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How to achieve effective cross-selling: Stop talking about cross selling, start talking about extending the value for the client

A short white paper to help firms improve performance

Provided by the Thriving Company

The problems with cross-selling as a concept

In principle, “cross-selling” should be the easiest route to generate growth for a firm. Provided the firm has done a good job previously, and accepting there will be occasions where clients don’t want to “put all their eggs in one basket”, it should take less effort to win work from an existing client than a new one. From the client perspective, investing time in identifying alternatives to help resolve an issue is not typically what they are paid to do. So it makes sense for clients too.

Unfortunately, this ‘easy’ route is often loaded with areas of discomfort and intangible obstacles. The good news is that these obstacles are often of our own making, and changing the way we think about it within a firm can make a huge difference.

Many of our colleagues, when they hear the phrase “cross-selling” interpret this as having no value for the client. It **can** sound like a **“**hard sales” exercise with all the baggage associated with that. The risk is, if done badly, it is something that is done “to” the client, not for them or with them. If either our colleagues or our clients feel that the effort is **solely to benefit the firm**, but not the client or the people involved, resistance grows.

At the heart of this is stopping using the phrase “cross-selling.” Talking about extending the *value* for the client – provided this is sincere – helps begin removing some of these barriers.

The barriers to cross-selling

Let’s take a look at some of these barriers.

The home of many of these is in the minds of your colleagues with a major role in their client relationships.

One option is of course to create new, non-fee earner roles covering client relationships and to remove the lawyer, accountant or advisor from this responsibility. But for many firms, this is unlikely. So we need to address the problem another way.

The reasons why fee earners do not feel comfortable “cross-selling” is:

- *A lack of confidence that their colleagues will do a good job – put another way, worry that “will I get a call in a few months time from an unhappy client?”*

- *Will the other fee earner try and supersede my place in this relationship?*
- *Do I need to know everything about a subject in order to talk about it?*
- *Will the client find it intrusive?*

A key role of BD and marketing staff is to address these concerns

Cross-selling to colleagues…

	I know how to identify need	I know what my firm does	I know the key fee earners	I trust the key fee earners	I have an incentive
Commercial Property					
Company Commercial					
Dispute Resolution					
Employment law					
Intellectual Property					
Estate planning					
Residential Property					

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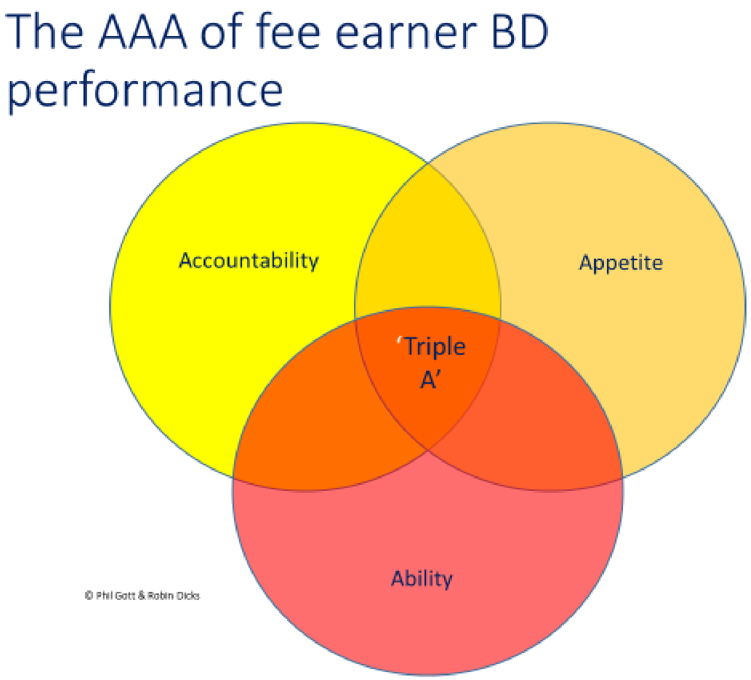
The table shows (for a law firm) what fee earners need to be able to say “yes” to, to make them comfortable identifying and passing on opportunities to their colleagues

Imagine yourself, for example, as a company commercial lawyer. Think of intellectual property as an example. You need to know what questions to ask/issues to look out for. You need an appreciation – not detailed expertise – about what the firm can help with. You need to know who you would pass this onto and - crucially - you need to trust their client service ethos and approach. And finally, there has to be something in it for you.

For most firms, people can put the "yes" in some boxes but definitely not all. **Because of that, opportunities are missed - consistently.** Some ways of changing this are noted shortly.

