

DESIGN SKILLS ALLIANCE

A free training guide for design professionals

Managing client relationships

In this guide we will cover:

- Planning your approach to managing client relationships
- Developing and retaining a range of clients
- Managing the people who handle your accounts
- Staying in touch once a project has finished
- Thinking about the long term and where you make your money
- Where do you make your money?

The quality of client relationships is often cited the most important aspect of running a design business. If the relationship is good but something goes wrong in a project, it's probably survivable. But if a project is completed to a high standard and the relationship is poor, the client may well take their business elsewhere.

PLANNING YOUR APPROACH

Building trust over the long term and creating deeper, wider connections with client businesses is something that to which all design groups aspire. But how do you actually achieve this? Is it simply a case of getting on well with your clients and repeatedly delivering good work on time and on budget?

These are clearly prerequisites for positive client relationships, but there's more to it. Nurturing clients properly requires a combination of personal skills and supporting structures and processes. You do need to be able to get on with them, but your consultancy also needs to be organised so that you can deliver value to the client as broadly as possible, while making sufficient margins for your business.

And while you're busy servicing the clients you've got, it's also vital to keep developing new business leads at the same time. This is a tricky balancing act: new business is the lifeblood of a consultancy, but regular clients provide the revenue. And it is much easier to win work from existing clients than new ones (around 11 times easier, according to a Harvard Business Review study frequently quoted by the Design Business Association). So it's helpful to think about your spread of clients, which sectors you want to work in, how much time you give to each client - and how much money you make from them.

Too many design groups take whatever work they can get, spend the majority of their time completing that work and neglect to plan their client portfolio or effectively generate new business. 'You need to think about the types of clients you want, the amount of turnover you need to make, what sectors you want them to come from and in what proportions. Basically you need a business plan in this regard at the outset,' says Kate Blandford of Kate Blandford Consulting, a design management consultant and former head of Packaging Design at Sainsbury's. As in so many areas of running a business, thorough planning is imperative but often overlooked.

UK DESIGN ALLIANCE FOR **GOOD DESIGN PRACTICE**

DEVELOPING A SPREAD OF CLIENTS

According to Mike Branson, managing partner at packaging design consultancy Pearlfisher, larger clients will usually not want to command any more than 25 per cent of a consultancy's total turnover – any more than that leaves the design group too exposed to a hole in revenues should that client take their business away. 'The balancing act is between doing too many smaller jobs that make it difficult to be profitable and larger jobs that make you over-reliant on a few clients,' he says. Falling one way or another in this dilemma can be the fate of many design groups and avoiding these pitfalls – and positioning the consultancy for growth – requires careful planning and monitoring of finances and staff hours.

RETAINING YOUR CLIENTS

Once you have determined how you would like to develop your group's client portfolio you will need to spend some time on a client retention plan, advises Kate Blandford. 'This should reach all areas of the consultancy, not just account handlers and directors, but all staff. Everyone should know about the clients and what you are doing with them.'

A client retention plan should include consideration of the different contact points between consultancy and client, on both sides. 'It is right and important that a client and agency have different points of contact at different levels and at different times. You need to spread the risk and not have everything balancing on one point of contact,' says Blandford.

Beware of directors undermining account handlers or other more junior staff: trust at all levels is important. Another risk is that consultancy directors spend all their time wooing new clients, but lose contact with existing ones as a result. Needless to say, this could leave long-standing clients feeling less important or neglected. Equally, guard against staff spending so much of their time on a client's project work that the overall relationship is neglected.

Setting up multiple contact points and a consultancy-wide understanding of clients can prevent some of these problems arising, but will be time consuming. However, if it really is 11 times easier to win new work from existing clients, then it is time well spent.

ACCOUNT HANDLING

If your consultancy is very small, employing dedicated account handlers may seem like an unnecessary expense. But think carefully about how your designers' time is best spent; and, crucially, consider how your clients might think your designers' time is best spent. The culture and nature of the consultancy and its clients will probably determine whether or not dedicated account handlers are a good idea. And designers can be great account handlers themselves, but it will mean they spend a fair amount of time on non-creative tasks.

