

Chapter 2

The Key to Sustaining Success

We ended Chapter 1 with four key insights:

1. There are only *three possible business relationships* that can exist between a service provider and a client.
2. Depending on which business relationship you have, *everything else follows*, importantly including how you develop new business with your client.
3. *Which* business relationship you have depends on *one factor only*.
4. That factor is *entirely* within your control!

A master key that unlocks the whole puzzle:

The business relationship you have depends on one factor only: the context of conversation between you and your client.

And some key questions:

- What are the three business relationships?
- What context of conversation creates each one?
- How do you develop business at each level? How do you move from one level to the next?
- What is the top level?
- What difference does it make to be at the top level?
- And – most important – what do service providers need to do to reach the top level and stay there?

I offered a quick answer to some of those questions:

The top level – the most highly valued and valuable business relationship of all – is the Ally Relationship.

And made one last key point:

The Ally Relationship is the answer to the dilemma you currently face. When you build Ally Relationships your market's inclination to buy from you instead of equally-qualified competitors is strong and sustainable.

In short, Ally Relationships build and protect your “crown jewel” asset, and make it possible for you to sustain the future success of your business.

In this Chapter, we will take a deep dive into those key questions. By the time you finish it, you won't have to take Tony Putman's word about Ally Relationships – you will see it for yourself. So let's dive in!

Business Relationships: Fundamentals

“Tell you the truth, Tony, the timing on this couldn’t be better.”

Harry is a short, balding, intense consultant in his 50’s with a no-nonsense manner. People had warned me that he had no use for the “soft stuff”, so I was surprised at how receptive he was to the Ally Relationship workshop. He explained:

“I run a major engagement for my Firm – ten million plus annually in billings with one of the biggest consumer products companies in the world – and just last week I had my first meeting with the client’s new CEO. He started our meeting by telling me: ‘There are some things you need to know about me: I don’t do lunch, I don’t do dinner, my company has its own box at all the local sports arenas, and I already have my golf foursome. So if you want to talk with me, you need to talk business.’ And I thought to myself: ‘Great! There goes everything I’ve been taught about how to build a business relationship!’”

Sound familiar? The received wisdom on how to build relationships in business – socialize, and a relationship will emerge – works less and less well these days. People don’t have time for it. Too many people want a piece of the action. And, frankly, it never really worked all that well. Over the years, literally hundreds of professionals have asked for my help in figuring out how to convert those country-club or symphony-board relationships into business. As an old Descriptive Psychology maxim reminds us: “When people are called upon to do something they can’t do (build a business relationship) they do something they can do (build a social relationship and hope for the best.)”

So Harry was eager to explore the topic of the workshop: how to build the most highly-valued business relationship (the Ally Relationship) with the C-suite executives of your clients. I was eager to oblige.

“Harry, let’s start by establishing some simple facts about relationships. These should be immediately obvious as soon as you hear them; they are things everyone knows (although most people don’t *know* that they know them.)

“First: relationships are not wired into the fabric of the universe. They are not scripted or pre-ordained, nor do they somehow just happen. Relationships are *built*, through the simple process of action and reaction. You say or do something; I say or do something in response; over time (and actually surprisingly quickly) a relationship between us emerges based on what we do and say with each other.

“Second: relationship building is typically *not* conscious or deliberate. Like breathing or walking, it’s something we know how to do without thinking about it. If you had to learn how to build relationships from scratch it would be an impossible task. Fortunately, you don’t need to learn it because you *already know how*.”

“OK, Tony, makes sense, *but* ... if that’s true, why am I sitting here not knowing what to do?”

“Good point. I said you already know how to build relationships – like you already know how to breathe – but, like most people, your relationship-building is unconscious, automatic. You don’t consciously and deliberately set out to create a particular relationship. But just because it’s typically an unconscious process doesn’t mean it has to be that way! If you want to become a professional singer or Olympic swimmer or black-belt martial artist, you must learn to breathe consciously and intentionally – and that enables you to achieve at a level you could never otherwise attempt. The same is true of relationships: if you want to develop highly-valued business relationships you must learn to develop relationships consciously and intentionally. And that’s what this workshop is for.”

Harry nodded. “That’s what I want. Let’s do it.”

