

Do You Really Want Relationships?

By David Maister

In *The Trusted Advisor* (Free Press, 2000), my coauthors and I pointed out that building trusting relationships with clients leads to many benefits: less fee resistance, more future work, more referrals to new clients, and more effective and harmonious work relationships with the clients.

However, many people have built their past success on having a *transactional* view of their clients, not a *relationship* one, and it is not clear that they really want to change. Stated bluntly, professionals say that they want the benefits of romance, yet they still act in ways that suggest that what they are really interested in is a one-night stand.

In romance, both sides work at building a mutually supportive, mutually beneficial relationship. They work hard to create a sense of togetherness, a feeling of “US.”

Each tries to truly listen to what the other is saying and feeling. The emphasis in discussions is less on the immediate topic at hand, and more about preserving the emotional bond and the mutual commitment.

Rather than seeking immediate short-term gratification and reward, romance relies on making investments in the relationship in order to obtain long-term, future benefits.

This is all seemingly attractive, but it is not an accurate description of the way most professionals deal with their

clients, nor how many clients deal with their professional providers.

Most professional-to-client interactions involve little if any commitment to each other beyond the current deal. The prevailing principle is “buyer beware.” Mutual guardedness and suspicion exist, and the interaction is full of negotiation, bargaining, and adversarial activity. Both sides focus on the terms, conditions, and costs of temporary contact. Each side treats THEM as “different,” as “other.”

This is the way many professionals and their clients want it to be. They *want* a transaction, and may not yet (if ever) be ready for relationships. Rather than acting to build relationships, both sides might initially have the brakes on.

After all, relationships require making a commitment and incurring obligations. They also mean focusing and being selective: you can't chase after every opportunity if you want to build relationships. To be good at relationships, you must have patience and know how to trust others.

Moving from a one-night-stand (transactional) mentality to a romance (relationship) mindset is not about incremental actions, but requires a complete reversal of attitudes and behaviors. One approach is not necessarily “better” than another, but there is a real choice to be made.

Expert versus Advisor

Although it is not an identical concept, the difference between transactions and relationships is similar to the distinction between being an expert to one's client versus being an advisor.

An expert's job is to be right—to solve the client's problems through the application of technical and professional skill. In order to do this, the expert takes responsibility for the work away from the client and acts as if he or she is "in charge" until the project is done.

The advisor behaves differently. Rather than being in the right, the advisor's job is to be helpful, providing guidance, input, and counseling to the client's own thought and decision-making processes. The client retains control and responsibility at all times; the advisor's role is subordinate to this, not that of a prime mover.

Viewed this way, it is easy to see why many professionals, while they may pretend to the virtues of being their client's advisor, actually do not want to be one. They do not want to advise; they want to take charge.

The asset manager does not want merely to recommend investments to the client; he or she wants to control the client's funds. The trial litigator, similarly, does not want to provide input on trial strategy. He or she wants the client to cede authority to the warrior to do battle as she or he sees fit.

Naturally, there is nothing wrong with either role. There are many times when the client is best served by selecting the true expert and putting his or her affairs in their hands. On other occasions, the client may truly want and need an advisor.

The only mistake, on either side, is to pretend. A practitioner who is wedded to expert ways ("Leave this to me, I'll get you the result you want") has every right to practice that way. He or she has no right to complain if some (or many) clients prefer a different approach.

Of course, what would be foolish would be for someone who really prefers being an expert to pretend that he or she is an advisor. The mentality is different. The personality required is different. The skills required are different. The work experience and the fulfillments are different.

An expert who wants to be an expert is going to be miserably poor at pretending to be an advisor, and is going to resent the client throughout the entire project. (Which apparently happens a lot!)

Managing as a Relationship or as a Transaction

The issue of choosing between transactional and relationship approaches exists not only in dealings with clients but also in dealings with people inside the firm.

When I conduct seminars and workshops on managerial topics, those who pose questions want to know how to get other people (partners, subordinates, employees) to change their behavior.

The very questions suggest a transactional viewpoint with the implication that we are just fine, it's THEM who need to change. When I suggest solutions based on building relationships with these other people, my questioners are often frustrated.

"Are you saying," they ask me, "that I need to show an interest in my subordinates as people and care about their career ambitions?"

