

Client Advocacy - Want to win? Do it right.

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What is Client Advocacy?

Client Advocacy in the service industry is about providing continuous value to your client, understanding the client's evolving needs and demands and ensuring your team and service offering is constantly aligned.

It is not a one-off project, but a continuous cycle and mind-set where the Client Advocate – the individual ultimately responsible for the client – represents the whole organisation in the eye of the client and represents the client within the organisation.

Client Advocacy can therefore be defined as “a cross-functional role empowered to marshal organisational resources to resolve troublesome customer issues and identify root cause while balancing the financial realities and strategic goals of the company”.¹

The ideal Client Advocate will be fully motivated by the client's needs and demands and matching the organisation's service offering to meet these. In addition, they will always be thinking one step ahead of their client and how to position their organisational offering to deliver value as their client's needs evolve.

Why the importance?

88% of the Fortune 500 firms that existed between 1955 up to today are now gone. Although market disruptions and competition contributed in large part to these changes, companies' inability to adapt to changing client demands and needs, in other words their failure in carrying out good Client Advocacy, was almost as significant. Client Advocacy is therefore needed and should be the bedrock of any business.

Failure to understand client needs gives rise to a gap between client expectations and the reality of the goods or service they receive – this will likely result in a one-off transaction. Understanding what drives your client and what their objectives are and how your organisation can assist in achieving these can instead create immense opportunities.

Client Advocacy is becoming even more important today as we see a rise in complexity across organisations and in value creation. Clients need to satisfy various stakeholders; such as shareholders, regulators, employees and customers. Clients can also have multiple objectives that don't always go hand in hand; achieving growth, return, organisational efficiencies and the list goes on.

Organisations consequently create departments, knowledge centres, regional hubs, think tanks etc. to meet the evolving needs of clients. Fully knowing what the most important needs are of the client and aligning all this knowledge and expertise within an organisation is therefore the challenging role of the Client Advocate. However, once you achieve this and earn the trust of the client, your position as a service provider or advisor becomes much more solidified.

With a trusted advisor, clients will be more willing to raise challenges, visions and ideas which give the advisor a great business opportunities and a competitive edge.

Ultimately, good Client Advocacy will:

- **Ensure you retain your clients**
- **Produce more business from existing clients**
- **Increase chances of winning new business from new clients**
- **Open doors for new business opportunities outside your daily service offering**
- **Put up barriers to competitors**

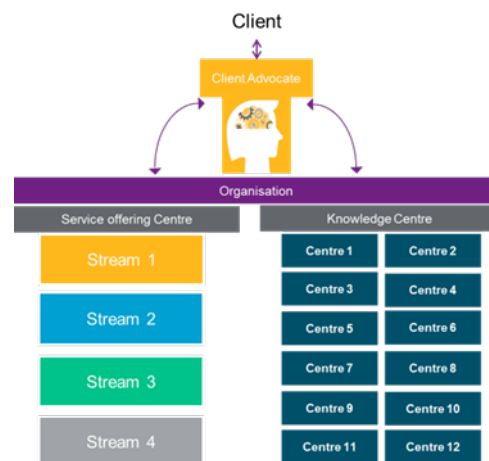
¹ Bailey and Jensen, 2006

A successful application of Client Advocacy can result in a strengthening and growing relationship with your client and the below case study illustrates this quite well.

Case 1: A growing and fast evolving insurer whose reinsurance needs and advisory requirements changed considerably over time and where the role of the reinsurance broker had to continuously adapt

Over the last decade, this insurance company had enjoyed an average growth of approximately 20% year on year and the company had diversified both geographically and by lines of business. Alongside their growth, their risk appetite had evolved as had their view of capital management. To meet the client's evolving needs the reinsurance broker had to adapt the knowledge base and skillset of the team.

What started as a small local reinsurance broking team giving advice to a small local insurance company, gradually had to develop into something much broader. The Client Advocate wisely brought in additional resources from each relevant territory where the client was expanding and drew in line of business expertise from the relevant knowledge centres to provide the client with best advice on market dynamics, product development, pricing sensitivities, coverage issues etc. This was possible through the broker organisation's "One Team" approach with no walls, ensuring best advice to be available to the client - all facilitated through the Client Advocate.



Goal of Client Advocacy: Building trust and provide real value

Across numerous industries, whether selling products or services, the balance between the value delivered to a business and the price commanded is crucial in ensuring the product or service satisfies consumer needs today and into the future. Key to achieving this organisational longevity is structuring the business to appeal to the client at the different phases of their growth and becoming an integral component across the different levels of their organisation.