“OK. One last simple fact about relationships, Harry. Most people make the mistake of thinking a ‘personal’ relationship contrasts with a ‘business’ relationship. The real contrast is between ‘*social*’ and ‘*business*’. Our relationship either occurs essentially in a social context, with all the expectations, permissions and constraints that go with social interaction, or else it occurs essentially in a business context, where the expectations, permissions and constraints are quite different. That’s one reason why it’s so hard to convert a social relationship to business. But in *either* context, our relationship falls somewhere on the ‘personal/impersonal’ spectrum. An impersonal social relationship we call ‘acquaintance’. A personal social relationship is a friend. An impersonal business relationship between a service provider and a client we call ‘vendor.’ And ...”

Harry interrupted. “Let me guess: a personal business relationship with a client is an Ally Relationship. Right?”

I laughed. “See? I told you you already knew this stuff! So – are you ready to take that deep dive?”

Let’s leave Harry for now (he got what he wanted from the workshop, by the way, and within six months had built a solid business relationship with that CEO) and move directly to the core points.

Business Relationships: The First Level

Let’s be clear from the start: from this point on, we will be talking only about success. There are no failure paths here, just different ways to succeed. Remember: all successful service providers create valued relationships with their clients. *Which* business relationship you create depends on a single factor: the context of conversation between you and your client. What you routinely and consistently talk about and interact around determines the relationship you have.

And the “entry-level” business relationship – the one virtually all service providers start with and the vast majority stay with – is created when you and your client consistently and routinely interact around *a specific service*.

It begins when the client says to you: “We need this service. Do you provide it?” After confidently replying “Absolutely!” you put together a proposal to provide the service. You present the proposal; they hire you to provide the service; you provide the service successfully, and the client is delighted with the specific benefit the service provides to them (remember: these are all success stories!) You and the client consistently and routinely interact around the service you provide.

The relationship created when the context of conversation between you and your client is a specific service is commonly called **Service Source**. They see you as a service source; you see yourself as a service source; and that’s how they treat you.

So what’s wrong with being a Service Source? *Absolutely nothing!* It’s by far the most common business relationship between a service provider and a client, and many service businesses stay at this level.

But ... there are two well-known dilemmas facing a Service Source. The first arises back in the proposal process. If you’ve been living right and the stars align just so, you are the only provider asked to propose on this service, and they like your proposal so much they just hire you on the spot. In the real world we all live in, however, the client almost certainly has asked other service providers to propose also and they are smart, too. The services you propose look to the client pretty much like the services your competitors propose – they can’t see the significant difference – so they see your services as commodities. (Is this sounding familiar? Remember Whit, back in Chapter 1?) So when it comes down to getting the business, typically for a Service Source the key factor is getting the business is: *price*. As a Service Source, lowest price gets the business.

It’s hard to keep your margins up as a Service Source, when the key factor in getting the business is price.

But an even bigger challenge shows up when it’s time to develop new business. Now remember: we’re talking about a satisfied client. We all know it’s tremendously easier to develop new business with a satisfied client than with someone who hasn’t done business with you before. But this time they are not saying to you: “We need this service.” This time you’re on the flip side: *you* are saying to *them*: “You need this service.”

To which their response will be some version of: “Sez who? Who says we need this service, I’m not sure I see that – *prove it to me.*”

This begins an uphill struggle of persuasion – typically called selling – in which you try to get the client to see they really do need this service. It’s hard, most professionals aren’t very good at it and don’t much like it, and it’s discouragingly often not successful. And

even when you do succeed in getting them to see the need, they often send out an RFP and you may wind up not getting the work.

Look – I’m not saying it’s an impossible task. Obviously it’s not – this is how the large majority of service providers develop business, because that’s what is available when you’re a Service Source. I’m merely pointing out what we all know – it’s hard work developing business as a Service Source.

These two dilemmas – the challenge to margins and the difficulty of developing new business – motivate some service providers to move “up the food chain” of business relationships. Let’s go with them

Business Relationships: The Second Level

The second level of business relationship comes about when you and your client routinely and consistently interact around *a problem* (or, occasionally, an opportunity.) It begins when the client says to you: “We have this problem – what do you recommend?”

Now notice the client is inviting you into the conversation at an earlier and higher place. In the Service Source situation, they have already had that conversation: “We have this problem, what we need is this service, let’s find someone who can provide it.” But here they are asking you to help figure out what to do.

Now why would they do that? Simply because they believe you have some relevant expertise, expertise they don’t have or which complements or supplements their expertise, and they are willing to invite you in. You and the client talk about and interact around the problem and its solution. You propose a solution; they hire you to implement the solution; and (if you’re smart) you keep the interaction focused on the solution. You successfully solve the problem for them, and they are delighted with the contribution your solution makes to their effectiveness or efficiency.