“Only if you want them to respond to you,” I reply. “If your subordinates feel that you are prepared to work at a relationship with them, ensuring that both sides benefit, then they will give you more of what you want. That’s human nature, not a political or religious point.

“But if they think that you, their superior, are just trying to get out of the deal more of what you want from them – harder work, more billable hours, whatever—then they will respond in kind. They will view you as you are viewing them—useful only to the extent that they can get out of it what they want in the short run.

“There will be no long-term loyalty and no commitment to the larger interests of the firm, because *you* have set the pattern that this is truly a temporary transaction, not a relationship. If you treat people as THEM, as objects, or as ‘others,’ they in turn will treat you instrumentally. It’s completely predictable and unavoidable.”

This analysis is not always received well. Managers are always trying to get more from THEM (the subordinates) without having to build relationships with THEM. The reasons are often the same as in the client situation. Developing relationships means creating commitments and obligations that people do not want to create.

In spite of what they say their goals are, many individuals are just not prepared to do what relationships require—in *any* context. It’s not just about their views of clients, but also about their entire life choices in dealing with people. It is their beliefs that must change, not just their daily habits.

The Attractions of Transactions

We must be wary of romanticizing romance (or the advisory role.) Relationships are not the best answer for all people at all times. There are benefits to both parties in transactions.

Relationships can be scary, particularly if they rush too quickly into creating obligations that neither side is yet ready to accept. Both client and provider may be reluctant to commit to each other for future activity until significant experience with each other is developed.

Growing relationships is very personal and intimate. You actually have to be interested in others, listen to what they say and care about, and pay attention to their moods and needs.

Little of this is required in a transaction. Where it is required, it is only needed for a short period of time, usually during the initial seduction (i.e., negotiating the deal) when people play games pretending to care about each other.

After that, the transactional approach (focus on the getting the job done, not on the other person) allows you to remain detached and unengaged, which is very attractive to some people. You can emphasize the technical skills in which you trained, and not be stressed by the need for interpersonal, psychological, emotional, or political nuances. For many professionals, this is a great blessing.

Relationships, by their very nature, are not as clear-cut as the negotiated contract terms of a transaction. On both commercial and psychological grounds, it is easy to see why some individuals might prefer the clarity (and short-term gratification) of a “propose, get hired, deliver, get paid” transaction.

Transaction skills are very “scalable”: expertise at winning and delivering transactions can be codified and disseminated quickly across an organization. It is less clear that the interpersonal skill of relationship building can be developed as quickly in a business that wants to grow rapidly.

Transactions are also very appealing to those who find comfort in the rational, the logical, or the analytical approach, which description covers people in most professional and technical businesses. Little in professional training prepares one for the psychological complexities of dealing with clients (or liking it).

An analysis of just how different transactions and relationships can be (and their relative appeals) is given in the following table.

| Transactions | Relationships |
|------------------------------------------|-----------------------------------------------------------------------|
| One-night stand | Romance |
| Them | Us |
| Opponents | On the same side |
| Short-term benefit | Long-term benefit |
| Suspicion | Trust |
| Goal is to make yourself look attractive | Goal is to understand the other party |
| Negotiate and bargain | Give and be helpful |
| Preserve options, avoid obligations | Make a commitment |
| Focus on the present | Focus on the future |
| Develop a detailed contract | Be comfortable with ambiguous understandings about future reciprocity |

| | |
|-------------------------------------------------------------|------------------------------------------------------------------|
| Main goal is to prevail | Main goal is to preserve the relationship |
| Style can be impersonal, detached | Style must be personal, engaged, intimate |
| Preparation and rehearsal of what we’re going to say and do | Adaptability and flexibility to the responses of the other party |
| Listen to what they’re saying | Listen to what they’re feeling, why they’re saying it |
| Usual feeling during the interaction is tense, enervated | Usual feeling is relaxed, comfortable |
| Interactive style is defensive, protective | Interactive style is open, inquisitive |

Additional differences exist between the two approaches. In pursuing a one-night stand, a small degree of exaggeration, misrepresentation, and manufactured appearance is normal and even expected. Perhaps people rarely lie, but they rarely tell the whole truth either.

Clients hide the true objectives and budgets for their projects for fear of giving too much away and being at a disadvantage in the negotiations. Professionals try to create the appearance of greater experience, competence, and capabilities than they truly have.

In creating a trusting relationship, however, complete integrity is required. Even the smallest example of lying to your spouse will destroy years of relationship building.