A Client Advocate is key as they should be in the unique position to provide insight as to what the client values on an on-going basis whilst also being able to extract longer term objectives, based on their relationship with their client. Ensuring their business is equipped to go from table stakes to obtaining trusted advisors status, which effectively enables the organisation to become intertwined with the client's business and to fine-tune their value and price proposition.

True differentiation and obtaining a trusted adviser status is not achieved purely through the provision of products, expertise and services; it is achieved by building trust, understanding and insight to deliver unique solutions that drive value to the client in the short and long run.

Moving up 'upstream'

As outlined by Kaplan and Norton, "satisfying customers is the source of sustainable value creation"² and it is the role and responsibility of the Client Advocate to understand what the client views as most important and when. Solutions can be a product or service, a process, a dialogue, a conversation, a relationship, an approach, an idea, or an innovation. Solutions provide value for clients and as you 'upstream', i.e. start creating more strategically important value to the client, you need to have a deeper understanding of how value is created, positioned, delivered and transformed.

² Kaplan and Norton, 2004

The whole purpose of this process is that as the Client Advocate moves up the continuum, they will be creating opportunities with the client and operate upstream rather than competing with other organisations to identify and chase existing needs downstream. This process strengthens the Client Advocate's business case with their existing clients and it provides differential factors from competitors, helping keep competitors at bay and thus retain and growing business over the long run.

Using an illustrative example, imagine you offer a product for £1,000 and that you have three potential clients, all of whom want what you offer. The first client has £1,000 and purchases your product, whilst the second client only has £500 and the third client has £3,000 burning a hole in his pocket. Without an effective Client Advocate, you could lose the second client and not optimise the revenue from the third.

Given that value is unique to each client, the Client Advocate should adopt a distinctive approach to each account, whether a prospect or an existing client. By understanding the client, they can then offer a lower-value, lower-priced option (for client 2) or offer a higher-value option (for client 3) that provides solutions tailored to their needs.

Getting to know your client

Understanding the dynamics of the industry the client operates in and knowledge about the client's specific business, their goals and objectives all provide an important baseline understanding of the client. Whilst this enables the Client Advocate to engage at the bottom end of the value chain, it is not enough to move or operate upstream.

To operate upstream you need insight on what the key stakeholders truly value and what the client's priorities are.

A rapport built on trust and an open dialogue that allows the Client Advocate to question the client on how they view their business and future is fundamental in learning what they really value and to moving up the continuum.

Insight into a client's "opportunities" *and* "pains" provides a deeper understanding of their business and importantly what the key stakeholders perceive as valuable - the impact of losing \$50 can be more keenly felt than gaining \$50³. As this deeper understanding is manifested, the Client Advocate can look to identify the client's distinct view of value, how to align their organisation to best support their needs going forward and how to tailor their service offering to deliver.

In helping the client capitalise on their opportunities and alleviate their hard felt pains, the Client Advocate fosters a bond with the client that facilitates a further sharing of information which helps progression towards trusted advisor status. As this connection between the organisations broadens and the Client Advocate is able to demonstrate the full capabilities of their organisation, the Client Advocate will become increasingly connected with the client, openly sharing insight to their organisation.

Developing a rapport with the client

A rapport is paramount to building a level of trust and is achieved when both parties feel a common bond. Only when a rapport has been established will the client let you in to see their real worries, needs and priorities.

When developing a rapport, credibility is essential to advocating an idea or trying to surface client information. Whilst obtaining a client's trust is a gradual process, fundamental skills can strengthen a Client Advocate's discussions, making their reasoning explicit and identifying them as someone who is genuinely curious about the client's business.

³ Kahneman and Tversky, 1979

The points outlined below, although not a sole delivery of credibility, were shared to me by a client many years ago and have remained a prominent driver in how I look to create relationships and foster trust and credibility with clients. He said:

When choosing an advisor I have 3 main criteria. Starting from the bottom s/he needs to:

3. *Exhibit a sound market, technical and analytical knowledge*
2. *Convey a good understanding of my business and needs*
1. *Be someone I want to do business with*

Number 1 being the most important, how to ensure that someone wants to do business with you is not a given, and whilst there are important skills to enhance a rapport, there are equally important pitfalls to avoid. For example, being too “pushy” or too talkative, being dishonest and failing to provide convincing evidence. In addition, it is important that the Client Advocate should use their expertise to guide the client’s thinking, appearing genuinely confident in the knowledge they have opposed to aggressive or arrogant in delivery.

Whilst a Client Advocate will not always be able to solve 100% of the client’s problems and a bond will not be formed immediately, an open rapport supplemented with strong communication and that avoids major pitfalls will help position a Client Advocate to stay close to the client.

