Don’t Develop Business, Develop Clients

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Over the years, I’ve advised a wide range of companies with different kinds of B2B business models, at all stages of evolution from start-ups to global market leaders, while myself building two firms with their own imperatives to grow revenue client by client. I’ve noticed two common pathologies, which I’ve come to view as two opposite forms of departure from an underlying ideal.

- **Pushing on a String**. Most companies see the world through the narrow window of their particular offerings. They build relationships based on *advocacy* for their particular value proposition, *service* to address the specific needs that arise for clients who buy their offerings – and, for the better salespeople and account managers, *personal connection* that gives the transaction human warmth. These are all good things, but limited. As B2B products and services become commoditized, which inevitably happens in most mature markets, buyers adapt to drive efficient commodity purchasing. Advocacy comes to feel like bombast, or simply fills cells in a buyer’s spreadsheet of features and benefits. Service is table stakes. The procurement process aims to depersonalize the buying process, so that the preferences born of human connection don’t obscure the impersonal logic of comparative value – which as commoditization proceeds apace, becomes more and more a logic of lowest cost. Companies find themselves pushing on a string, working really hard without achieving any particular edge in a competitive market

- **Cult of the Rainmaker**. On the opposite end of the spectrum, relationships flow from the star power of rare rainmakers, whose reputations and rolodexes are the essential element to open doors. That’s terrific for the rainmakers, and when the rainmaker is compelling enough the wolves of commoditization can be held at bay. But the cult of the rainmaker leaves most of the organization stranded, as few individuals find or even imagine a path to join the rainmakers on the other side of the rainbow. Even in more institutionalized firms in fields like strategy consulting or investment banking, very few people ever learn how to develop clients – and many promising practitioners turn away because they’re apprehensive about making the transition or get stuck in the early innings of the game

The first step in finding the golden mean between these two unhealthy extremes is to understand the essence of what it means to develop a *client*, which at its core has almost nothing to do with developing *business* or engaging in any form of transaction.

We’ve thought about this question deeply at Incandescent, because it connects to a core aspect of our identity. The desire to help people fulfill aspirations that matter to them and that matter full stop is at the very core of our purpose as a firm. Our approach to developing business starts there, not simply because that’s a good way to do business, but because it is a deeper, more intrinsic value.

Advising a client is most fundamentally not an activity but a stance, not so much a process as a way of being in a relationship. Treating someone as a client means beginning from their purpose, and trying to help them realize that purpose. This relation must be mutual. Only if the client is willing to make the purpose shared does true advising happen. Otherwise all that’s occurring is the idle sharing of advice.

Part of what makes advising complex is the varied landscape of objectives that people and institutions have. Objectives further out run up against objectives closer in. Divergent goals live in tension. One scope of responsibility lives within another larger scope. Individuals have commitments that aren’t identical with the commitments of the institutions in which they participate. In order for an advisory relationship to form, this tangle of objectives needs to be resolved into an *agenda* that is sufficiently clear to be shared. Such an agenda could be very broad and diffuse – e.g., figure out what it would look like for XYZ company to stand for a larger vision and then build a strategy and an operating model to move in the direction of that vision. Or, an agenda could be very narrow – e.g., figure out how an upcoming offsite with ABC prospective JV partner advances toward a deal. Just as smaller objectives nest within larger objectives, in the art of advising, smaller agendas generally nest within larger ones.

Advising at its heart has the structure of a journey. An agenda represents a commitment the client has – which the advisor has come to share – that requires time, action and the overcoming of challenges in order to be fulfilled. The advisor might get immersed in the action, or might stand with the client at a distance from it, but either way is engaged with the client in this journey. The nature of this journey often won’t be clear at the beginning. Dialogues that clarify commitments and clarify the barriers to those commitments being fulfilled are essential to advising because they crystallize what the journey is and what it represents.

