line leaders often see in this scenario is quality going down, and service response times getting slower. Soon, the business lines figure out they can go outside the organization for small projects that can be completed faster and easier than using Central Services. Then slowly, people start to ask “value” questions about Central Services.

Harvard Business Review authors Michael Treacy and Fred Wiersema wrote about the three value disciplines in ways that brought clarity to service firms:

1. **Low-cost provider:** Always driving financial efficiencies [Walmart, H&R Block]
2. **Innovation:** Creating new things that open new markets, new ways of living and working [3M, Apple]
3. **Customer Intimacy:** Vital business partner, in the life cycle of a business: [All State Insurance, Accenture] Neither low-cost nor innovative – but ever-present and anticipating customer needs before the customer knows

Can we be all things to all people?

For the long-term effectiveness of Central Services, the leadership team needs to understand how they want to provide value, and how they can articulate value against all of the competitive options. It’s helpful to view Central Services in the context of external professional services firms. Which of the three value disciplines do our clients want? What do we believe we can deliver (and defend) in a world-class way?

Hunters and Farmers

Most successful professional services firms have people who thrive in the front-end client engagement activities (hunters), and others who thrive in back-end service delivery activities (farmers). The long-term success of the firm relies on the degree that the front and back ends can learn to thrive together. These fundamental competencies are required:

- Articulating the needs in a **Recap Memo** that can be shared both internally and externally – this requires a good sales process
- Assembling the **best team, based on the client needs** – not the internal needs or availability of talent
- Executing an effective **Consultative Interview**, based on the four “bases” on the Discovery Diamond: Goals/Issues, Budget, Timing, Decision-making criteria
- Contracting in ways that **give the client options**
- **Client Management**, with a clear strategy, roles, decision-making systems, and disciplined follow-through – this is different than project management

The most important part of this equation is the skillfully crafted Recap Memo, that is shared after every scheduled meeting with the prospect. This skill separates the gold-medal firms from the also-rans. Recruiting and developing people who serve as Business Engagement Managers accelerates the effectiveness of new client acquisition.

Three sequential stages are required to create a long-term client relationship, once new work begins.

Stage one:

Meeting the stated needs of the customer during the trial or “test” phase. The baseline expectation is delivering the promised results – are we promising:

Better, faster, cheaper, or easier?

The real test is how the service feels to the client – if the job gets done in ways that feel good, they will be asking for more. If getting the job done feels bad – unorganized, disjointed, frantic – the outcome will not overcome the bad feelings.

Stage two:

Consolidating services into an easier solution. Boosted by the confidence of a “test” phase that goes well, the client is expecting to know how the Central Services organization can do more work, or impact more areas of the business. The key to this stage is a **deeper consultative interview**, where the client freely shares their hopes, dreams, challenges, and frustrations – because Central Services becomes a Trusted Advisor, as articulated by David Maister, in the book True Professionalism.

Stage three:

With the Trusted Advisor status, the Central Services team presents a long-term solution to the business line, offering new ideas and new services. In this phase, the business line leaders are counting on the Central Services organization to help them see the future of their business differently.

The key to growth and prosperity is a well-developed Strategic Client Management team who understand how to frame their work in the context of the client’s thoughts on this continuum:

1. The current position they hold in the industry
2. Their 7-year aspirations
3. The strategies to reach the aspirations
4. Their 3-year objectives
5. Their 1-year (current year) goals
6. Their most difficult challenges
7. Their needs
8. Their wants

The most strategic services are relevant to the top of this continuum. Tactical services appeal to the bottom of the continuum.

The Most Important Place to Start

Professional services are based on the mantra: “It all starts with the sale.” This truism is often off-putting to the technically-minded people who are the core of Central Services. Most people who grew up in the Central Services world live by the mantra *let my good work speak for itself*. However, in the context of competing with outside professional services firms, the good work doesn’t speak loud enough to compete.

The missing piece is a Client Engagement (Business Engagement) function that does the ‘hunting’ for new opportunities. Five competencies are required:

- Prospecting – sometimes referred to as ‘networking.’
- Consultative interviewing – organized around the Discovery Diamond
- Proposing
- Contracting
- Reinforcement

Service firms that thrive over time have a team of people who can consistently articulate their core competencies, how those competencies overlap, and specifically how those services add value to help the client achieve business outcomes: better, faster, cheaper, or easier.

The Role of the Business Engagement Manager is to stay current on all of the potential clients, and the people important to the success of Central Services, *outside the departments of Central Services*. **It’s an “outside-in” job.** One key activity is to maintain an Influence Map of all key stakeholders, to keep track of the strength of the relationships. The best business results come when people who are motivated by, and good at relationship management are focused on creating and retaining positive momentum in all of the key stakeholder relationships.

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