We also need to recognize that lack of time can be a barrier – though sometimes it is an easy "excuse". Sometimes fee earners and even some partners have a genuine discomfort around what they see as "sales". Giving greater comfort and reducing the "fear" around this part of working life, and enabling fee earners to say "yes" in all aspects of the table above, is probably THE most significant contribution marketing and BD staff can make in some firms.

How can we deal with anxiety and discomfort and hence massively improve the ability to extend client relationships?



Phil Gott of Peopleism and myself created a model which helps do this, for the firm as a whole, for individual teams, and for fee earners.

The visual shows that a person only performs well at a task when three things are aligned. They have the willingness to do it (appetite), they have the ability to do it, and they feel accountable for doing it.

However, in many firms this really isn't the case. It is unclear what someone is supposed to do, other than "spend X hours on business development" or "generate £Y".

So there is uncertainty about "what to do", how to do it, how risky it is, what processes to be used, what "good looks like", and how effort and success will be rewarded.

To make this work we need to drill down to the various tasks and activities which support the firm's overall ability to win, and then extend the relationships with clients.

For comprehensiveness the diagram below shows the range of activities that can bring a potential client through to considering a firm, using a firm, and then becoming a loyal client using a variety of different services – i.e. where the relationship has been extended.

Determining what methods work for colleagues and clients

The firm**,** as a whole**,** needs to perform the range of these things effectively to succeed in developing it**s'** business.

However – importantly – that does not mean that all of these activities work for all (potential) clients, or that an individual fee earner can be expected to be good in all of them.

Those assumption**s** often get made. It doesn't work terribly well. Effort gets duplicated or wasted as many people try and do too many things, sometimes badly**,** without knowing how the client wants to engage.

Therefore**,** it is better to ask:

- What means of communication work for the client (getting this feedback means they will be more receptive)
- What activities can be most successfully discharged by each individual fee earner.

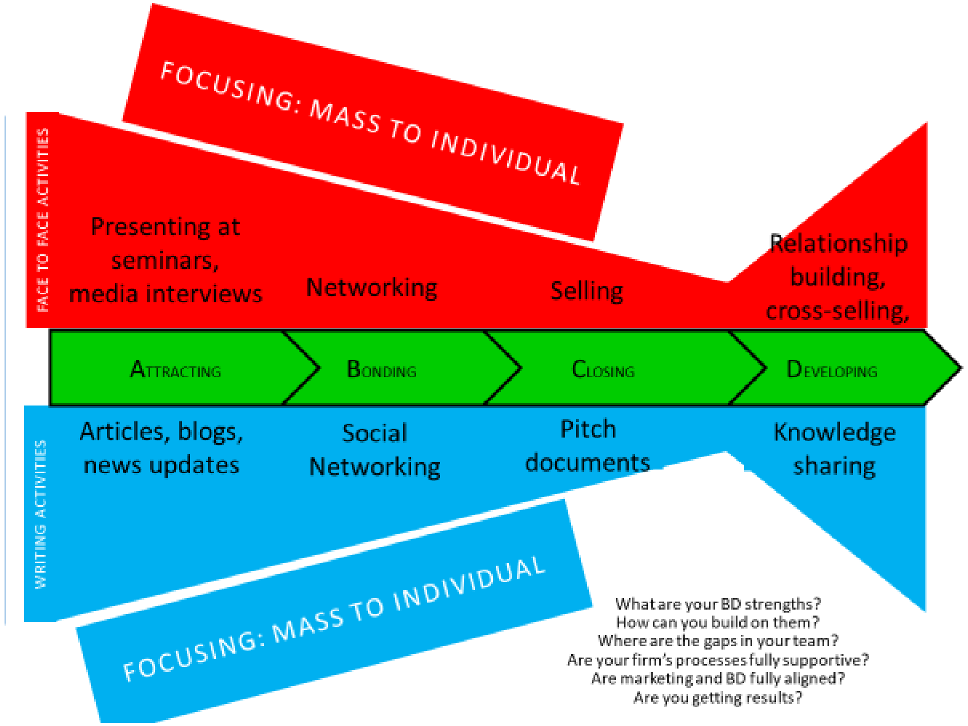
This last piece is really important.

You can use a diagnostic with your fee earners to identify, for each key activity, if they have the appetite, ability and accountability. This can be really beneficial at two levels:

- The macro level (at overall firm or practice level). You can identify where there is wasted effort and duplication (i.e. too many people believe they are accountable). You can also identify activities where the firm or practice is weak, because too few people have "AAA" lined up. This can then help you plug those gaps with appropriate training, mentoring, recruitment or goal-setting
- The micro level (individual fee earner level). This can allow identification of those activities which a person has most enthusiasm for, needs support to improve, or where they are not clear what their accountability is.