We aim to treat people as clients from the very beginning of the relationship. We focus on really understanding what their commitments are and understanding what’s required in order to overcome barriers and fulfill these commitments. At the same time that we’re engaged in this work of understanding the individual and their context, we’re thinking about what kind of opportunities or problems they have, and what we believe about this category of situation. For instance, if the individual is playing a staff role and seeking to find a way to execute a cost reduction program that won’t derail the company’s efforts to shift and strengthen their culture, we need to reflect on what we believe about culture, what we believe about cost reduction (e.g., the difference between changing the scope of what units are responsible for delivering versus asking units to deliver the same outputs in a more efficient way), what we believe about key success factors in these kinds of corporate initiatives (e.g., when to use bottom-up vs. top-down approaches; how to achieve collaboration across organizational boundaries to pursue an imperative like this) and what we believe about how line and staff roles need to work in concert to deliver this kind of objective (e.g., what the CEO as sponsor would likely need to do in order for the leader we’re speaking with to be positioned for success).

During this early stage of learning and building a relationship, potentially with an individual client and potentially with a group of individuals with a shared need, we are generally adding value in some mix of four ways:

- **Clarifying**. We help the client understand what they’re really seeking to achieve, what problems they need to overcome and what this entails

- **Conceptualizing**. We apply concepts that help the client gain insight into the questions at hand (e.g., this kind of problem can be thought about in this way)

- **Visualizing a Path**. We help the client look ahead and develop an actionable view of what it would look like to make progress toward their agenda. Sometimes the relevant path is a very long arc (e.g., what it might look like to build a company to the next level over a period of years), sometimes a medium-sized, project length arc (e.g., how the leader envisioned above could get their cost reduction program successfully launched), sometimes the close-in identification of next steps (e.g., the next conversation they need to have or question they need to answer)

- **Accessing Resources**. We identify specific resources that relate to the client’s critical path and bring them to bear. Often, this will take the form of introducing them to relevant people. Sometimes, this will be more a question of content that helps them solve a given problem (e.g., here’s a guide you could use for facilitating your upcoming meeting). These resources may live within Incandescent, but at least as often we’ll be reaching outside the boundaries of the firm

It is a fundamental challenge in doing this well to stay rooted in the perspective of helping people, rather than jumping too early to the question of “what would *we* do.” We don’t assume that Incandescent is the solution to any given problem – rather, we should assume that while we can be helpful to a wide range of people, often that help shouldn’t involve doing business with us.

It is an equally fundamental challenge to stay focused on the question of “what does the client’s situation demand” rather than the question of “what do we *know* about what the answer is.”

When one untethers from one’s own offerings and one’s own expertise, treating those strengths simply as parts of a broader dialogue, then the essential core of a client relationship shines through. The client’s purpose has become a shared agenda. This the seed from which a partnership can emerge.

One can begin to approach the world this way at any stage of a career.

When we’re up at the very top of a client company, advising on what it takes to drive innovations that will unlock new sources of growth, we try to bring client executives into the white space of this way of building relationships. In order to discover a more differentiated value proposition in a commoditizing market, one needs to begin helping clients solve problems that neither they nor you are fully equipped to solve today. There’s no way around that. If they could solve the problem, you wouldn’t be a differentiated partner. If you could fully solve the problem, you’d already have built the business.

I give very similar advice to young associates, at Incandescent and at other firms. It is never too soon to begin building relationships grounded in this essence of what it means to approach someone as a client. Associates do not need to focus on developing these relationships with people who can pay for their firm’s services. If anything, that transactional element is distracting. Boxers develop good form in practice, not in the ring. The dynamics of pursuing a transaction exert powerful pressure that pulls people away from the essence of building a client relationship. By building up this way of being without the swirl of commercial pressures, one becomes able to sustain it in the heat of developing business.

Part of what I’ve come to understand over the years is that not only does this “golden mean” of putting the development of clients before the development of business work, over the long term, but it leads to a dramatically more satisfying life than more instrumental approaches to business development. Who wouldn’t rather spend their days helping people than spend their days selling in a narrow sense? Who wouldn’t gain, over time, from confronting the essence of what clients really need, seeing the gaps between this need and one’s own capabilities, and learning, both at the scale of days and over the span of years, to bridge that difference?