

MANAGEMENT

In the second of a series of two articles, **Andrew Bass** and **Paul Clusker** set out how best to take networking a stage further, and how to support and encourage more junior lawyers through the process before the work starts to flow

The competitive edge

In last week's article, we tackled the question of the skills needed in order to go to networking events and get business cards and, more importantly, the permission to contact the person that the card implies. This week we turn to the questions of following up and cultivating the contact — the real networking — and supporting people through the medium-to-long term process needed before work starts to flow.

First, because motivation is such an important factor, it is useful to reaffirm the competitive edge that comes out of having effective business relationships. Figure 1 (*below*) is taken from the work of Alan Weiss on the marketing of consultancy services. We have used this model successfully in legal firms to make the competitive value of relationships clear.

The figure shows three kinds of business interaction, at three levels of competitiveness. Although law firms are not generally in the business of selling products, it is worth considering this case first to understand the logic of the argument. It is easy to make the case that extremely transactional or commoditised work, such as routine debt recovery or plot conveyancing, shares much with more tangible products.

There is a force of gravity that acts from right to left, as shown in figure 1. A breakthrough product, for example the Sony Walkman in its time, drifts to being distinctive as competitors appear, then to just competitive as new entrants stand on the innovator's shoulders, and ultimately to uncompetitive — in the Walkman's case, with the arrival of the iPod.

Weiss argues it is much easier to move from left to right in relationships than it is in products, or services. Many businesses faced with strong competition for their products attempt to compensate through higher levels of service. But service improvements, whether procedural or technological, are easy to claim, and are usually straightforward to match for determined competitors.

Not only is it easier to create distinctive relationships, it also more beneficial. Consider the great value of unique relationships between executives and trusted business advisers: trust is higher, so fee sensitivity is reduced; recovery rates are likely to be better; it is easier to cross-sell your services; the client is more likely to try you out in new practice areas, giving you a chance to build market share; and it is easier to leverage juniors

— the client knows you will keep an eye on things. As the relationship is between two individuals, it is hard to emulate as you achieve automatic differentiation. Moreover, you get early warning on upcoming work and there is a strong barrier to competition.

Keys to building business relationships

Pursue a smaller number of high quality relationships, rather than being a social butterfly

Whom you network with matters hugely. It is easy to think that a friendly, enthusiastic person whose card you got in the hotel ballroom is going to lead you to business. But in professional services the process is longer and more sophisticated. And if you collect a big stack of cards unselectively, then meet for coffee with each contact, it is an easy way to lose huge amounts of time.

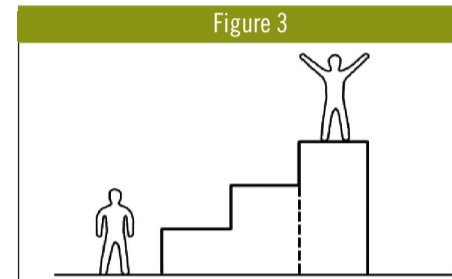
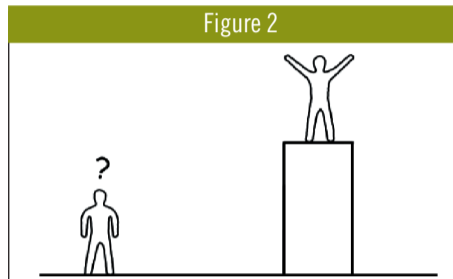
It is far better to pursue a few, high quality contacts: the best ones are not necessarily potential clients. It is often more valuable to cultivate relationships with potential referees and introducers, 'brokers' and connectors, potential mentors and people inside your own organisation who know how to get things done and how to fast-track work.

Engage in a step-by-step exchange of increasing values

The bottom line is that someone you just met in a hotel ballroom is not likely to give you a huge contract, or a solid referral — it is too big a step. Creators of the Lean Marketing approach and authors of *The Gorillas Want Bananas*, Joe Gregory and Debbie Jenkins, have a simple and clear way of picturing this:

Figure 2 (*above left*): The new contact is on the ground. Rather than expecting that they will expend the huge effort required to climb onto the wall in one go, it is better to ask them to take a step at a time:

Figure 3 (*above right*): Each step involves some kind of an exchange, and to start with it may be small: you give them something of value, for example information, an article, some free advice, and they give you something in return, for example their time for a conversation, a meeting or advice. You get a chance to find out



what would be of value to each other, to do a trade, and demonstrate your ability to deliver something. Along the way, you build up trust and shared understandings.

Be flexible in thinking about what you can exchange

Good negotiators are very creative in thinking about value. Sometimes the other party is very excited about getting something you had overlooked as being scarcely worth anything and you can gain a lot — by your own standards — at low cost to you and high satisfaction to them. Like a good negotiator, think very broadly about what might be valuable to a new contact — it certainly does not have to be business or even a referral to take one of the early steps. If they are a potential client, for example, you could be giving them new perspectives, the benefit of intelligent questioning, an opportunity to do some informal benchmarking, or a chance to step back and reflect on their business.

Keep track of where you are with each person

If relationship-building is a step-by-step process, it helps to have a way of knowing where you are with each contact. Then you know what would represent a useful progression in your relationship. As an example, we have found the Lean Marketing Pipeline approach very effective. You can view it almost like a boardgame in which the other party moves through a series of stages: complete stranger; knows who you are; experiences your work or otherwise receives some value; becomes a customer or client; and becomes an advocate.

For each step, you decide what your 'most wanted response' and what tactics you might employ: invitations to seminars or for coffee and sending articles, for example. The labels can be changed to suit the area of business you are in, and can be used in other formats. The key is to have a way of keeping track and a prompt as to the next step to take with each person, based on where you are up to with them.

Supporting juniors as they build networks

Fostering a business development culture requires active ongoing management — not just bolt-on training courses. Here are seven things you can do to get the required results.

1. Reinforce the behaviours that are moving in the right direction, rather than waiting for the results. Networking is a medium-to-long-term investment. Actions have to be taken consistently

for a long time before tangible financial results appear. Few, especially early in their careers, can keep going without some external reinforcement and encouragement that it is going to work.

2. Reinforcements can be very small but they need to be timely. People are surprisingly responsive to simple and immediate recognition of what has been done — a nod, a wink, a 'well done'. A good appraisal six months later will not do the same trick.

3. Taking people networking gets better results than sending them. We have done this on behalf of clients with great success. It helps less confident people to see what happens and you can give them a kick-start through judicious introductions.

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4. Introduce them with more than just their name — give them the seal of approval.

For example: to client: "This is James C. He has been working with me for two years now". To James: "This is Jane D from XYZ Plc — she is a good person to know".

5. Make the rules of engagement clear. Make sure your people are clear about who they can and cannot talk to. If they are unsure, most young professionals will not take a chance on upsetting a senior.

6. Encourage people to cultivate existing contacts. It is more comfortable for shy people, and generally more profitable, to cultivate a few high-quality relationships than to be a 'face on the scene'. Coach them on their progress in filling up and moving people through a pipeline: "How are you doing with that contact at XYZ?"

7. Encourage your people to seek out up-and-coming talent at the client's organisation. This is a good way of seeding the development of a sectoral approach. Consider asking your client to suggest people. Explain that it is in the client's interest to facilitate better two-way communication.

Andrew Bass and Paul Clusker are the co-founders of BassClusker consulting.

	Competitive	Distinctive	Breakthrough
Product (Purchased tangible)	*		
Service (Purchased intangible)		*	
Relationship (Non-purchased intangible)			*

Figure 1. From *Process Consulting*, Weiss (2002).

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