

More than just asking the right questions

Robin Dicks and Martin Joy discuss the role of client insight to a firm's financial success, including its cost effectiveness and usability.

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The ability to grow a professional services firm is intrinsically linked to strong performance across five pillars of growth:

- reduced write-off
- improved client acquisition
- improved ability to extend relationships
- increased client value
- more productive referrer relationships.

Unless firms have insights about clients, markets and intermediaries they can only make strategic decisions by 'educated guesswork'. These compromise their ability to successfully develop business.

Improving the ability to extend relationships requires knowledge of what issues clients see as significant, what they are facing, where they need help, and how they like to be communicated to. Increasingly client value requires a robust understanding about what drives value, and indeed value for money, as far as clients are concerned.

However, speaking to senior marketers confirms that this is not just about gaining client insight or 'asking the right questions'. Some firms are better than others at putting the right processes in place, sharing information, drawing the various elements of information together to create more robust and actionable insights, and using those insights for decision making.

Best practice for better ROI

There are five key aspects to this, and the more you get them right, the greater payback you get from any effort associated with insight:

- Clarity and scope of objectives



There's a clear belief that client intimacy rather than technical skill will drive higher market share.

- Questions asked – AKA what you gather
- Processes used to gather
- Processes and systems used to use, share, collaborate and enhance
- Impact insights actually have on decision making.

Clarity and scope of objectives

There are some great examples of firms having a clear view of how insights they gain will improve their pitching performance and their share of work. They also see how topical and thematic use of insight gathering has informed specific decisions they needed client input on – for example investment in technology.

A smaller number of firms have defined how insights should contribute to clear positioning and differentiation of the firm against its peers. There is a very explicit goal to use the outputs, process and playback of client feedback results to show that the firm understands its clients much more deeply and strategically than

alternative providers. There's a clear belief that client intimacy rather than technical skill will drive higher market share.

But... we think the objectives of most firms are too narrowly focused on short term marketing and BD aims. This is not to say these are 'wrong' but the processes and outcomes are not necessarily smart, quantitative or linked in to the strategic aims of the firm as much as they might be. As a result of this, the insights are often used in an ad-hoc way. As they are not engrained within the fabric of the business, they do not have the powerful impact they might have.

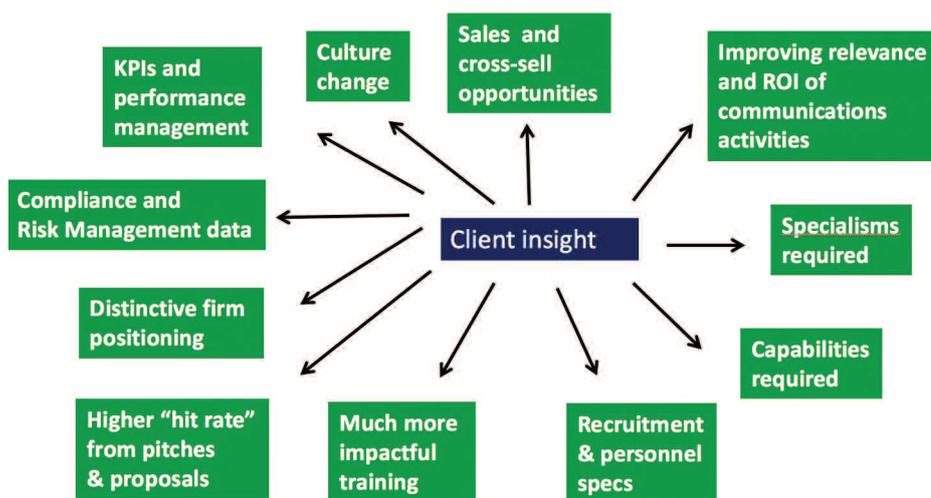
Those firms that succeed in generating better returns from their investment in insight will create a stronger, more quantitative and ongoing input into the firm's Key Performance Indicators – which themselves are influenced by insight.

