

THE INCREDIBLE VALUE OF LISTENING TO CLIENTS

BY JOHN D. GEDDIE

The most basic of all human needs is the need to understand and be understood. The best way to understand people is to listen to them. — Ralph Nichols

Listening to your clients is one of the most valuable weapons in your marketing arsenal. Whether in a face-to-face meeting with a prospective client, or via a third party interview with an existing customer, listening provides strategic and tactical information that can be incredibly important in shaping the future of your firm.

During my tenure at Martin-Simonds Associates, I have had the opportunity to conduct literally hundreds of face-to-face interviews with clients and prospective clients of architectural and engineering firms. The objective behind client interviews is always the same: to improve client satisfaction, client loyalty, and increase long-term profitability.

Contrary to popular belief, we have consistently found that:

- Clients appreciate the opportunity to share their honest feelings with a skilled interviewer.
- Clients will give your firm high marks for spending the time and effort to seek their honest feedback.
- Clients are willing to share their honest feeling when convinced of the sincere purpose of the interview.

- Clients seldom view the interview as an unwanted intrusion on their time.

Third Party Interviews

For many years, our company has been retained to conduct third party interviews of a firm's most valued clients. The purpose of this type of interview is to discover unmet needs, as well as the client's general satisfaction on current and past projects.

We have found that seeking client feedback – and then acting on it – is the surest way to retain those clients and gain their confidence. When many A/E firms perform a service and hear no complaint, they assume that the client was delighted. However, how many times have you eaten at a restaurant and found the food and service to be mediocre. When you leave, the maitre'd asks "How was everything?" to which you reply "Fine," even though you don't intend on returning.

Using interviewing techniques honed over many years, we are able to learn the client's true feelings and perceptions about a number of critical issues:

- How well project managers are serving the client's spoken and unspoken needs.
- How well your firm stacks up against the competition.
- Your firm's reputation.
- The client's outlook for future work and hidden niches.
- The relative importance of cost, service, and quality.

Normal feedback channels seldom, if ever, provide this incredibly valuable information; project managers talk with clients about the specific project and principals talk about future work. However, it is rare that someone makes a special point of asking the client how he or she really feels about your firm.

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The Benefits of Face-to-Face

The fact that over seventy-five percent of what a person really means is communicated nonverbally should be sufficient enough to convince even the most skeptical that any other means of gathering client feedback is likely to be misleading and incomplete.

Too often firms use written surveys without considering the loud and unmistakable message they are sending to their most valued client: ***We are too busy to spend our time listening to you, so please take your time to help us by filling out this written survey.*** Furthermore, the vast majority of clients are not willing to share their honest perceptions in writing; it reminds them of an affidavit.

In our work we often refer to the long-term value of keeping one client in terms of the revenue and profit stream that a single client generates over the time. When considering the cost/benefit ratio of

investing in the third party client survey, the benefit side of the equation should be the sum of all the revenues and profits that would be lost should you lose a client or, on the flip side, how much revenue and profit are you likely to generate over the next ten years.

In addition to the benefit of ferreting out valuable information about the client's perception of your current projects, the very same interview technique can be used to lower your risk when considering an investment in diversification. For example, if you are considering opening an office in a new geographical location, the third party interview can be used to interview prospective clients to measure how receptive they are to your firm's entrance into the market. This is also the case if you are considering offering a new service.

The gathering and analysis of objective, third party information should be an essential step in

performing your due diligence before putting your firm's scarce resources at risk by opening a new office or offering a new service. A small investment in qualitative research can greatly enhance the probability of making prudent investment decisions.

Listening Lessons

A client's perception of reality is his or her reality. Whether wrong or right, perception is the basis on which decisions are made. What clients think and believe is based on the accumulated experience of their lives. Each client has built-in biases – filters through which new information is funneled.

No one ever listened themselves out of a job.
– Calvin Coolidge

The business school at the University of Michigan has developed the American Customer Satisfaction Index. It is based on