There are a range of other useful outputs. For example, how can you make more effective use of a partner who has the ability and accountability, but not the appetite to undertake (say) proposal or tender work anymore? Using them as a mentor for those with appetite and accountability, but not ability, may be the answer.

Using marketing, BD and fee earner resources effectively



The marketing and BD community can make these activities even more effective, if they help shape and share a vision about how the firm will conduct them.

They can communicate, or commission others to communicate and coach fee earners in the relevance of each activity.

Internal communication and support to such behaviours is a fundamental, core role of marketing and BD professionals. This is worth so much more than a refreshed website.

In some firms, fee earners are not clear about the role of marketing and BD or vice-versa. Thus, some aspects get missed and some are done poorly. Again, clarity on accountability is worth defining and communicating.

Options to break down those barriers and extend client relationships

As we have noted, a really valuable outcome is getting all of the activities undertaken effectively for the firm as a whole. This requires individuals who are able, accountable, and have the appetite to do the selection of things that will work for them. Not everything. Identifying this in itself generates major benefits.

However, there are things which you need to do to make sure efforts are effective and efficient. You can design training and support programmes based on what is needed – i.e. the areas where the firm as a whole has a number of people who are accountable and may have the appetite, but don't yet feel they have the ability. This is a much better use of time, and will generate a much better ROI, than generic training where this has not been considered.

You should also consider:

- *Do your processes make it as easy and speedy as possible for these activities to be conducted? How do fee earners gain and utilise feedback from clients and prospects to enable them to improve?*

- *Is there a need to drive culture change and an increased recognition of, and enthusiasm for business development and extending relationships with clients?*

- *And lastly, but my no means least, the firm can also better make accountability real through role specifications and performance management. How do you measure success? Is this transparent, and is it conducted in a way that will motivate staff to deliver the results you want?*

Equipping colleagues

As we have seen, a key part of this is about minimizing discomfort and perceived risk. Some of the other ways you can better equip and enthuse colleagues include:

- Allowing them to practice in a "low risk" way, either through coaching, mentoring, or initially with lower value clients
- Celebrating success in extending relationships. Kudos should not just to those who have brought in new clients but those who have been part of the team effort to gain additional work
- Putting on and encouraging events where people from different specialisms engage with and talk to each other. These can have a major impact in building the trust which is needed for one fee earner to refer work to another.
- Where a fee earner is currently expected to undertake an activity where the "AAA" will never line up, take this away. "Reward" them by enabling them to allocate their effort to activities where they do have, or are committed to gain, the ability, accountability and appetite. Freeing up time for them can be a powerful ally.

Now more than ever, marketing and BD professionals need a strong dialogue with HR, and vice versa. So much of the performance of the firm rests in successfully exploiting the powerful synergy that exists between these two functions. Measures, reward, training, support, coaching, career progression should all recognize the fundamental importance of successfully extending client relationships – *not* cross-selling – to a firm and individual's success.

Measures and performance management that encourage extending relationships

A while back we worked with a firm where the managing partner recognised that unless they improved their ability to extend relationships, the long term future of the firm was at risk.

However their initial response had been to target all senior fee earners on the number of account plans that were created, and levels of activity. It was the job of one partner to "police this" and chase up completed account plans.

Types of KPIs

KPI area	Type
Client Growth Rate	Outcome
Dormant Client Percentage	Outcome
Average fee per client	Outcome
Client Retention	Outcome
Number of practice areas per client	Outcome
Number of referrals	Direct driver
Value of referrals	Direct driver
Client satisfaction rate	Direct driver
Client knowledge of your capability	Direct Driver
Number of key decision makers known	Driver
Quantity of Networking plans	Input
Quantity of Account plans	Input
Hours logged against business development	Input
Number of meetings held with clients and key prospects	Indirect driver

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It did not work. Fee earners saw it as being bureaucratic, the measures were about levels of activity (whether successful or not) and the “policeman” was avoided!

It’s for these reasons that I’d always suggest a handful of measures which focus on the outcomes rather than levels of activity. If you target people on outcomes they will have a hunger to do well and this actually leads to people looking for support and advice from BD and marketing professionals rather than viewing this as an admin burden.

Summary: there is a huge dividend for most firms in removing the barriers to successfully extending relationships with clients. Doing so requires you to think about both “marketing” and “HR” aspects but by thinking through this in a more systematic way, this is one of the most important and achievable efforts the firm can make to increase its financial performance and health.

For more insight that will help drive forward successful strategy, and increase the revenue and profitability of your firm, please contact me.

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