What is stopping this in many cases, is the time spent 'manually' gathering, collating and analysing insight. Many firms make the processes to gather and collate information very 'admin heavy', sometimes because of an understandable desire by partners to maintain control.

The time spent by staff manually finessing processes cannot be spent in consulting with decision makers about the actions the firm should take. Tools to manage and collate can help this.

Processes used and questions asked

Some processes are used very widely. These include independent in-depth interviews, online surveys, gaining insights from inductees and lateral hires,



Potential applications of client insight

and post pitch debriefings. The last named, of course, has this same direct input into the aim to improve business development performance and win rates.

Some firms are increasing the time spent by partners and other fee earners in activities which are part relationship building, part insight gathering. They use specific targets and expectations around the time that fee earners will spend, included in the measures by which their performance is judged. As yet, there is little evidence of metrics around the effectiveness of this time, but we believe that will be a logical next step for these firms.

Firms who are moving from the ‘tick box’ processes to gain post event feedback to gaining far richer insights from attendees. There is also increasing effort to gain and report the results of ‘key stakeholder feedback’ to clients before they re-tender.

But many firms do not ask some really important questions, or ask them only sporadically. Some of these include the drivers of choice between firms, as well as getting more robust quantitative feedback on performance of key individuals within the firm.

Two areas gaining greater attention and delivering more value over the next two to three years are more sophisticated thought leadership efforts, and data mining of matter information already held in the firm’s systems. ‘Go-ahead’ firms are looking at this with definite intent now. Aspirations include “To get much closer to the clients – it feels arm’s length” and “Providing clients with more opportunities to provide feedback, from online surveys to just submitting a note

to us via the website...to gain a richer stream of insights.”

Gathering and sharing

At the moment the processes to collate insights are predominantly manual. Often, information is ‘cut and pasted’ into management papers. The amount of time taken to do this, and its ad-hoc nature, stops many teams being able to effectively analyse and interpret the insights and share with management in the most effective way. As one senior marketer said: “Our biggest struggle is drawing all the different pieces of insight together in one place... it is all manual currently, and a bit clunky.” This may change dramatically over the next three to five years.

Internal extranets are being used, and there are some interesting tactical developments. One example is sharing feedback internally via Yammer to help motivate, reward and encourage the behaviours that are seen by clients as driving value.

The changes may include direct input by third party agencies into sharing tools, and more embedding of results in dashboards. More consistent and efficient packaging of insight, over and above collation of the raw data, will enable better linkage with strategic goals. Dashboards and clearer, easier to digest analyses will ensure key functional heads and other senior managers get the fuel they need for better decision making, and will better show relevant KPIs and how these align to business strategy / outcomes.

One of those we interviewed said the change they would like to work on was: “Better sharing internally...using it to

analyse and explain... it means different things to different departments, to gain a global view and encourage best practice.”

Often issues are only 20% technology and 80% people, including management, incentives, culture and communication. Working on these not only delivers more effective sharing, collaboration, and use, but encourages staff to add or enhance the insights the firm has.

Use for strategy

Firms are using insights to influence decisions. Board papers and planning sessions use them. Most frequently, insights impact decisions on marketing and BD matters, like client retention, pitching, event management and some investments, eg. around the use of technology.

But if comparing this with how endemic the use is of billing/utilisation rates within many firms, there is long way to go before true client centricity will be the case. However, we are seeing tentative steps in that direction. Efforts to resolve the issues above will help this become a reality.

Better using insights to help the firm’s performance

Insight, if used properly, can help everyone across the firm make a greater contribution to developing clients, reducing the risk of client loss, and winning new clients and relationships.

The insight gained can be used not only by fee earners and those in marketing but also in HR and operations to get a better return from any investments in people and processes, in a variety of ways.

More and more firms are using the feedback to drive effective behaviour, and to motivate and inspire staff. But there is still untapped potential for many. This is the key to driving competitive advantage.

Improving this situation quite often does not need any additional cash investment at all. It is more a case of directing effort and focus to provide a much better return.



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