

Don't cross-sell, co-sell!

Peter Scott, ex-managing partner for Eversheds in London, and two colleagues from the Winning Firm Alliance overview ways to increase fee earners' effectiveness at developing business with clients.



By Peter Scott

One of the most common complaints from managing partners of professional services firms is that they cannot get their partners to open up their client bases to partners in other disciplines so that the firm can successfully 'cross-sell' other specialisms. This remains a tricky challenge for business developers and marketers across the professional services spectrum.

One of the most obvious things to do to increase levels of work is to 'cross-sell.' However, many firms find it such an uphill struggle that they all but give up trying.

Of course, a firm which has many existing clients who may only use the firm for limited areas of work is still a 'known entity' to those clients. The firm should be ahead of the game in terms of being able to 'sell' additional services to those clients. Additionally the 'cost of sales' for those (hopefully satisfied) clients should be far less than that spent trying to win new business from new clients.

So why is cross-selling regarded in many firms as so difficult to implement?

Indeed the term 'cross-selling' itself, while being commonly recognised, often creates negative perceptions of 'hard sell' and inappropriate client contact. It's time to use a better and more accurate description. I

think a more useful term is 'co-selling' which I define as "the process of partners working together to build business, in a way which clients are receptive to".

THE BARRIERS IN PROFESSIONAL SERVICES FIRMS

In practice and for a number of reasons many firms exist as collections of 'silos' where the separate parts do not work together or talk with each other and where there is little or no effort or willingness to 'sell' one group's services to clients of another group.

How can marketing and business development professionals work to improve the situation, and work with the management of the firm to remove or reduce the barriers?

Specifying the barriers themselves is a useful first step. It's worth understanding how many of these may exist in your firm.

- Many partners in firms often lack the necessary skills and confidence in selling. These skills can be developed and improved by effective coaching techniques and as a result the business development and co-selling performance can be enhanced.
- Often partners (even if they find it difficult to admit) lack confidence and experience in asking the types of 'open' questions necessary to uncover the wider needs of the client.
- Reward systems can create silo cultures, particularly where there is an 'eat what you kill' approach to profit sharing and where only personal billings count. There is no sharing of clients because partners will ask "Why should I? What good will it do me?" However a well structured reward system can encourage a culture of sharing and lead to enhanced earnings by those partners who do share clients.
- Insecurity can also play its part, particularly in difficult economic times when

partners may well hold on to work and do it themselves (even when not capable of doing so) rather than passing it to others. Quite apart from not helping to increase a firm's revenues, this can cause serious risk issues for a firm.

- Lack of confidence in the abilities of other partners can also be a factor. How often have we heard the suggestion that "I am not prepared to pass work to [partner X] because he will lose the client". If this is correct (and not just an excuse) then the performance and behaviours of partner X need to be tackled and perhaps he or she should not be in the firm at all.
- Both lack of trust and/or a lack of knowledge of the real capabilities of other partners also act as barriers to successfully extending what the firm does with clients.

Even if none of the above 'reasons' exist, one aspect of professional services firms can prejudice the sharing of work within a firm and prevent the potential winning of much new business from existing clients. The good news is that it is a relatively easy one for marketing and business development staff to take ownership of, to champion and to improve.

This is that there is often an acute lack of awareness by individual partners about what other parts of the firm do and the clients they work for. This will mean that when those individual partners are with their clients they will tend only to think about their own areas of work to the exclusion of the work of others. This will mean that their clients will likewise be unaware of what the whole firm can do for them.

The irony is that their valued clients thus end up with unmet needs. For example, our research across clients of law firms indicates that in no less than 30% of cases, there are

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opportunities for one or more of their currently used firms to extend the work they do – which the relevant firms (or should we say fee-earners) have not identified as a result of not effectively “opening up a discussion”

It is a regular occurrence to hear “I don’t know if (firm x) do that kind of work”.

PRAGMATIC AND MEANINGFUL STEPS TO IMPROVE ‘CO-SELLING’ CAPABILITY

How can a firm implement an effective initiative to sell to existing clients services which they do not already buy from a firm?