Not surprisingly, the relationship created when the context of conversation between you and your client is the solution to a business problem is commonly called **Solution Provider**. That’s how they see you; that’s how you see yourself; and that’s how they treat you.

(Solution Provider is a very common term these days – in fact, perhaps a bit too common. Have you noticed that your business can’t buy a computer system anymore? Nobody sells them. They all sell *solutions*! They may even have “solution” as part of their name – even though what you get is some boxes, canned software and some standard training. That’s not a solution – it’s spin. The point here is: Solution Provider is a real accomplishment. Just calling what you do a “solution” doesn’t make it one. You become a Solution Provider by focusing the interaction on the client’s problem and the specific solution to it, and keeping it there.)

Solution Provider is a more valued relationship than Service Source. The contribution is typically seen as more valuable, and the expertise you bring is rewarded. In fact, the key factor in getting the business as a Solution Provider is *not* price. The key factor is *expertise* (or, to be exact, *perceived expertise*. Your expertise doesn't do you much good if they don't know about it.)

Being a Solution Provider gets you out of one of the dilemmas of Service Source – the challenge to your margins. You can't charge anything you like, but you typically will get a premium for the expertise you bring and the larger contribution you make.

But you still face the dilemma of developing new business. Again, remember that this is a satisfied client and they already value your expertise. You will probably have a respectful hearing when you go on the flip side; where instead of them saying to you “We have this problem” *you* say to *them*, “You have this problem.”

They will probably *not* respond: “Sez who?” They will give you that; you're the expert, you probably know what you're talking about. Their response will be some version of:

“Big deal. Yeah, we know we have that problem, we've looked at that. What's your point?”

Look – everyone we deal with has their plate full. They filled their plate, or their bosses or regulators filled it for them – and *nobody* is eager to have you add something to their plate. Once in a very long while, when you say “You have this problem”, they say “I am so glad you mentioned that! I've been sweating bullets trying to figure out what to do about that! What do you recommend?” And you smile, because you know it's a very short step to a really good contract. That has happened to you, hasn't it? About once or twice in your career? But in the vast majority of cases, if it's on their plate, they have already begun finding a solution to the problem.

This leaves you with another, uphill persuasion struggle – typically called selling – in which you try to persuade them that this problem should have *priority*. They must see that the problem really *needs* to be solved, *now*. It's an easier struggle than getting them to see they have a problem in the first case – but it's still not easy, and it frustratingly often is not successful. The good news is, when you succeed they often will not send this out for bid – you're their expert on these matters. The bad news is, because they already have their resources committed to those items that were on their plate, it may be an entire budget cycle before they can engage you to solve this problem.

By the way – that's how it plays out when the problem you identify is squarely within your area of perceived expertise. You may very well have expertise the client hasn't yet had a chance to know about, but if you bring them a problem in that area, you're probably back to square one: “Sez who?”

Solution Provider is definitely a better place to be than Service Source. I have no hard statistics on this, but my experience leads me to believe that a small majority of

professionals at the *top* service firms function at the Solution Provider level. But of course, therein lies the emerging crisis. The fact that many of your competitors are building the same relationship means that your relationship does not give you a powerfully sustainable advantage. Add that to the fact that it's harder than you would like to develop business as a Solution Provider, and some people – so far, a very few – move to the third and top level of the relationship food chain.

Business Relationships: The Third and Top Level

The most highly-valued business relationship is built when you and your client routinely and consistently interact around *their strategic situation*. Your conversation is focused on the factors that contribute to *their growth and success*, right now.

It begins when the client executive says to you: “This is how it looks to me. What do you think?” But the flip side is now exactly the same – when you say to the executive: “This is how it looks to me. What do you think?” We have reached the level where the conversation becomes a dialogue, an exchange between two equals (of sorts): two people, both of whom have a burning interest in and passionate commitment to the growth and success of this company.

I said “equals (of sorts)” because obviously you don't somehow become a partner in the client company or a co-CEO. The executive remains the executive; you become the executive's **Ally**. That's how they see you; that's how you see yourself; and that's how they treat you.

As an Ally, you contribute directly to the company's growth and success. That is a highly valuable contribution, and they tend to reward you very handsomely for it. In an Ally Relationship the key factor in getting the business is *not* price – we're well past that. Interestingly, the key factor is *not* expertise, either. As an Ally you may or may not be the specific person with the expertise to solve the problem – just as the executive may or may not be expert in this area. You both bring a concern and commitment to the growth and success of the client, and a determination to understand the strategic situation they face.

