



Converting CX into Financial Success for Your Firm

Mike Phillips AIA

President and Founding Partner

Phillips Architecture PA

Phillips Architecture PA

- 25 person architecture and interiors firm
- PSMJ's "Leading By Example Award"
- highest client satisfaction scores (five years)
- Zweig's "Best Collaborative Firm"
"Best Design Workplace"
- Co-founder of Client Savvy
- Client Feedback Tool user for over ten years

Why are you here today?

- Because you understand
that knowing how to build real value
with each client is a powerful way;*
- to improve the success of your firm*
 - to improve the satisfaction of your people*
 - and improve outcomes for your clients*

Poll: What do our
clients think?

How often do designers
significantly exceed
a client's expectations?

10%, 25%, 40%, 50%

Poll: What do our
clients think?

How often do designers
significantly exceed
a client's expectations?

10%, 25%, 40%, 50%, **74.8%**

Poll: How critical
are our clients?

How often do clients
restore a high valuation
in designers after mistakes
are addressed?

10%, 25%, 50%, 75%

Poll: How critical
are our clients?

How often do clients
restore a high valuation
in designers after mistakes
are addressed?

10%, 25%, 50%, 75%, **82.7%**

Client Experience
is a
Means to an End

Client Experience
is not
About Making the Client
Happy

Client Experience
is about
Becoming the
Client's Expert



From a quarter million
client responses...

the number one thing
that clients want
from their consultant is...

Clients want an
effective relationship

Our Perspective

- Our job for our clients is to;
 - Understand their problem
 - Help them analyze solutions
 - Fine tune solutions per their priorities
 - Help them execute solutions

Client Perspective

- Our job (*opportunity*) for our clients is to;
 - Be responsive
 - Be helpful
 - Produce quality solutions
 - Help them manage costs
 - Help them manage schedule
 - Produce accurate documents
 - Track their expectations and perceptions

why

while working on client projects

we are seeking to create

quality outcomes

for all stake holders:

client

firm

staff

Quality Outcomes

Client:

solutions

Firm:

success

Staff:

satisfaction

Strategic Metrics

Measure what matters (not just profit)

Whatever is measured improves

What is measured is better known

What is measured can be managed

All firms measure profit

Very few firms measure client satisfaction

Those firms that do tend to be more profitable

Strategic Metrics

Most successful way to use client metrics:

- Collect feedback directly from the client
- Collect metric-based feedback
- Use a method comfortable for team & client
- Collect early and often during project
- Display metrics in graphically intuitive form
- Use metrics for pricing, teaming & training

Firm Success

The only business
that can have
'making money'
as its goal
is the
US Mint.



Firm Success

Successful businesses
have to provide
a service
that is valuable
to its clients
and deliver that service
cost effectively



Firm Success

*Hey Mike,
what about marketing?*

*Yes, it helps to pick
the right clients and projects,
but being valuable to clients
produces the best marketing
(reputation, word-of-mouth, referrals)*

Client Metrics

Collect metrics on your client:

- What they expected

- What they think they got

Collect metrics from the beginning of project:

- From proposal to occupancy

- After events to check client's reaction

- Don't wait till end of project (*autopsy!*)

Client Metrics

GOAL: become their expert (keep improving)

Give clients a chance to tell you
how to be most valuable to them

Ask for information about:

your process (this checks your relationship)

your deliverables (this checks your liability)

meeting/exceeding expectations (checks fee)

Firm Success

- Strategic fee setting
(by value, not cost)
- Efficient project production
(right process & people)
- Reducing liability
(without perfection)
- Maintaining effective work team
(hiring, training and assignments)

Firm Success

- Strategic fee setting
(by value, not cost)
- Efficient project production
(right process & people)
- Reducing liability
(without perfection)
- Maintaining effective work team
(hiring, training and assignments)

Strategic Fee Setting

Initial Fee

use cost as base, set fee by value

we usually underestimate our value to clients
if 'exceeding expectations', fee was too low

Additional Services

use metrics to resist temptation to give away

or, give away one small early freebie

use expectations metrics to set fee

Firm Success

- Strategic fee setting
(by value, not cost)
- Efficient project production
(right process & people)
- Reducing liability
(without perfection)
- Maintaining effective work team
(hiring, training and assignments)

Efficient Project Production

Use metrics from specific, or similar client to assign most effective people to that client's project:

highest relationship scores = project manager

highest deliverables scores = production

This lets client's actual preferences help determine the optimal team (client's experts)

Firm Success

- Strategic fee setting
(by value, not cost)
- Efficient project production
(right process & people)
- Reducing liability
(without perfection)
- Maintaining effective work team
(hiring, training and assignments)

Reducing Liability

XL Insurance,
one of the leading
professional liability insurers
for service providers,
identifies the quality of the relationship
to be a prime determinant in whether
a client decides to sue their service vendor
for a project problem.

Reducing Liability

Track relationship scores during project to see where a client thinks expectations are not being met:

- Identify with client a better process

- Follow process and track scores

- Confirm where expectations are exceeded

- Thank client for feedback

- Set automatic alerts for high and low scores

Tracking Client Feedback

High scores:

- praise person immediately

- ask how they did it

Low scores:

- ask client how to improve process

- ask person if they need help on process

All scores:

- thank person for asking, client for answering

Tracking Client Feedback

Hey Mike,

*This feedback stuff is going to take forever,
we don't have time for this!*

*Our firm spends about
one hour/person/month
on feedback*

and save lots of time on damage repair.

Firm Success

- Strategic fee setting
(by value, not cost)
- Efficient project production
(right process & people)
- Reducing liability
(without perfection)
- Maintaining effective work team
(hiring, training and assignments)

Effective Work Teams

Goal: to build and promote a talented, flexible, satisfied team of people who find satisfaction in producing projects that are valuable to their clients.

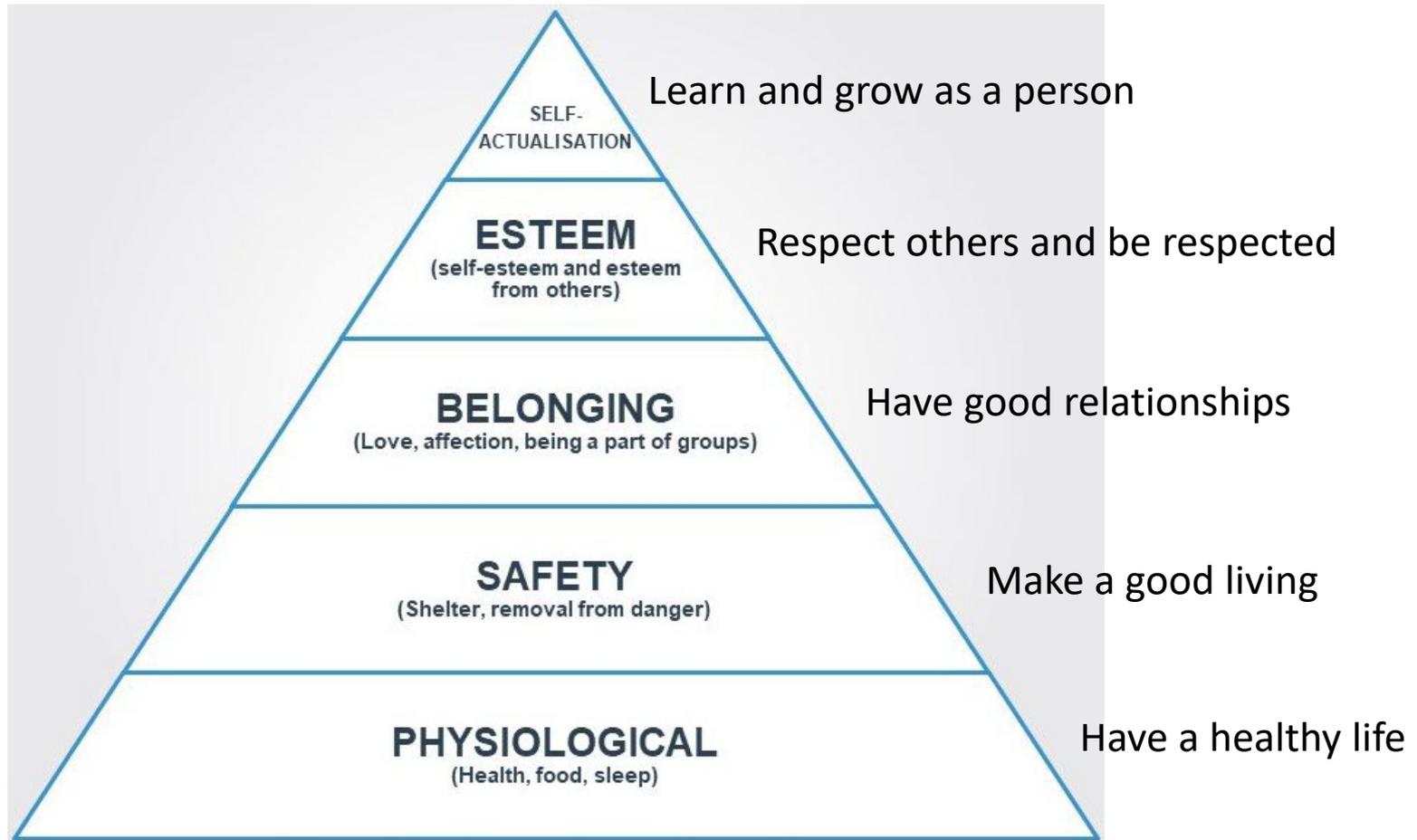
Challenges:

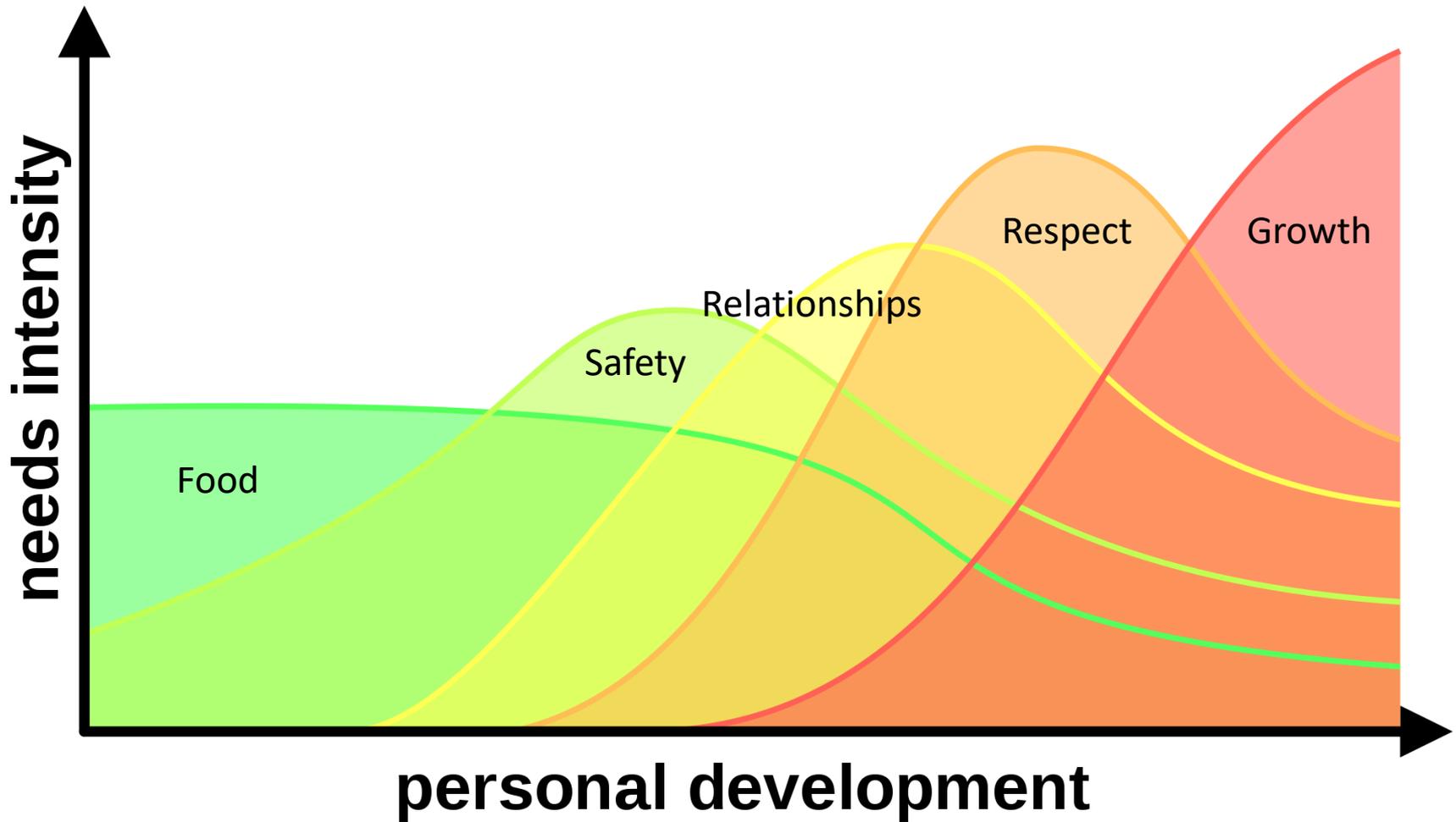
- low unemployment (hard to find good)

- work can be stressful

- clients can have unrealistic expectations

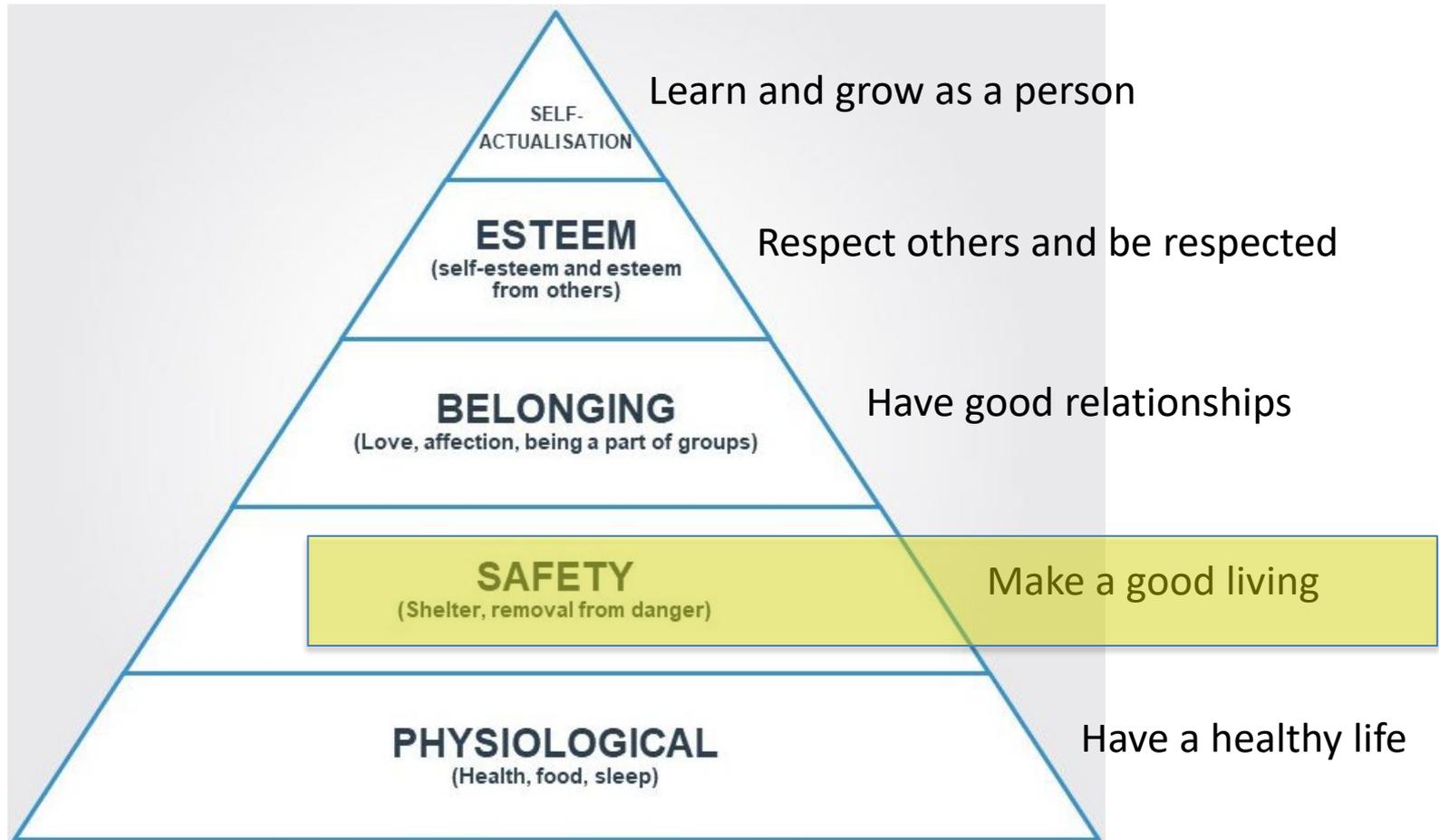
Maslow's Hierarchy of Needs





- | | |
|--|--|
|  Physiological needs |  Esteem |
|  Safety needs |  Self-actualization |
|  Love / belonging | |

