

The rapport lie which hides the critical gap to small business customers

Why are relationships between big banking and professional service companies and their small business clients utterly devoid of value – despite a focus on relationship?



UNDERSTAND

At a recent Corporate Finance event for CEOs of fast-growing private businesses, the head of one of the UK's largest professional practices opened his address by saying "There are three lies in the world: the cheque is in the post, I'll love you in the morning and I have a good relationship with my bank".

Perhaps shockingly for the big banks, this remark was greeted with warm agreement. The irony was that most of the CEOs would likely say the same about any of their professional service suppliers. Including the one the speaker represented.

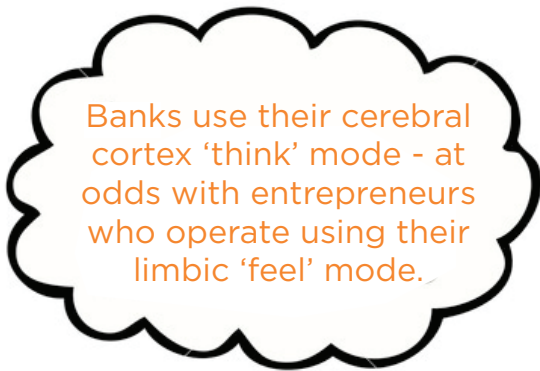
The problem is the yawning gulf in understanding between most 'professionals' - whether banker,

accountant or lawyer - and most entrepreneurs. Whilst the professional firms spend endless time and treasure on what they believe to be 'relationship building' the impact on the actual relationship is minimal. Professionals create 'rapport'. Entrepreneurs crave value. The truth is that most professional managers, directors and even partners have no personal experience of running a small, fast-growth business. It is a problem I recognise from my own corporate career. Big company professionals find it hard to step into their clients' shoes. Rapport is established but real empathy is lacking. In these circumstances it's easy for the professional to default to 'product' having never really established the relationship that will reveal what the customer really wants.

There is another fascinating problem in these relationships. A quick squint at Jungian archetype theory reveals that the processing and communication styles of bankers and accountants are typically diametrically opposed to those of entrepreneurs and private business leaders. Their brains are just wired differently. Whilst the typical professional, happy in a large

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technically-led organisation, is most comfortable in their data-driven, cerebral cortex 'think' mode, the typical director of a private business, comfortable in a fast-paced entrepreneurial environment, is far more likely to operate in an intuitive, 'feel' or limbic mode. Private business makes choices on gut instinct. Professionals make choices empirically. Whilst this difference can make for a great technical solution it can be a major handicap in forming powerful relationships.



The solution to these challenges is actually pretty easy. It is all about creating awareness for the customer-facing professional, enhancing both their human intelligence capabilities and strategic insight. Helping them to really understand the person they are talking to.

Having built a business over the past 16 years specialising in private business performance, we understand entrepreneurs. We have mentored, coached and trained the leadership teams in fast growth business in over 40 countries. We were surprised to be asked recently to take those skills and experience into a large international bank to teach their relationship managers what we know about the entrepreneur. The results have been startling. It has changed the way managers see their clients and their role. Managers describe the experience as 'inspiring' and are reporting a

transformation in their relationships with clients by using some simple techniques and taking the time to understand them. One reported:

"This client had rejected meetings over and over again. They just didn't want to talk to us. Using this new approach we quickly got him talking about what he really wanted to talk about. We had the meeting on Monday. On Friday we got a £5m mandate! We went from him not wanting to talk to us to being his best alternative."

The results are not just on changing client relationships. Remarkably, more than 50% of the original managers in the pilot group of this programme have since been promoted to senior roles. As one commented, "this has been mind-opening, game-changing, I have so much confidence."

The problem of the 'value gap' between large companies and the market they wish to serve represents a clear commercial risk. As the economy begins to motor again, market share will shift dramatically. Customers, trading with new renewed confidence, will move to suppliers they believe better understand their aspirations. This post recession world is no longer about product and price. It is all about relationship and value. In this new competitive market place those who win the relationship battle win the war.



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