Awareness is often the key to successful ‘co-selling’:

- Awareness by everyone in a firm as to the work which others in the firm are doing and the clients for whom they are working. A systematic process of educating partners about what the rest of the firm does may need to be embarked upon. Easy, pragmatic examples include lunchtime sessions given by each group to the other groups in the firm to build this awareness.
- Awareness by clients about what the whole firm can do for them. This can be difficult if a partner is not prepared to allow access for other partners to ‘his’ or ‘her’ clients. This kind of situation, if not dealt with, may in turn lead other issues being raised relating to accountability and that person’s position within the firm. This is where a managing partner may need to enter the fray to drive a process designed to achieve results.

It’s best to undertake a practical and workable methodology; engineering something which appears complex and overly ‘text-book’ oriented can cause resistance across partners. Some key suggested steps follow:

- Map the client base (or say the top 50 clients by revenue) against the range of services/specialisms they have used from

the firm in the last 24 months, as shown below.

- As a pilot, take stock and brainstorm potential key issues for six clients
- Identify gaps and potential areas of interest based on an initial view of likely issues for that client
- Undertake client reviews to ascertain what is of true value to the client
- Take each partner in turn and identify say six clients each of which is spending a reasonable amount with the firm already, but for whom the firm is only providing a limited range of services but where your research shows that each of those clients are likely to have other professional services needs (even if those services are provided by others.)
- Identify a group of ‘hungry’ partners from each of the areas of work represented in the ‘gaps’ to meet with each individual partner. Marketers may want to facilitate the discussion (or use a 3rd party) and discuss in detail:
 - the needs of each of the six clients serviced by that partner as revealed by the research carried out;
 - ways in which those other partners can be carefully introduced to the six clients with a view to getting to know them and their businesses and hopefully then winning work from them;
 - how many of the key decision makers are known to the firm and where gaps exist;
 - approaches to build a broader relationship.

Experience tends to show that such a process is more likely to succeed if it is driven and overseen by say a managing partner because partners left to themselves are likely to find excuses not to carry it through.

Such a ‘matrix’ approach may not produce dramatic immediate results but

over a sensible and realistic timeframe, with a consistently applied methodical approach and with appropriate effort and hard work, will pay dividends in the form of more work from existing clients. You can move the mentality of partners from “what could I lose?” to “what can I gain?”

DON’T IGNORE SKILLS GAPS AND BUILDING BLOCKS

However, before a firm embarks on such an initiative, it is best to ensure that those involved have the skills and positive attitudes required for co-selling to be successful. Identifying any skills gaps which may need ‘plugging’ can save any wasted time and effort subsequently and is likely to pay dividends, whether in relation to co-selling or other business development activities.

Many professionals misunderstand and misapply the skills of selling. It is a myth that good selling is about being pushy or “having the gift of the gab”. In fact, fee earners can be comforted by the reality – effective selling is much more about asking well-formed questions, and listening carefully to the responses in order to identify unmet client needs that the firm may be able to satisfy. Once needs have been identified, rather than attempting to cross-sell the firm’s services, it is only necessary to introduce a colleague who is better suited to do the co-selling. And indeed, effectiveness in selling and co-selling can easily be improved, often with dramatic results, through tailored coaching sessions.

We should lose the term ‘cross-selling’. It’s not helpful. However, far from weakening a partner’s relationships with ‘his’ or ‘her’ clients, a successful co-selling initiative is likely to strengthen the relationships. And, if a well thought through reward system which rewards sharing is in place, it is also likely to increase that partner’s earnings. That can clinch the deal...

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Peter Scott, Robin Dicks and Phil Gott are among the founder members of the Winning Firm Alliance, which helps firms transform performance and effectively deal with issues including strategy, BD and financial management. Visit www.winningfirmalliance.com

	Specialism 1	Specialism 2	Specialism 3	Specialism 4	Specialism 5
Client A	used	used	gap	gap	used
Client B	gap	used	used	gap	gap
Client C	gap	gap	used	used	used
Client D	used	used	gap	used	gap
Client E	gap	gap	used	gap	gap
Client F	used	gap	gap	gap	used
And so on ...					

Map of client base against range of services/specialisms used in the last 24 months