Maslow's Hierarchy of Needs



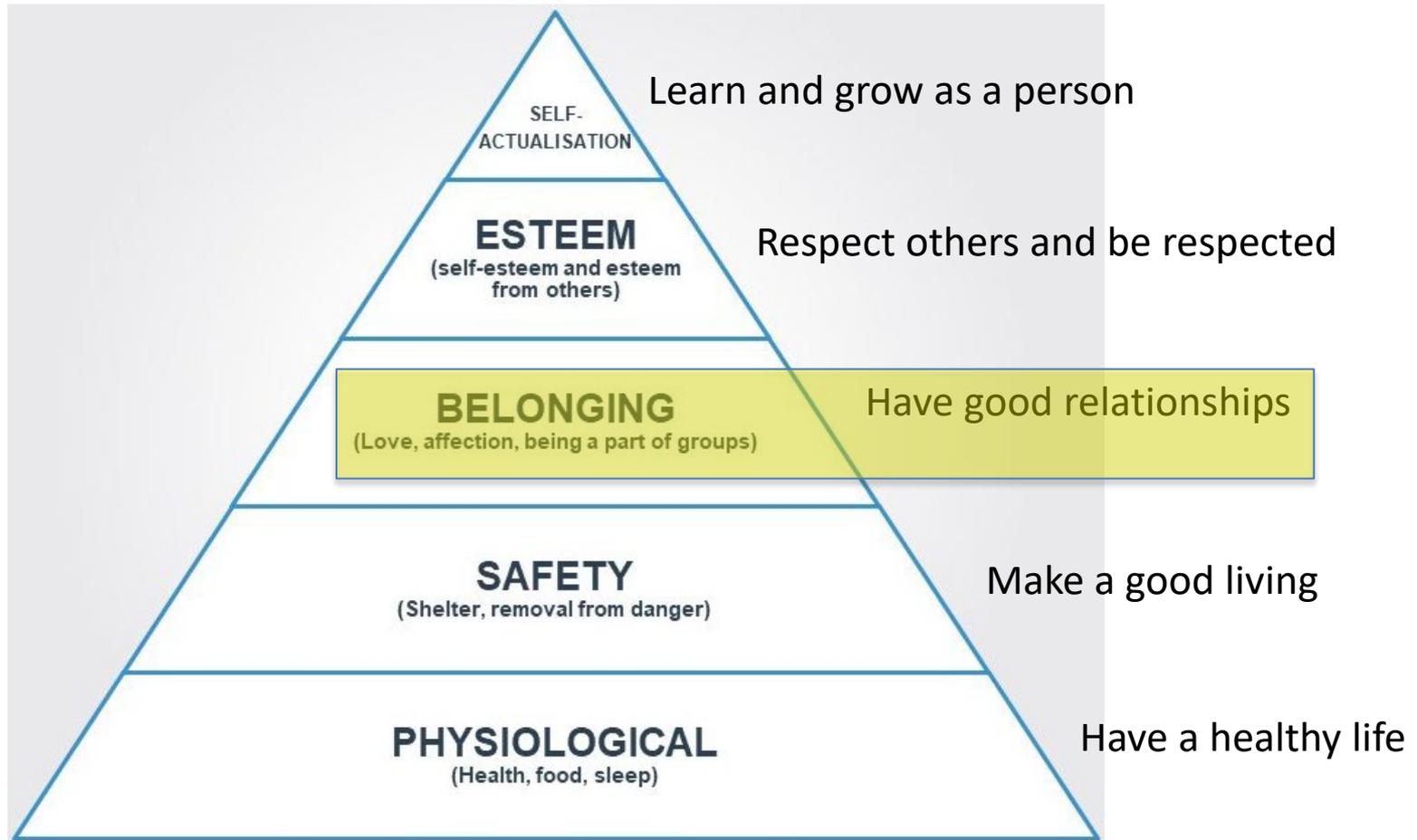
Maslow's Hierarchy of Needs

Shelter, Safety and Compensation

Use client metrics to fine tune each staff member's assignments to what they do best

This promotes higher billable rates and compensation

Maslow's Hierarchy of Needs



Maslow's Hierarchy of Needs

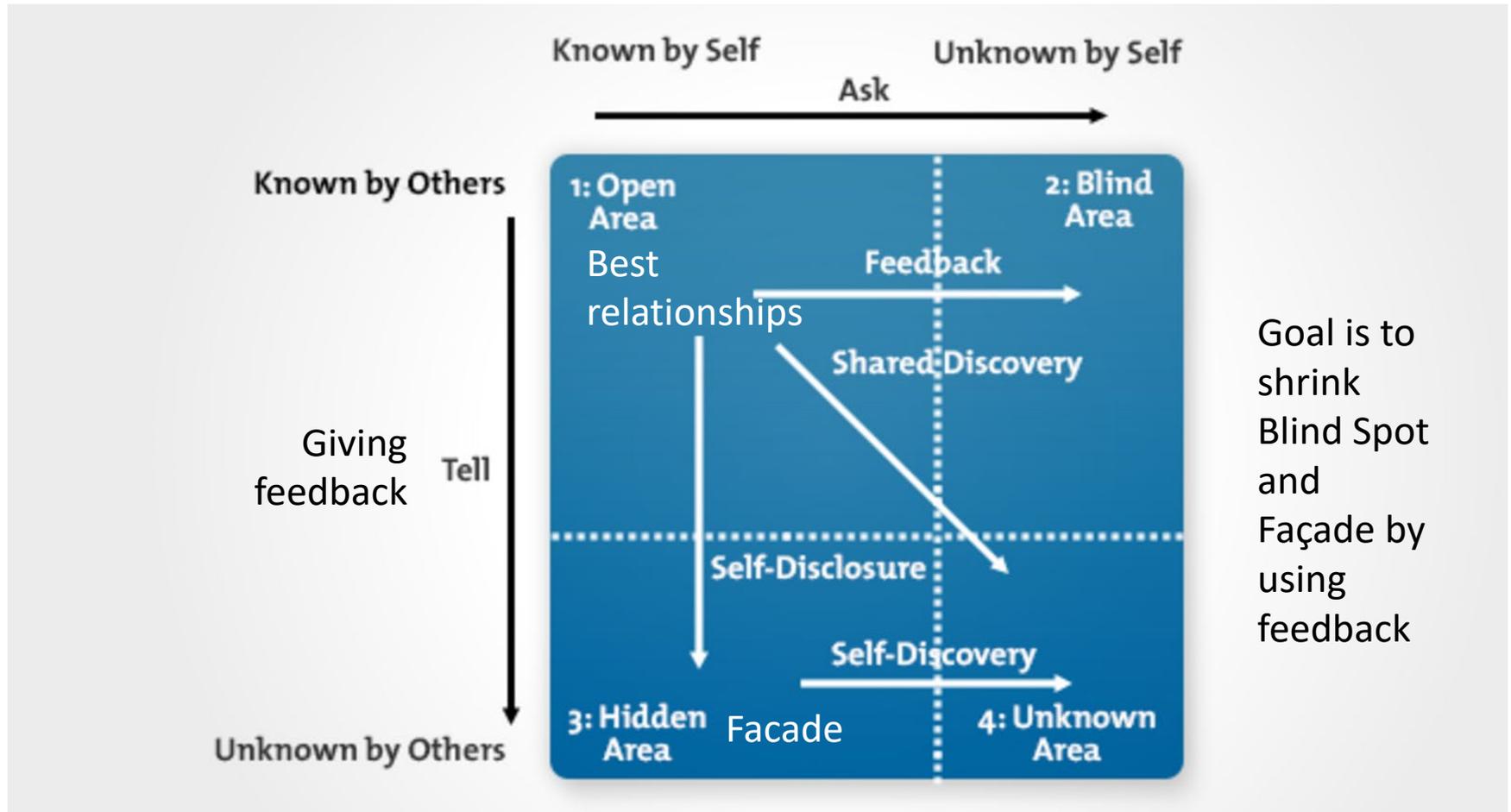
Belonging, Quality of Relationships

Use client metrics to see who does best with each client (and with other team members)