When to deliver what

Finally, it is important to note that attempting to share insight or impactful points of view straight away without “earning the right” means insight is often not welcomed or acted upon by the senior decision maker. Earning the right can come through insightful conversations with the client, leaving opportunity for the client to confirm that the discussions are heading in the right direction. Only then can the Client Advocate be confident in taking the right actions that will create real value.

The role of the Client Advocate – internally and externally

A Client Advocate holds an integral role both externally with the client and internally within their own organisation. In order for an individual to effectively fulfil the role of Client Advocate they must be aware of the duties that are owed to both of these parties. It is clear that the client or external role exists for the individual, however the internal one is just as important, facilitating the level of service that the client is owed.

The internal role of the Client Advocate

Within the organisation, an individual acting as a Client Advocate will need to ensure that the service level offered to a client is constantly aligned with the client’s evolving needs. The following are examples of roles and activities that the Client Advocate should be responsible for internally:

- Firstly, it will be the responsibility of the Client Advocate to ensure that a relevant team is created in order to service the client. An important aspect of this is the ability and willingness of the Client Advocate to realise the existing skillsets within the team and the additional knowledge and skills required.

As the needs of the client will inevitably evolve the team should reflect this. Whilst there is a case for having a long standing, dedicated team who have a long history and rapport with the client, which can take years to develop, there are also benefits to bringing in new ideas and expertise as and when needs and opportunities arise.

- The Client Advocate should also fully understand the service offering of the group, being able to utilise all possible avenues of knowledge to enable revenue opportunities. As organisations are becoming larger and more complex through mergers, acquisitions and new emerging

service offerings, the Client Advocate's role becomes even more important in bringing all this together.

- The cycle of the client. This may be an annual, bi-annual or monthly cycle; however the overarching theme is that the whole cycle needs to segment existing and optimise new revenue streams. When a project or service has been delivered the rest of the year is the perfect time for reflection of the service provided and exploration of new revenue streams. In this time the Client Advocate has time to think about changes moving forward as well as taking a whiteboard approach and introducing new projects or ideas to aid the client with other issues that they may be facing. A client that feels at the forefront of their Advocate's mind will never need to chase, as the Client Advocate should always be ahead. Being in constant communication ensures that any changes in the views of the client are dealt with quickly and are understood.

The external role of the Client Advocate

- Trust. This is a simple and readily used word, however holds great importance to the client. It is a key attribute of any Client Advocate. The Client Advocate must be reliable, delivering on all elements that the client needs, be available to the client, giving them a sense that you are always contactable and willing to discuss any issues they face. The Client Advocates should be fearless in their convictions, delivering the most appropriate answers to the client knowing their pressure points and concerns. The Client Advocates should be product neutral, delinked from their own needs and preferences. Taking a long term view over a short loss, often the value added with a long term strategy outweighs the short term loss. The role of the Client Advocate should be transparent and always in the best interest of the client.
- There will come a time when the Client Advocate does not know the answer or knows that the answers lie elsewhere/ outside of their own organisation. The role as Client Advocate is to negotiate between providing the best level of service/ solutions that your organisation can provide, yet not being scared when they understand that this is outside of their remit and needs further external input. Finding the best solution for the client is your ultimate goal, whatever direction that may take. Finding a solution within your own organisation will of course be the primary target, however a successful Client Advocate, acting on their client's behalf, will not be afraid of looking elsewhere should the occasion dictate that. This will help to grow the client's confidence in the Client Advocate.
- Finally, a point which ties in all of the above, for both internal and external requirements, is that of always being one step ahead. The goal for this is client retention. You do not wish to provide any reason why the client might decide to call a tender to look at other service offerings. By constantly pushing the boundaries of what you do and how you do it, the client is unlikely to decide to change things, believing that they are already receiving the best that they can. This saves time and effort from the team in the long term as tenders can be lengthy and time consuming and there is always a risk of losing.

How to build a client centric organisation

Although this is beyond the scope and control of the Client Advocate, an organisation with limited profit centres facilitates a smoother role for the Client Advocate, enabling the sharing of knowledge and resources across teams. A Client Advocate who faces internal profit centre barriers will have a much harder task in succeeding to encourage knowledge and resource flows across the business. Where profit centres exist, knowledge barriers can form, given the inability for people to provide time and skills that their unit will not be paid for.