Switching from a transactional to a relationship approach to business requires a revolution of attitudes and behaviors. Gradual change will not take hold, because everything people have learned through their successes in transactions may work against them in learning how to be good at relationships. The most successful Don Juans and Donna Juanitas are unlikely to make the best spouses.

Which Approach Do People Want?

It is interesting to speculate what percentage of clients are seeking relationship advisors versus transactional experts, and what percentage of providers want to *be* relationship advisors rather than transactional experts.

I don't have hard data on this point, but I regularly poll my seminar audiences about what they look for when *they* are trying to buy professional services.

Fully eighty percent of the typical audience reports that they would prefer to hire a true advisor and, if they could find someone skilled in taking that approach, would be willing to pay a premium for it. Twenty percent would not, preferring to seek out either the best technical expert or the low-cost provider.

When I ask the same audience which approach they and their firms are currently taking, the numbers are reversed. Eighty percent report that they mostly market themselves as experts (or are currently perceived as such) although many have dreams of changing this and becoming a "trusted advisor firm."

These results are not, of course, scientific. But the difference between what people say when they are buyers and what they say when they are providers is striking.

The Client as Enemy

While viewing dealings with clients (or employees) as a transaction is normal (and may be the most common form of professional service interaction), there is a danger that continuing to view clients as THEM can degenerate into viewing the client as the *enemy*. This can breed reactions that spiral into self-defeating behavior for both parties involved.

All too often, the client becomes a competitor for things the professional wants (money, challenge, or control), not a partner in getting them.

All this can lead to behavior that worsens the situation. Professionals act in ways that are pompous, patronizing, condescending, or arrogant, and the clients react to that by being (in turn) defensive, more guarded, and even less "relational." Things begin to spiral.

As Charles Green (coauthor of *The Trusted Advisor*) points out in his new book, *Trust-Based Selling* (McGraw-Hill, 2005), you can tell a professional provider is treating the client as the enemy when he or she prefers to work back at the office rather than at the client's location. Each side, jealous and insecure about its control of THEM, competes for control of the agenda or outcome of a meeting or phone call.

Unlike healthy relationships, which surface and deal with problematic issues early, transaction players develop an inability to confront THEM on difficult issues.

As a result of all this, exaggeration, misrepresentation, selective disclosure of key information, and careful management of appearances are common on both sides. Both sides fight to be right and to prevail, rather than collaborate on finding a solution.

This all ends up being against the best interests of all parties concerned. By treating providers with suspicion, buyers create an atmosphere that makes providers more reluctant to show a sincere interest in any client need or requirement beyond the terms of the contract.

In turn, this unresponsive behavior reinforces the buyer's perception that the provider is not worthy of trust and must be kept at arm's length, watched like a hawk in case they take advantage of the client.

Like some ancient rivalry, or a bad marriage, the origins of the dispute are lost in the mists of time. It is impossible to discover who was first responsible for treating the other badly.

All that can be observed now is a set of resentments and accusations of being treated poorly by the other side. Each side can point to specific behaviors that show that THEY (the other side) are unfair, unreasonable, and untrustworthy. Each side has concrete evidence of behavior by THEM that proves that "we are justified" in our thinking poorly about THEM.

As a result, clients become more demanding and controlling in their buying behavior and providers become more insincere and less responsive in their dealings with clients. Both sides end up actively encouraging the adverse reactions from THEM that they are trying to avoid.

Other examples of dysfunctional "client as enemy" behaviors include:

- Focus on rehearsing what you are going to say to the client in proposals and presentations rather than how you plan to get a true conversation going.

- Avoiding conversations with clients because you want either to remain in control or avoid having to treat the client as a person.
- Avoiding contact with clients unless there is something concrete to talk about.
- Too obviously trying to sell more work to get what you want rather than serve the client.
- Requiring that all agreements and decisions be documented and formally approved, rather than trusting each other's word.

The most important agenda for most professionals is to ensure that they do not allow their transaction business to spin out of control into "client as enemy" behavior. Among all the outcomes, this is the worst, with no winners.

Transactions are inevitable. Clients increasingly treat professionals as vendors; they audit bills, they use purchasing departments and consultants in their selection processes, they bargain hard, and they emphasize contractual terms. Once this has begun to happen, it is clear that the client organization has categorized you as THEM and what follows, with immensely high probability, is going to be a transaction.