Promote strong relationships by training in communication and negotiation

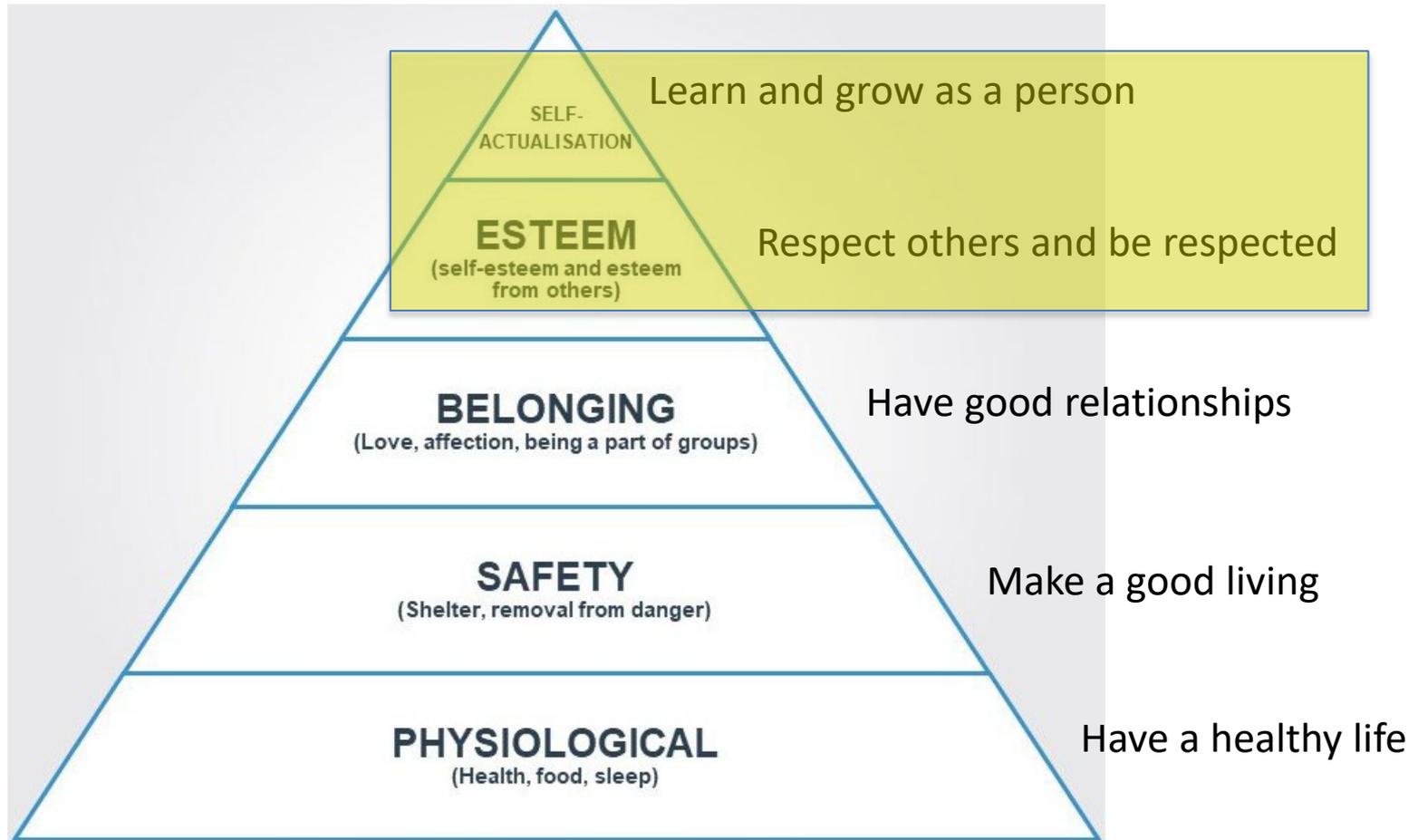
Asking for and giving feedback strengthens relationships and awareness

Johari Window



Developed by Joseph Luft and Harrington Ingham to improve relationships

Maslow's Hierarchy of Needs



Respect and Growth

Feedback (client and other) promotes:

- greater value of people to each other
- better understanding of expectations
- more time-efficient helpfulness
- more comfortable, effective communication
- more caring and carefulness
- more mutual respect and personal growth

Successful Feedback

But Mike, I know it is good to do, but some of our team (including myself) may be scared of asking for feedback!

Soften by using email to collect

Collect early for time to implement

Focus on process-refinement, not personal

Publish and praise positive feedback

Whatever is rewarded will persist

Strategic Client Metrics

*But Mike,
how in the world are we
supposed to look at all that data
and figure all this out?*

*Keep it simple and find a graphic that
lets you see a lot at a single glance.
Use that graphic like a scanning radar
to spot where you have an issue or an
opportunity.*

Becoming Client Expert

*“Oh no.
We didn’t do it right.”*

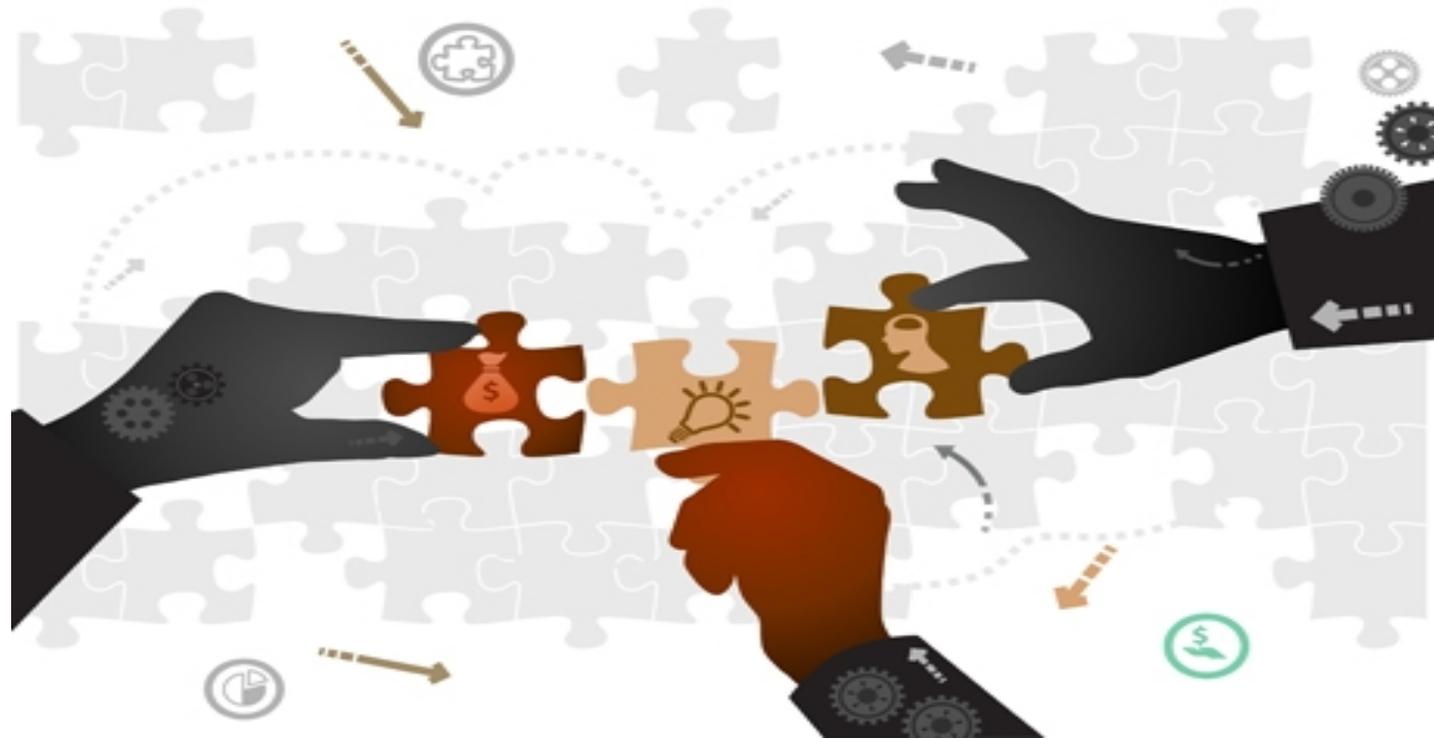
*“Great Job.
Do it again the same way.”*



