

Telltale Signs of Problem Clients

By Michael W. McLaughlin

"Here's one project I wish I'd never taken on. They never even paid me," griped Steve as he waved a three-year-old client invoice at me. "And," he added, "I should've seen it coming." Steve's project "blew up" according to the client and, piqued, the client withheld the final payment. Even though he had toiled long hours to deliver a great outcome, when the results fell short, he took the fall. Sadly, such project blow-ups happen more often than most consultants care to admit. While misfires can happen because of unforeseeable circumstances and self-inflicted blunders, most project failings are avoidable.

Prospective clients often send unmistakable signals during the sales process about how they'll work with you and how the project is likely to unfold. Watch for and heed these early clues. They will help you to decide whether you should work with the prospect or move on to the next opportunity.

Canned Goods

Consultants often walk into initial client meetings with canned questions to "spur a dialogue on the issues." Such questions, the theory goes, demonstrate your analytical prowess while revealing the client's needs. Naturally, you want to know the client's vision for the future, the obstacles the client sees, and how the project will facilitate the client's goals. Unfortunately, over-reliance on generic questions can set your eventual project on the road to disaster.

When one consultant asked a client to "describe the problem your company is facing," the client laid out the shortcomings of the company's supply chain. The consultant did not question that analysis but accepted it at face value, and the supply chain shortcomings became the focus of the project. After weeks of effort, the consultant discovered that inaccurate data from the company's accounting system was causing the problem – not inefficiencies in the supply chain.

The biggest drawback to canned questions is that they are rarely adequate for diagnosing complex problems. The answers you get can lead to a false sense that the client and consultant understand and agree on the definition of the problem. As a result, you might unintentionally end up treating symptoms instead of causes.

There is no magic set of questions to ask in every situation. Instead, you have to be a dogged detective. If you and the client aren't pushing past generic questions to the substance of the issues, it's likely that your understanding of the objectives will suffer, and so will the eventual project.

Yeah, Yeah, Whatever

I don't know any clients with lots of time to shoot the breeze with consultants, but some clients are just too hard to reach. That should be a red flag. When your client is rushed, or doesn't have time for you during the sales process, the project isn't a priority. When that's the case, expect trouble down the road. Once the project gets moving, you'll find access to client executives just gets more difficult. When review of your work becomes complicated, the schedule can slow to a crawl. When faced with a disengaged client, you have four choices:

1. You can wait until the client focuses on the project, which may be never.
2. You can find your way around that person to a committed sponsor.
3. You can proceed with the project in spite of the handicap.
4. Or, you can walk away.

Continued on next page

In my experience, it's rare for a disengaged client to suddenly jump on the bandwagon once a project launches, but it does happen. If you do go forward, just make sure you have a plan for inevitable project delays.

Fussy Over Fees

A disengaged client isn't the only warning sign to watch for. When you find yourself in endless fee negotiations, that's a clue about what's ahead. Lots of clients understand the relationship between value and fees, and they are willing to spend more as their perception of value increases. Unfortunately, some clients never see that perspective. Instead, they will always haggle over fees, regardless of how fair they are.

It's also more common now to find yourself negotiating final fees with someone other than the buyer. Some clients believe that distasteful fee discussions can strain a professional relationship, so they prefer to let someone else handle the chore. Don't expect the tendency to fuss over fee details to go away when the project gets underway. It's more likely to show up again and again in challenges about invoices, requests for detailed expense documentation, and slow payments.

Hired Hand

Some clients will specify from the get-go exactly what they want you to do, regardless of what you think. In fact, I've talked to clients who were only vaguely interested in an assessment of the problem - never a good omen. When clients believe they have all the answers and only need help putting the solution into place, you are no longer a business adviser, but contract labor.

If it suits your practice, nothing is inherently wrong with taking on such work. But once clients have settled on a solution, their expectations may outpace your ability to deliver. You'll have implied responsibility for ill-defined results with minimal control over how to achieve those results. That's what happened to Steve, and he ended up holding the bag.

The key to success in this situation lies in your ability to influence the project scope and approach so you can create better alignment with the desired results. This often means lobbying for changes to the client team composition, the timing of achieving benefits, or tightening project scope. Without this level of influence, expect to be simply a hired hand and to assume a disproportionate share of responsibility for the project outcome. You are, after all, the expert.

Follow Your Instincts

It's true that some client relationships and projects just don't work out. Yet, if you pay attention during the sales process, you will see problems coming from a mile away and you can stop them before they begin. Use canned questions judiciously. Focus on the real causes of the client's problem. Decipher clues from the client's behavior. And don't ignore your own instincts as you decide whether or not to take on the client's problem. Remember, the client isn't the only buyer. You're one too.

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