That's not necessarily a tragedy. As long as enmity does not build up, great success can be achieved with this approach. Once you are working with the client on the transaction, you have the opportunity to then take advantage of the client contact to build a relationship for the next time.

However, firms must be vigilant in identifying where they are engaging in

“client as enemy” activities, and discuss ways to eliminate them. In addition, they must identify and eliminate anything they might be doing that causes the clients to view the firm as the enemy.

As Patrick McKenna, my coauthor on *First Among Equals*, observes: “The first tangible acknowledgment that many clients get from their professional service provider is a standard retainer agreement that lays out in no uncertain terms ‘what we are going to do for you—and to you—if you don’t pay our bill in a timely fashion.’”

“How’s that for a terrible way to start?” Patrick asks. “Why not make sure that the firm’s first communication with the client is a letter of thanks for having been chosen, providing a note of reassurance to the client that they have chosen someone with some human sensitivity?”

If relationships are not always possible, the very least a firm can do is to ensure that it handles its transactions professionally, and does not play the transaction game in such a way as to alienate the very clients it seeks to win and serve.

Making the Transition to Romance

Many people believe that individuals, by the time they reach positions of influence in their careers, cannot readily change and that if firms want to build relationships, they must recruit, develop, and retain people who have a predisposition for romance rather than seeking to change transactional people in the middle of their careers.

There is a great deal of truth to this. In *Managing the Professional Service Firm*, I wrote about two types of firms: *hunters* (based on opportunistic individualism) and *farmers* (based on

collaborative teamwork). Many firms have tried to make the transition from the former to the latter, only to discover that it has been extremely difficult to turn individualists into team players.

Few have pulled it off as institutions and those that did accomplished it not by changing people, but by replacing them. Only when the collaborative team players achieved positions of power and could insist on their approach did firms begin to change.

Another approach to changes of this kind has been to complement “old style” players with people who have the “new” attitudes and skills. This has been done in firms where technical experts have been explicitly teamed up with “client-friendly” salespeople who work together to win and serve clients, melding their skills.

The real challenge, however, is for all of us as individuals, not as firms. Transactions are common because they involve less hard work and demand fewer skills. Ultimately, however, they are not in the best long-term interests of either professional or client.

Mutual trust will allow both sides to get more of what they seek than continued mutual suspicion. Relationships are not more “noble” than transactions, but where they can be created they are much more profitable.

Accordingly, many professionals will want to make the terrifying and difficult transition from skilled seducers to relationship-minded collaborators.

Clients *can* be successfully led into a mutually supportive relationship and away from treating us with suspicion, but only if we throw away the bad habits of viewing them as THEM, and throw ourselves whole-heartedly into

developing the new skills of relationships.

The key first step is to recognize that romance and relationships work by *earning* and *deserving* what you want to get back from the other party.

Whenever a trade-off occurs, the rules of romance require that, instead of acting defensively to protect your own interests, you put the client's interest first and keep the faith that this relationship-building act will be repaid through future reciprocity. As ***The Trusted Advisor*** tried to show, this is not idealism since it leads to higher returns, but it does require an act of faith.

Accordingly, the course of wisdom for those new to the approach is to be highly selective in choosing a first relationship to experiment with. As in all change efforts, a small-scale first experiment that has a high chance of yielding an early success is the wisest approach, rather than beginning with the most important relationships. If you are going to learn a new skill, it is better to do so in a situation where any initial fumbles will not be costly.

If they are to capture market premiums, professionals cannot, in the long run, afford to have clients continue to view them as THEM. Professionals *need* clients (and employees) to think of them as US. And the only way to achieve that is to start thinking of them the same way.

We must each decide whether, if we truly want the benefits of romance, we have the courage and patience to shake off old ways of viewing other people and are willing to learn new ways of dealing with them.



David Maister is the author of *Managing the Professional Service Firm* (1993), *True Professionalism* (1997), *The Trusted Advisor* (2000) (coauthor), *Practice What You Preach* (2001), and *First Among Equals* (2002) (coauthor).

Prior to launching his (solo but global) consulting practice in 1985, he served as a professor at the Harvard Business School.

TEL: 1-617-262-5968

EMAIL: david@davidmaister.com

WEBSITE: www.davidmaister.com

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