The key factor in getting business in an Ally Relationship is *alignment* – demonstrated alignment between your actions and their strategic concerns. Yes, you help them solve business problems, and you do that by providing specific services. But what distinguishes you as their Ally (and what makes your contribution so valuable) is your constant and consistent focus on *their* growth and success.

Notice I said *their* growth and success – not *yours*. Unlike partner, Ally is not a reciprocal relationship. The executive is not your Ally. The executive does not concern himself or herself with the growth and success of *your* firm. The focus is strictly and exclusively on the growth and success of the client's business. And since this is a business relationship, not a social relationship, it is clearly understood from the beginning that you are not functioning as their Ally just because you are a terrific person. It is clearly understood from the beginning that you will be well rewarded for your contribution.

Being an Ally puts you in the room and in the conversation at the highest and earliest level, when situations are identified as priority problems: “OK, this needs to be dealt with if we expect to succeed.” Naturally you will be asked what experience your firm has with this issue, at which point you have two golden responses:

- (1) “We’re as good as you can get with this issue. If you want, I can pull together a meeting with our best people to discuss how to proceed from here.”
- (2) “This is not our strong suit, but I know a firm that has done great work with this issue. If you want, I can introduce you to them.”

In the first instance, it’s a short step to a good engagement. In the second you will have established yourself as an Ally for life – because what better way to demonstrate your primary concern for their success than to offer help that does not line your pocket?

Ally Relationships are the most highly-valued business relationships by far, partly because they are so rare. Most service providers don’t know the Ally Relationship is a possibility. Even fewer have actually seen an Ally in action, so they don’t know how to *be* an Ally, let alone build an Ally Relationship from scratch. And executives typically aren’t asking for Allies because they have never experienced it either. Let’s face it – executives know that anyone who walks into their office is there to either *tell* them something or *sell* them something. They learn early in their careers how to deal with both. But someone who is *not* there to tell or sell; someone who is there always to *explore* what needs to happen in order for the executive’s company to grow and succeed *now* – that’s rare. That’s valuable. And that’s distinctive. Once an executive has experienced *that*, it becomes their preferred relationship.

Of course, therein lies the opportunity. If you can create an Ally Relationship you will stand out positively from the crowd. You will have a huge advantage in developing new business. And your “crown jewel” asset – the inclination of your market to buy from you instead of equally qualified competitors – becomes strong and sustainable.

So – how do you build Ally Relationships? Or, more to the point, what does it take to turn experienced, successful professionals (like the ones in your firm) into Allies? Let’s finish this Chapter by addressing that issue head-on.

Building Allies

“OK, Tony. We’re more convinced than ever this is the right strategy. My challenge to you is, how do we make this strategy *real*?”

Sam Fletcher ran the eastern region (Maine to Miami) of one of the biggest professional services firms in the US. I had just finished a very successful pilot program with him and half of his managing partners; the managing partners were jockeying to be first in line to roll out an Ally Relationship strategy in their offices starting tomorrow. Their question was, how?

“That’s absolutely the right question, Sam. Let me start by telling you what *won’t* work. You can’t make an Ally Relationship strategy *real* with pep talks or inspirational slogans or any amount of ‘on message’ communications from the boss. And you won’t get there just by establishing specific relationship goals and adjusting your reward system, either.”

Sam nodded. “I know. We spent the last eight months doing what you just described and you’re right – it didn’t work.”

“You make a relationship strategy *real one person at a time*. To succeed at this, each individual has to make some significant changes in how they build business relationships. People only change their behavior when they see for themselves, through direct experience, that there’s a better way to do things, and that they in fact can do it the better way. Until then, no amount of ‘convincing’ will make any difference. Let me ask you, Sam, what did you personally get from the pilot we just did?”

“That I’ve got some pretty ingrained habits that get in the way of building Ally Relationships – and that I have some work to do.”

“Exactly. And what’s true of you in fact is true of all your partners. The details vary from person to person, but virtually *everyone* has habits that keep them from being exceptional at building Ally Relationships. The bad news is, habits are habits: you will keep doing the same things which will get you the same relationships you have been building right along. The good news is, habits are *just* habits. With some determination and a little guided practice you can change your relationship-building behavior.

“One person at a time, Sam. That’s how you make an Ally strategy *real*. And that’s how you build and protect the ‘crown jewel’ asset that will sustain your firm’s future success. Just tell me which office you want to start with and let’s get going.”

As it turns out, they started in Boston.

In the next Chapter, we will start with ... ***you***.