Client Loyalty Drivers

Relationship

- Helpfulness
- Responsiveness
- Quality

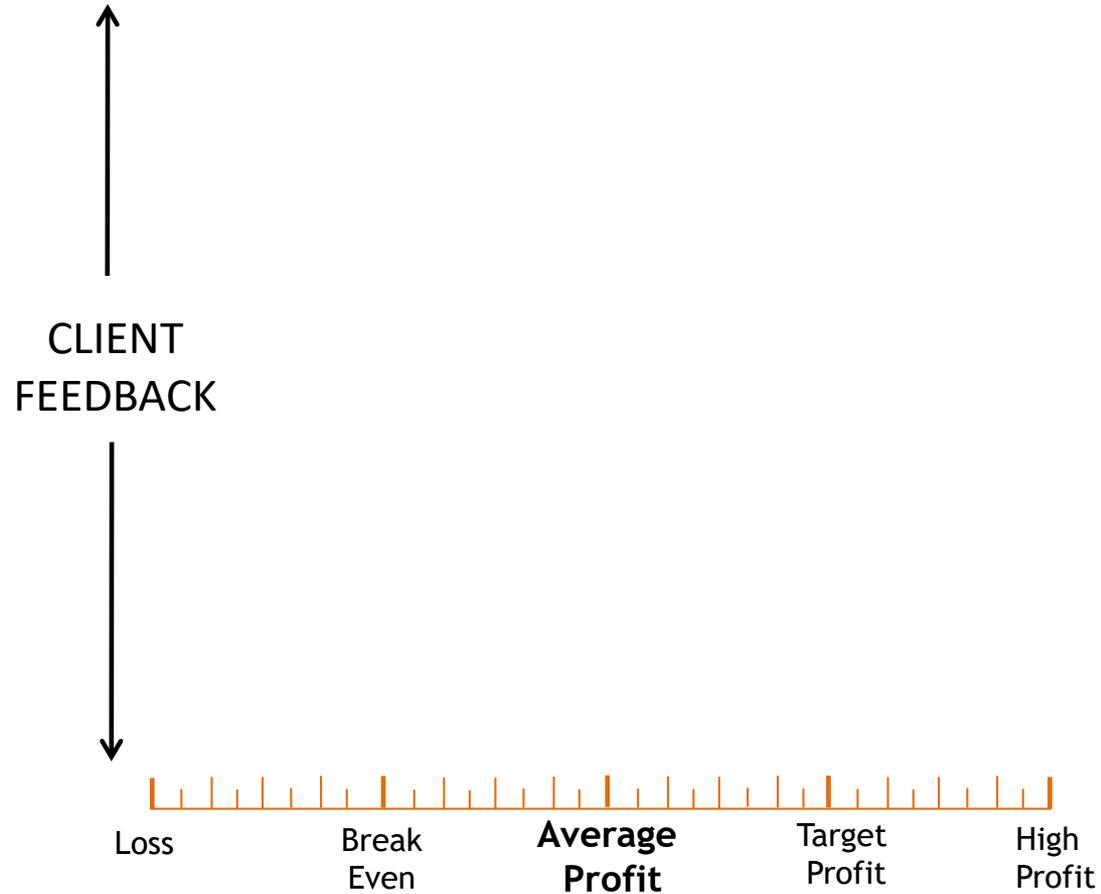


Client Loyalty Drivers

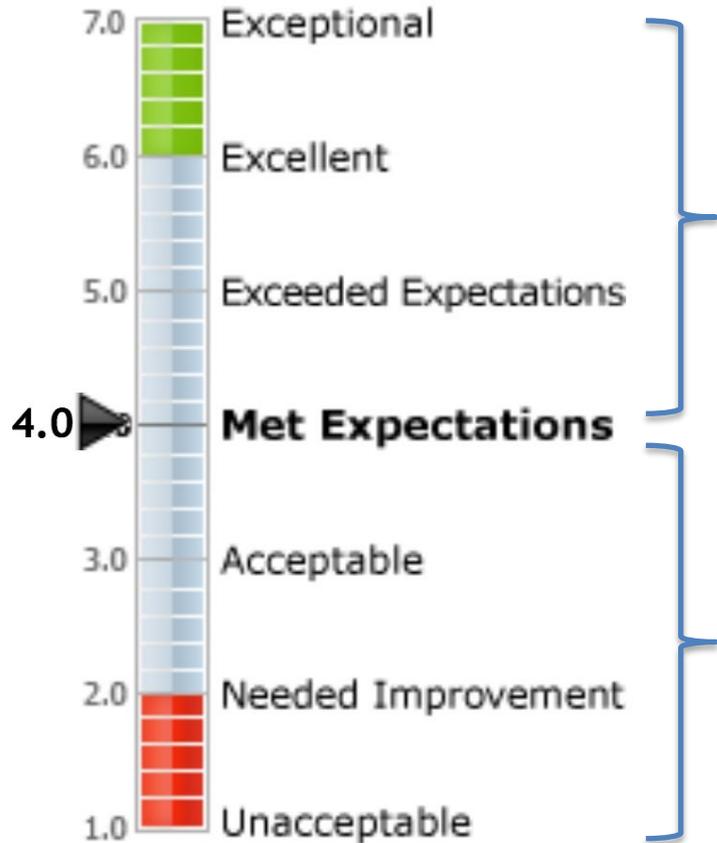
- Deliverables
 - Schedule
 - Costs
 - Accuracy



Becoming Client Expert



Strategic Client Metrics



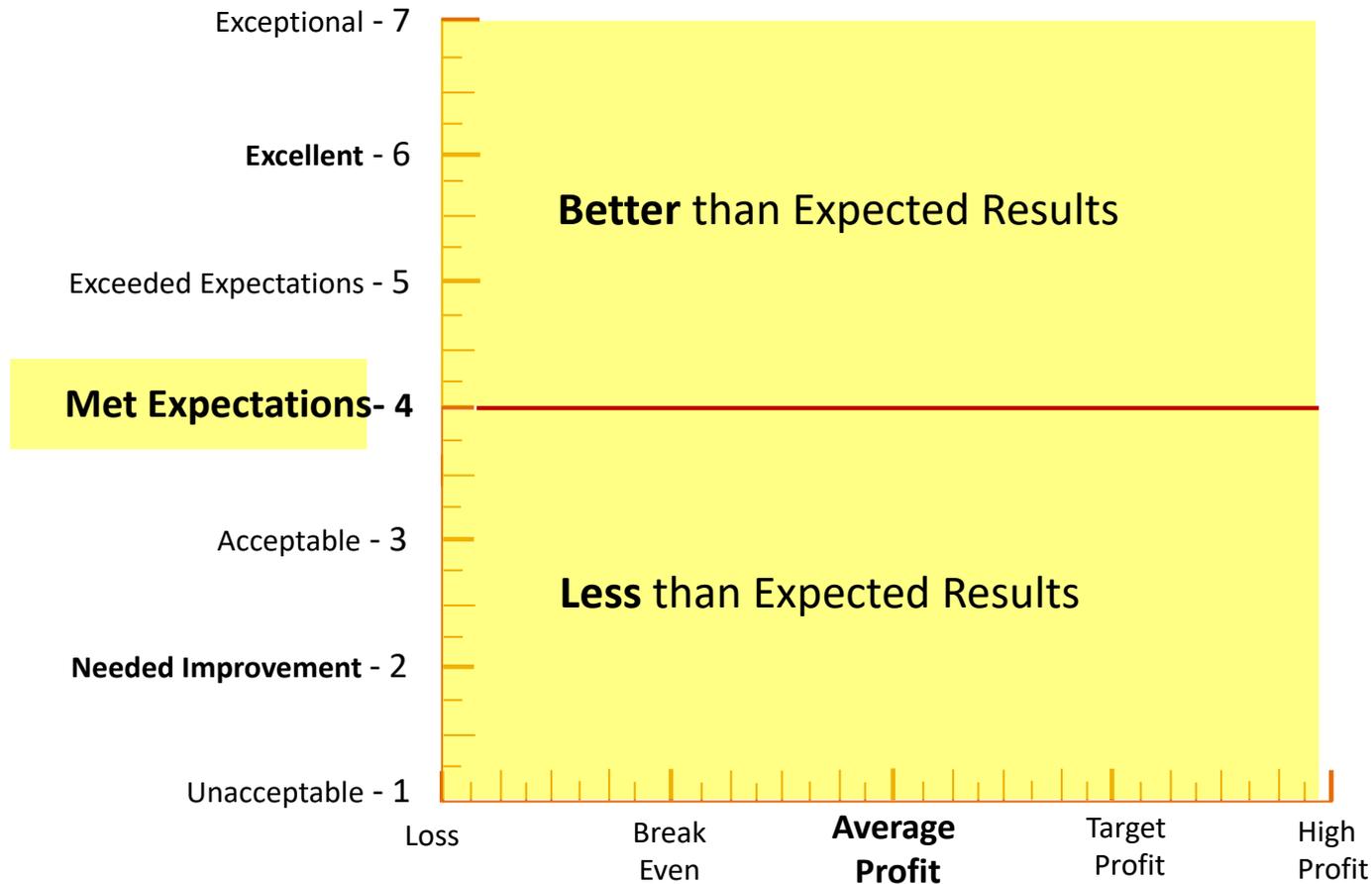
Exceeding expectations means:

- Building value with client
- Becoming the client's expert

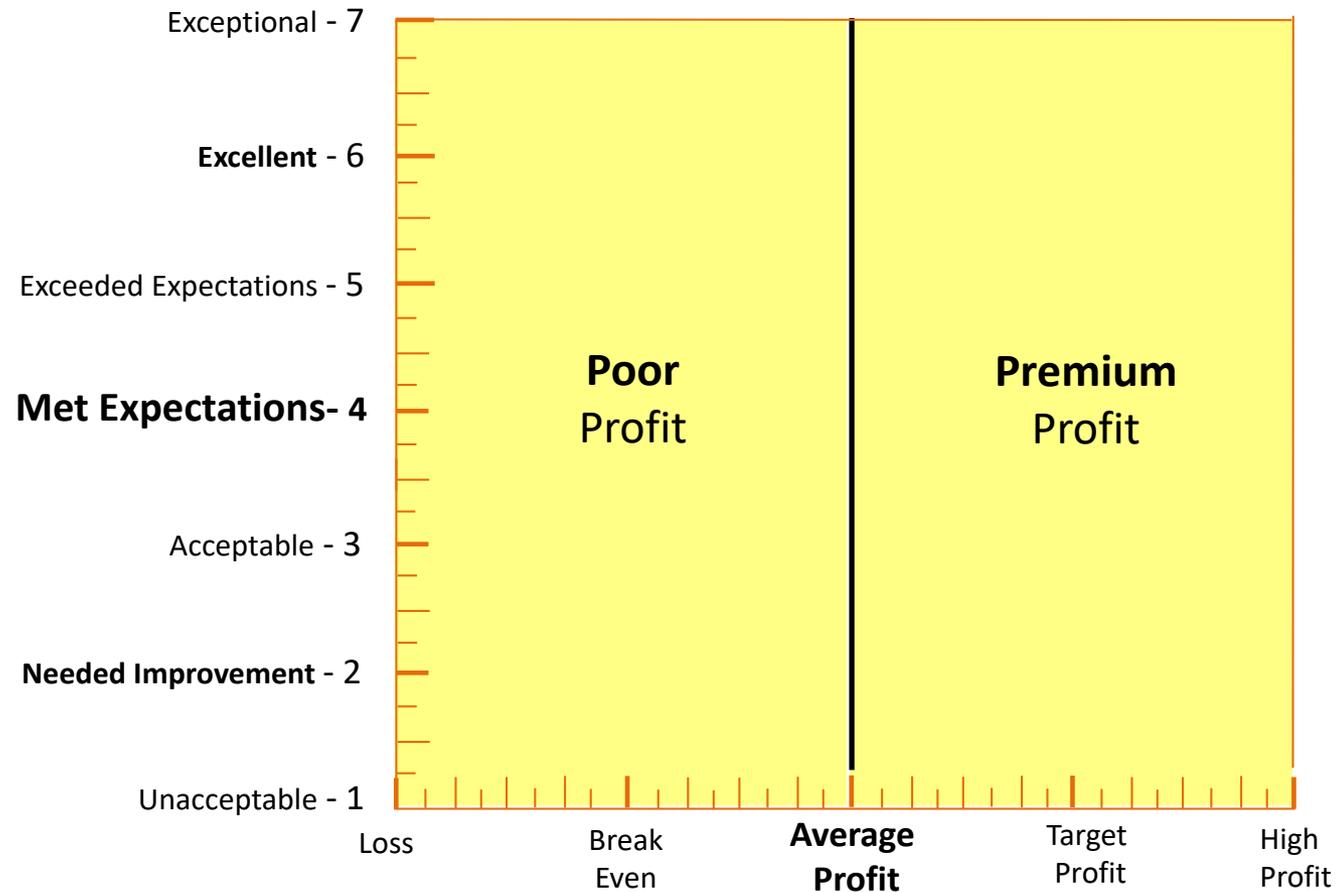
Not meeting expectations:

- Problems to solve
- Opportunity to improve

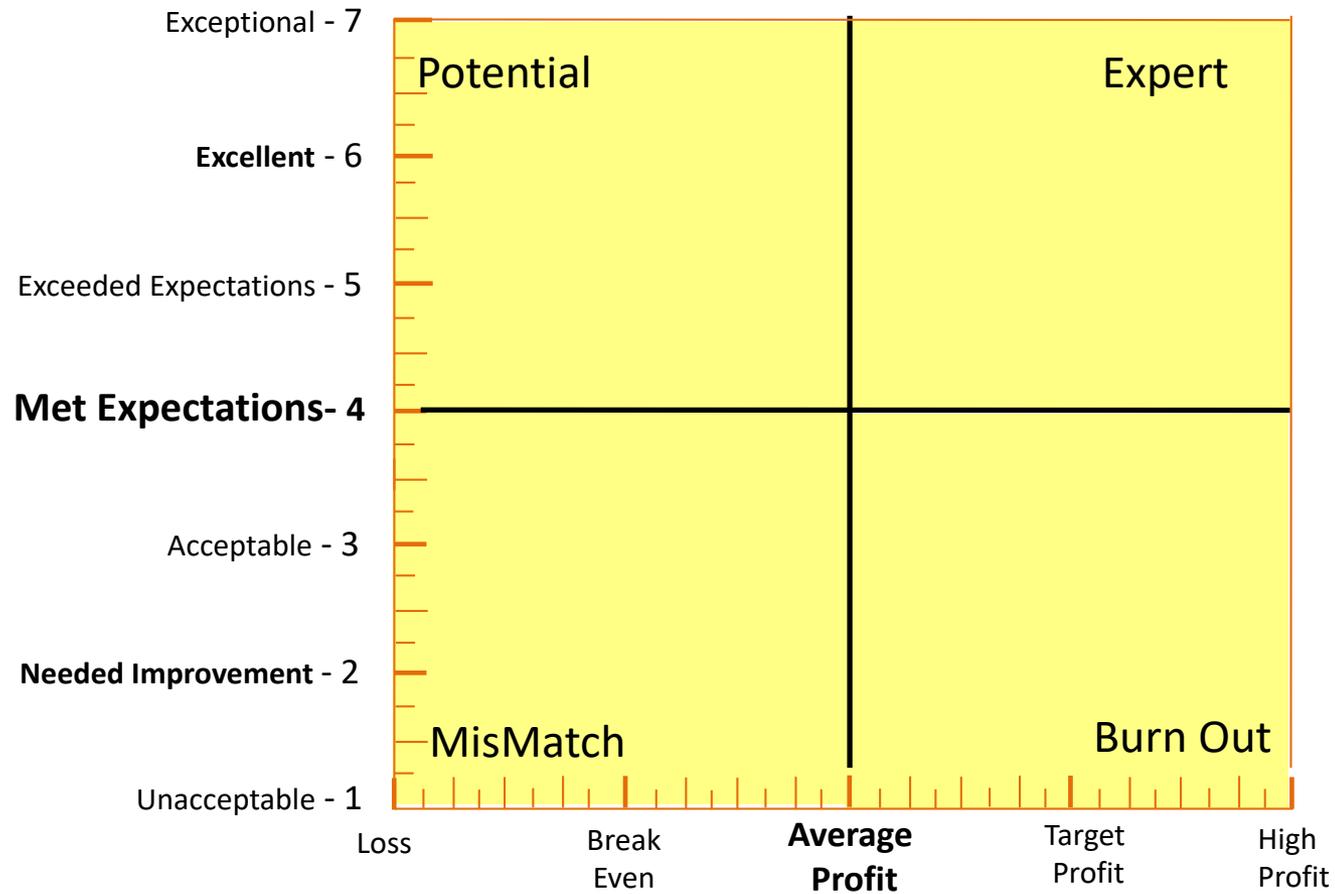
Becoming Client Expert



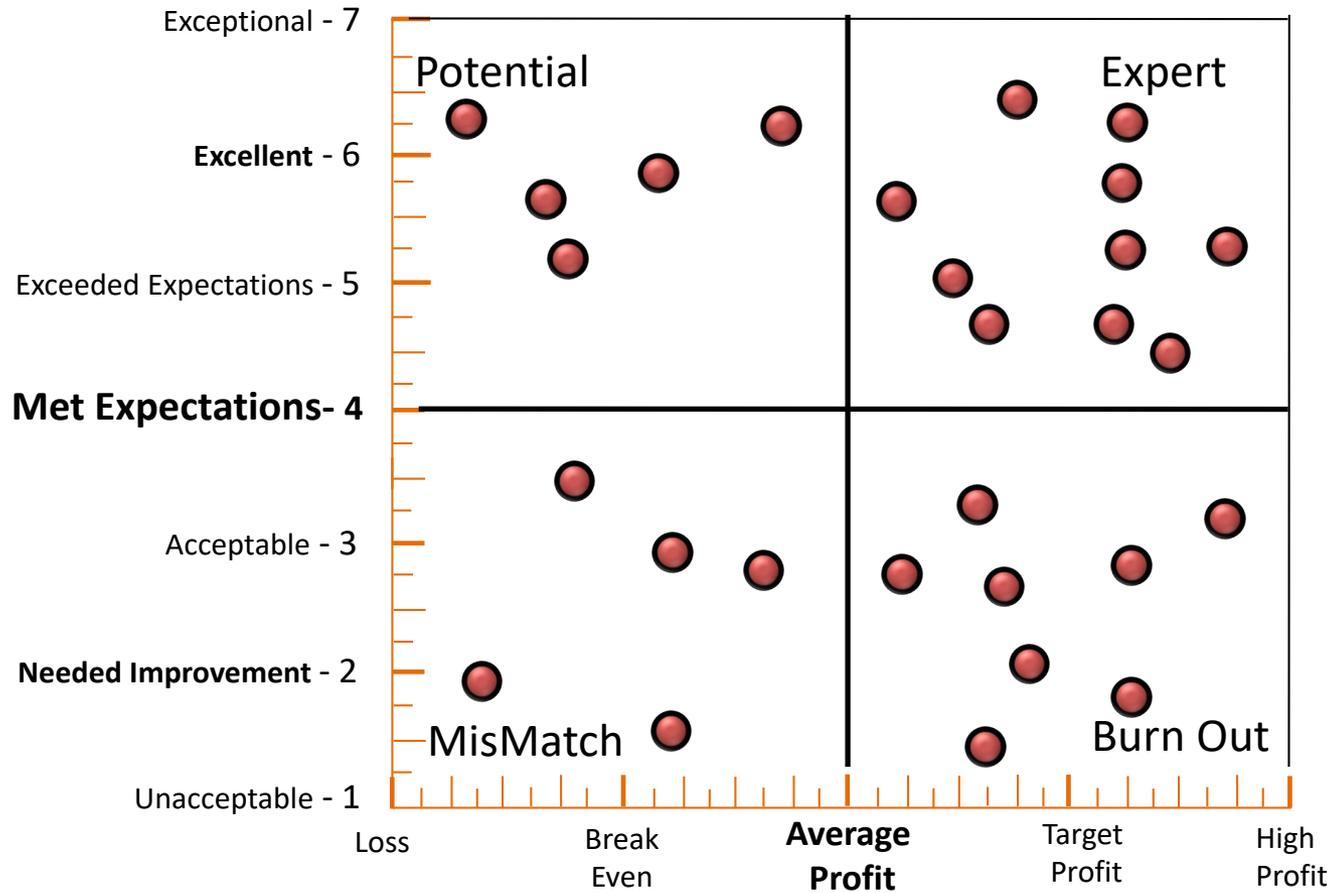
Becoming Client Expert



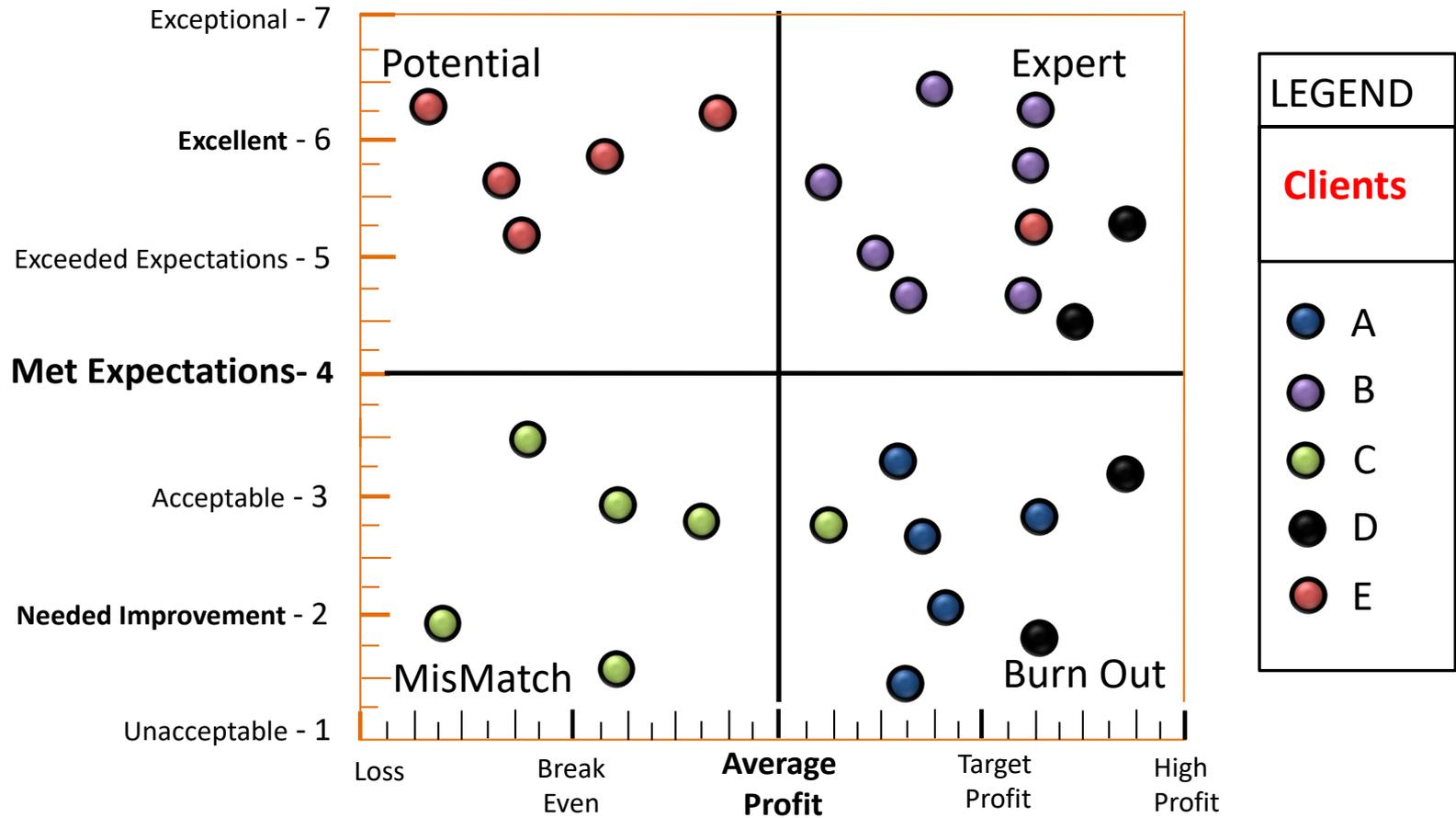
Becoming Client Expert



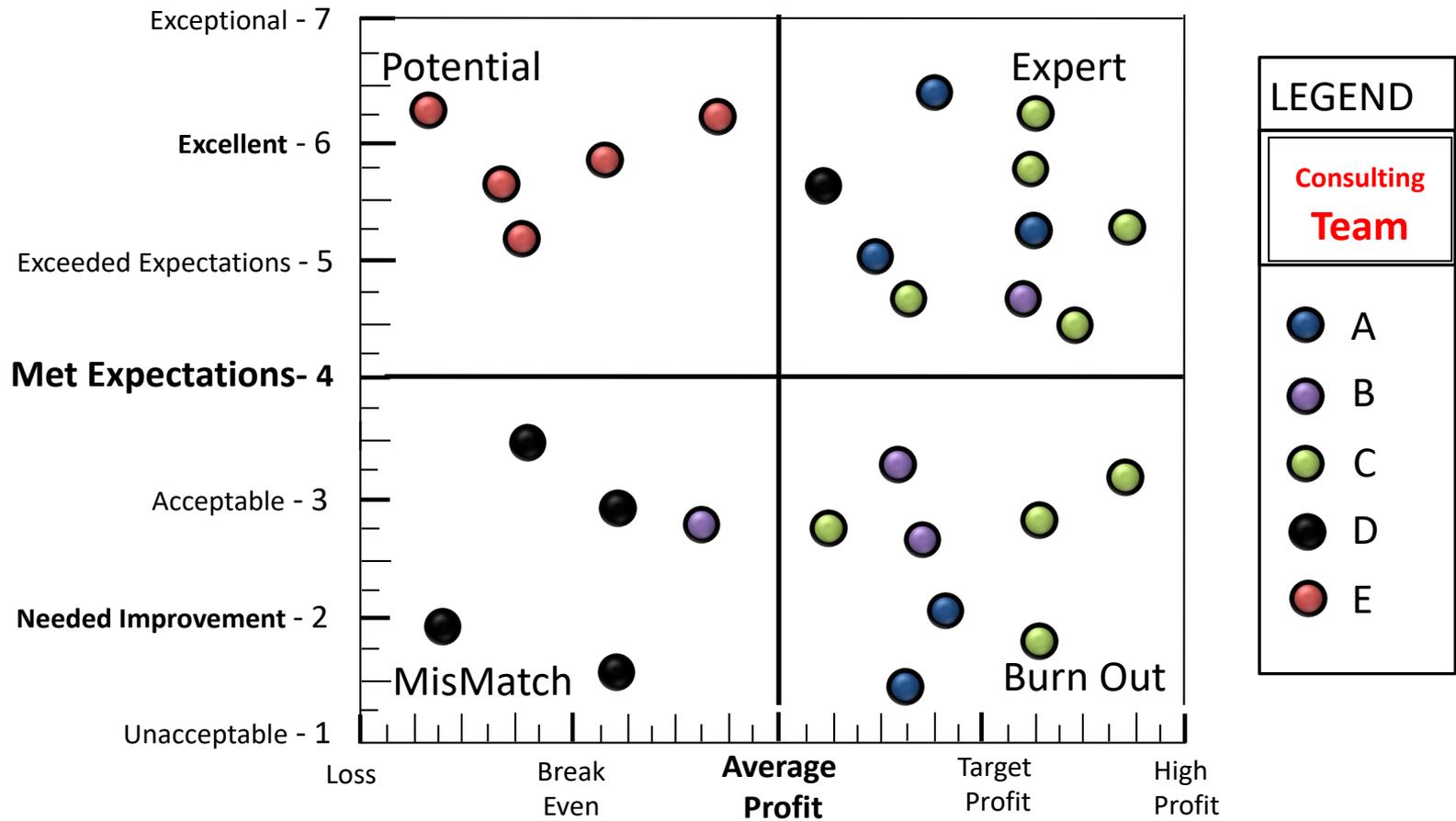
Becoming Client Expert



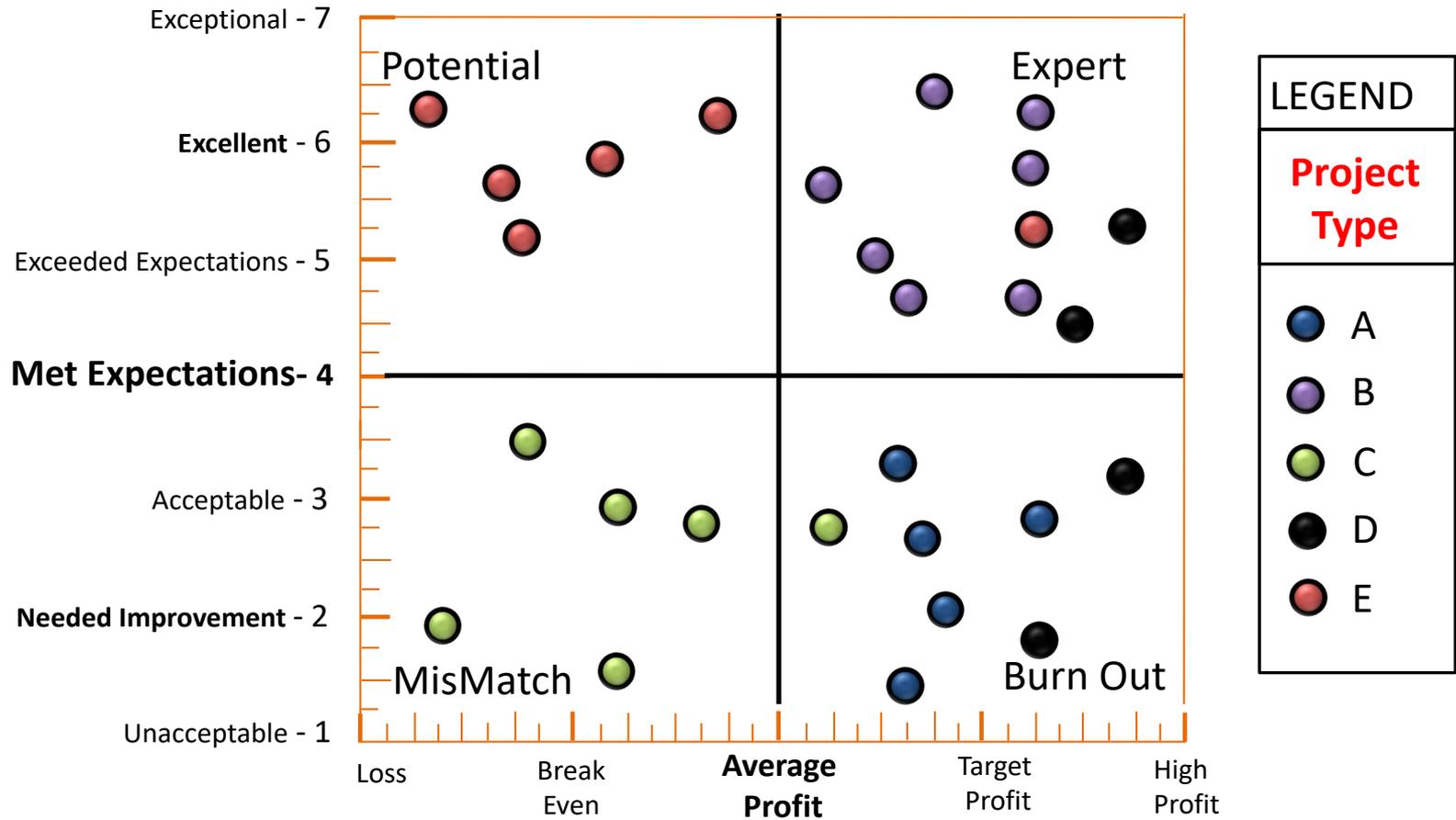
Becoming Client Expert