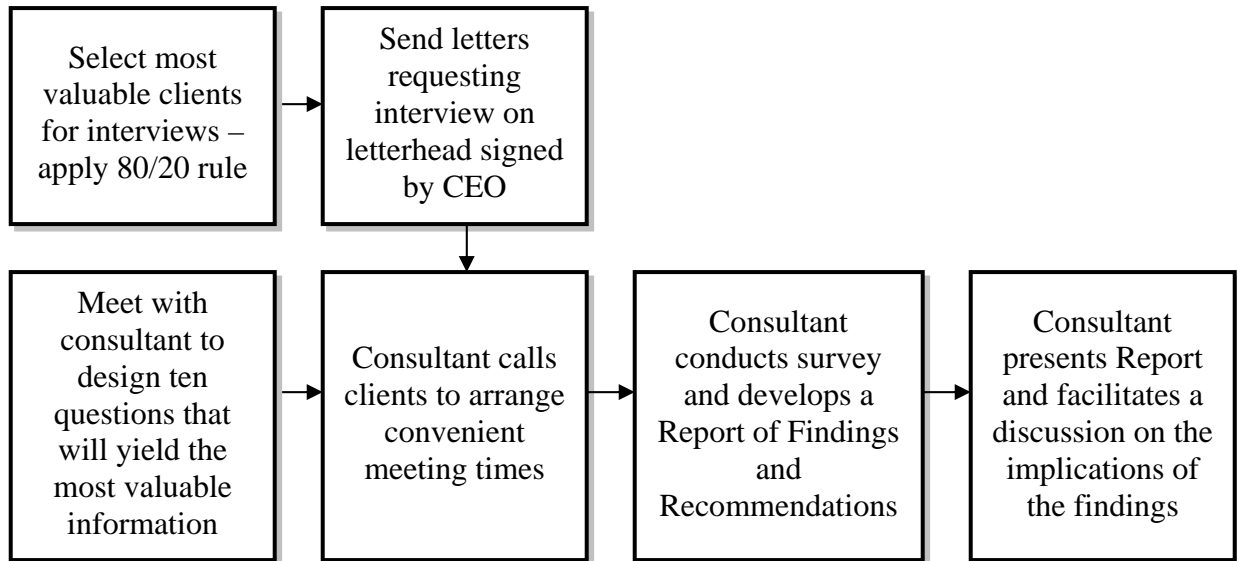
three elements: the **value** a client places on your services; their **expectations** of how well you will perform based on their filters of their life experience; and **actual performance**. It is the combination of these three elements that determines how satisfied your client will be. For example, if your client places a *high value* on services, and has *high expectations* that you will perform, and you do so, you have done what is expected. You can excel with this client if you exceed his expectations, but if you don't perform, you'll have a dissatisfied client. If, on the other hand, your client places a *low value* on services combined with *high expectations*, you will have a low satisfaction rating, even if you perform admirably, because the value was low.

Here are some beneficial listening techniques for use in client interviews:

LISTENING CHECKLIST

1. Open your mind and ears – be receptive to the messages the person is giving.
2. Start listening from the first word and give the person your undivided attention.
3. Focus on what is being said. Avoid trying to figure out what the person is going to say; you may miss what he or she actually says.
4. Don't try to read your own meanings into what you think the person is saying. Actively assist the other person in conveying his or her meanings accurately to you.
5. Never interrupt. It cuts off the flow of dialog.
6. Use questions to encourage people to talk and to clarify your understanding of what they mean.
7. Make notes of important points. Look for connections between apparently isolated remarks.
8. Control outside interruptions and distractions.
9. Get your whole body involved in listening and show that you are paying attention. Look the person squarely in one eye, and use facial expressions and gestures to show that you hear and understand what's being said.
10. Don't overreact to highly charged words and tones. Hear the person out, and then respond. Most people will cool down and begin to talk calmly once their anger and frustrations are vented.

How the Process Works



Follow Up

The importance of the post-interview follow up cannot be stressed enough. Seeking the feedback from an existing client – and then acting on it – is the surest means of retaining that client. In some cases, such as in interviews with prospective clients, a follow-up may be as simple as a letter thanking them for their time. If problems have been uncovered with an existing client, not following up will be viewed as worse than not asking in the first place. But a successful follow-up can put you in a better standing than where you began.

Conclusions

A person's perception of reality is his or her reality; perception is the basis on which decisions are made. We would wish that all of our clients and prospective clients were rational, objective,

unemotional creatures that make decisions on the basis of hard, factual information. Unfortunately that is not how human beings are built.

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The harsh reality is that clients are all too human. They view you through a lens that has many filters built up over a lifetime of experience with other engineers and architects; they have expectations, dreams, and fears that are both rational and irrational.

The bottom-line is that unless you tap into the client's biases, you do not really know or understand what it will take to

persuade that client of your firm's value. You can gain a sustainable competitive advantage by applying the tools and techniques that are available for knowing factually how clients and prospective clients *really* feel and think, before you act.

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