C-suite engagement – a changing landscape

As previously mentioned, value is distinctive to each client with large, complex accounts, valuing different products and services at different levels of the organisation. A Risk Appetite Survey conducted by the reinsurance broker Willis Re in 2017 showed that "86% of companies' final reinsurance purchasing decision is now being made by top executives". This growing influence of the

C-suite level highlights an increasingly strategic nature of reinsurance purchasing at a company-wide level and presents new challenges when determining how to move towards trusted advisor status.

Although the decision to appoint a broker is not the sole decision of the CEO/C-Suite, whether the Client Advocate left an impression they remember could be crucial in gaining their endorsement or ensuring they are resolute enough to withstand any pressure from existing incumbents.

Using the example of a reinsurance broker Client Advocate, it is important to note that, unlike the Client Advocate, the CEO's world is not always dominated by reinsurance strategy so they are unlikely to be interested in detail. Without a clear meeting plan and the ability to exhibit value creation, the impact of the interaction may appear superficial and can even harm the business relationship.

There are a number of best practice guidelines for interacting with the C-suite, revolving around meeting preparation and post meeting plans of action. However, the key is to see the world through the CEO's eyes. Preparation that utilises internal and external resource to obtain a holistic view of the client's needs will position the Client Advocate to "speak the language" of the C-suite and start to provide valuable insight on how to drive value.

Limited time – be clear – show value creation

Basics steps for a Client Advocate to prepare for the meeting include, researching the company and the executive and applying wider industry knowledge in a client specific approach, however, choosing three-five topics to discuss with the CEO can help hone this research further.

Whilst preparation can equip you to speak the language of the C-suite, time with senior personnel is limited with clarity and efficient time management forming a significant component of a successful meeting. A strong meeting structure supplemented by a strategy of how best to extract insightful information from the person you are meeting, will ensure the optimal outcome for both parties is achieved. The following recommendations provide a guideline to an effective meeting and whilst fluid, they are deliberately so with the pains and opportunities of the C-suite forming an important driver for the meeting's directions.

- Let the client / prospect do the talking
- Probe the CEO with open-ended questions to guide them to the topics you want to discuss
- Be prepared to talk on a wide range of topics
- Avoid driving the discussion into a corner, keep it broad from the outset

Whilst the above forms the bulk of the interaction, the relationship building is not finished once you have left the room. Post meeting best practice is extremely important in cementing your credentials and providing a reminder after you have left the room. Whilst an obvious strategy is to leave the C-suite with marketing material that highlights key topics or gives an overview of your organisation's offering, other elements such as follow up notes and delivering a post meeting plan can help ensure that a lasting impression is made and, importantly, that a positive emotional response is evoked at the crucial business moments by the C-suite.

Pitfalls

As with any role that an individual may fulfil within the workplace, there are a number of pitfalls that the Client Advocate may fall into. Being aware of these prevents falling into them so easily.

- The first pitfall is that of being underprepared. This is critical for any interaction with a client. It is crucial that the Client Advocate always does their homework, being fully aware of the situation that the client is in and never 'winging it'. It is important to understand what information is going to be of greatest importance and to whom. The relevance of information will differ depending on the stakeholder and being aware of these differences ensures a swift and efficient response or service.
- Clarity and clear messaging are almost as important as the message itself. Ideas must be communicated in a concise way to ensure the correct interpretation and understanding. As Client Advocate, it forms part of your role to help the client understand any complicated

issues. If the client begins to feel as though they do not understand what or how something is being done, they are likely to look elsewhere for a clearer pathway. Missing opportunities to clarify and enlighten our clients opens the doorway for competition to move in.

- It is very easy to become carried away and fixated on an idea that we believe has real merit, however the role of the Client Advocate will be to sit above this, always taking a step back and measuring these ideas against the requirements and desires of the client. An idea may be wonderful, but how does this impact this specific client, does it bring real value to them? Being able to understand this process of matching the ideas to the clients own thoughts help the client to understand that the Client Advocate is working on their interests and clearly comprehends the business they are in. At the forefront of every Client Advocate's mind should be the objectives of the client and how they can find direct solutions to these.

Being aware of these potential omissions and errors will strengthen the Client Advocate's position with the client, highlighting the importance of an individual acting in a Client Advocate role within any relationship between a client and service provider.

Conclusion

This paper has demonstrated that good Client Advocacy will:

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Whilst many of the skills and pitfalls discussed may be considered obvious and straight forward, hitting all the right notes and being consistent in the delivery is a real skill that requires full attention, courage, flexibility, organisation and an open mind.

Failure to carry out good Client Advocacy will limit your organisation's ability to retain business and win new business. Consistent good Client Advocacy will instead help you earn the position as a trusted advisor. This will not only segment the existing relationship, but it will also increase your chances of finding constant opportunities for growth.