

Year End is Coming

Does That Mean It's Client Abandoning Time Again?

By Tom "Bald Dog" Varjan



Year End is Coming, Year End is Coming Does that mean it's 'client abandoning time' again?

Let's remember lessons learned swinging on the monkey-bar at the playground a few years ago: In order to progress, we must let go.

When we started our businesses, we may not have been not as choosy about who we took on as clients as we are now. We loved getting business and were eager to do any and all projects. The problem with that was that we got flooded with the low margin—business that put food on the table and fuel in the car, but neither stretched us to grow nor gave us the size of margins that would make us feel appreciated.

That's a widespread condition. A worldwide survey conducted by professional service firm specialist David Maistera has shown that most professional service firms and independent professionals 'merely tolerate' some 70 percent of their clients and 65 percent of the projects they are engaged in.

Now, what does that mean? While many business gurus are currently talking about loving what we do, loving our clients rarely gets much mention. Perhaps we should engage only in exciting, "sexy" projects with clients we truly care about, and form relationships that are similar to a marriage (apart from the sex and kisses). Otherwise, as the above survey proves, it seems likely that at some point most professionals will operate merely as whores: "I don't like you and your project, but I pretend as long as you pay me." Recognize anyone you know?

So, to make sure that we do projects that make us stretch and learn with clients we really care about, we have to look at our clients regularly and make a pragmatic assessment as whether or not we want to maintain a relationship with them any longer.

One of the greatest advantages of being a provider of professional services is that we can grow on each and every project we do. So let's use such growth as a basis for operations.

All of us are likely to have some clients who could be better served by someone else; but while being served by us, we are hold-

ing ourselves back from some serious growth. The other issue is that we constantly want to increase our margins. Some businesses come with low margin; some clients give us headaches and stomach ulcers, instead of prompt payments.

Three types of businesses we are likely to interact with:

1. Business that is somewhat incongruent with our growth strategy. It is probably steady, and we want to keep it because it can turn into something better. This kind puts food on the table. These clients can be educated about our evolution, so they can evolve with us.
2. Business that is congruent with our growth strategy and propels us to new heights. This is the sort of business we want to increase.
3. Business that represents our past, and we try to break free from it. This one is the very segment to be abandoned; it can hold us back from our own development. To identify these types in your own client roster, look at each of your clients and ask these questions of yourself:

- Am I learning from this client's projects?

- Am I providing an "incredible bargain" for this client?
- Am I making an "incredible margin" on this client's projects?
- Am I stretched beyond my professional comfort zone?
- Am I introducing new value-added on a regular basis?
- Am I getting good referrals from this client?
- Am I fully enjoying this project and having lots of fun?
- Am I truly caring about this client?

(I admit this concept works best if you apply it with value-based fees (true consulting). People who use the—in my opinion—unethical practice of time-based fees (as outsourced labour) may have a hard time in abandoning business since their objective is not providing value to the right people but selling chunks of time to anyone.)

Make sure you keep only those clients who are willing go for the "Incredible Deal." That means two things. For the client: "In terms of results, it has been an 'incredible bargain' to hire this dude/dudette." For the consultant: "That was a nice project. I have learned alot and made an 'incredible margin.'"