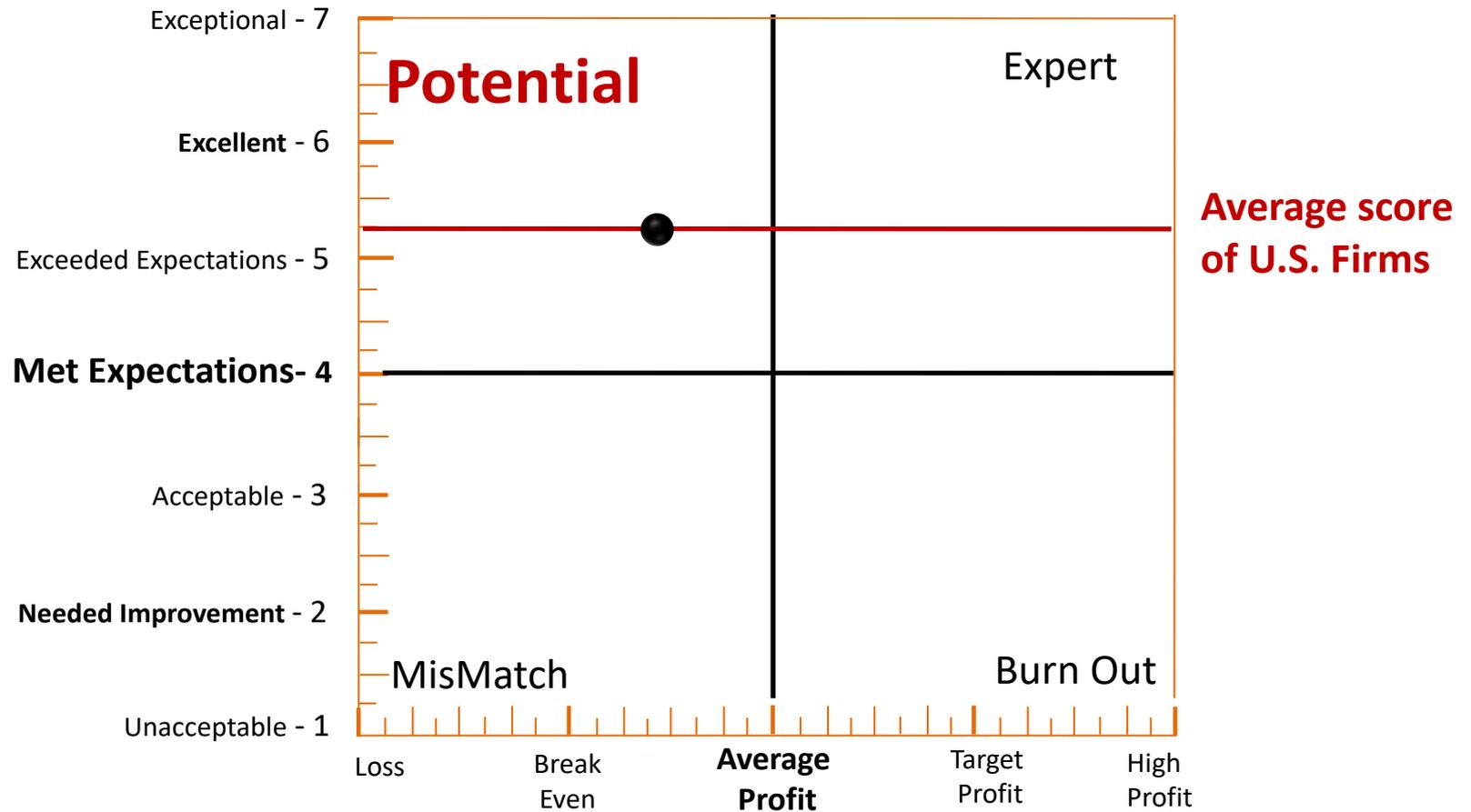
Becoming Client Expert



Becoming Client Expert



Improving Firm Success



Outcome Opportunities

Fees: 75% underestimate their value to client

Add Services: free work cuts profit 7-12%

Liability: poor relationship raises risk of claim

Leadership: hampered by lack of client feedback

Hero: person who initiates client tracking

Strategic Benefits of Client Tracking