So ask whether it's valuable to employ someone who can spend their time getting to know your client's business inside out, so that when required they can act as 'the client' in the design studio and as 'the designer' when speaking to the client. This type of liaison may prove more efficient, or it may prove unnecessary, but it is worth considering.

'Whether or not you need to use account handlers is less to do with the size of the agency and more to do with personalities. As a design director you certainly shouldn't employ an account handler unless you respect their value and skills,' says Blandford. 'But clients want to know they can give open, honest and sometimes negative feedback and it can be very hard to do that if you are talking to the designer of the work.'

STAYING IN TOUCH

Delivering good creative work will be the focus of most of your efforts for a client, but also try to think how you can build your relationship outside project-based contact. For example, it's good to inform your clients of all your other work, especially if it's for high-profile clients – everyone wants to feel they are in good company. And from a client's point of view it is far preferable to find out what their design group is working on from the consultancy itself, than to discover it from someone else or in the press.

Another way to stay in touch is to provide useful or thoughtful information to your clients. Think of such contact as adding value above and beyond the strict requirements of a commission, rather than as a pushy marketing routine. 'Marketing calls can sound boorish and imposing, but calling your client with relevant, thoughtful, considered ideas around their brand is obviously far from that,' says Pearlfisher managing partner Mike Branson. 'Don't waste your clients' time, but do forge relationships that are reciprocal and founded on trust and respect.'

THINK ABOUT THE LONG TERM

Relationships will endure when individual projects are long gone. Client contacts will move jobs and may deliver new, bigger and better opportunities to your consultancy if the relationship has been fruitful in the past. Equally, the deeper and wider your relationship with the original client, the less likely it is that the departure of a key contact will harm your ongoing business.

Or as Blandford puts it: 'Designers have moved from working in brand development to working in career progression. If you solve a business or brand development problem for a client then you will have helped their career. This means they will give you bigger, higher-level work next time around. And if they move company, they will take you with them if the relationship is good.'

WHERE DO YOU MAKE YOUR MONEY?

Nurturing the right relationships with the right types of clients is vital if you are to grow the value of your design business over time. Promoting your work from the outset with a belief that you can add real value to a client's business is a crucial starting point, because, as Blandford notes, '99% of work is not won on price alone', and trading on price means someone, somewhere, will always be able to undercut you.

Choosing which relationships to nurture and which clients to invest time in requires careful planning and a sound analysis of where your business makes its money. A rather sobering observation from Caroline Johnson, a partner at mergers and acquisitions specialists Results International, is that design groups make most of their net profit from their top ten clients, but can then lose most of that profit working for clients 20 to 40. This is partly due to inefficiencies, bad planning and poor (or no) analysis of business metrics. But it's also because some clients just aren't profitable. Financial planning issues are discussed in more detail in, but what this shows is that a detailed review of the consultancy's client portfolio might reveal which relationships are worth investment and which aren't. Some clients may prove to be simply too costly.

10 TOP TIPS FOR GOOD CLIENT RELATIONS

This list of ten tips for good client relationship management was produced for the Design Business Association by [Jan Casey](#), an independent consultant and advisor to the design and marketing industries. You can get more information on these tips from the [DBA](#).

1. Do everything before the client asks
You have managed projects before, but your client may not have. Capitalise on this by supporting them through the process.
2. Agree the relationship procedures
Agree the main points of contact between you and the client.
3. Explain your project practices
Have open dialogue about your practices and tools of communication, including a clear plan of when and how stages of work will be delivered.
4. Put in place failsafe internal systems
Plan presentations, briefings and meetings in advance to avoid looking unprofessional. Don't send people to meetings unless they have a clear, predetermined role: it looks expensive to the client.

5. Be in control of finances
Always have a clear awareness of the financial situation across all your projects.
6. Know and understand your client
Learn about a client's business beyond the remit of the current project.
7. Develop the client relationship and business
Get to know as many client staff as possible and keep them up to date what your consultancy is doing.
8. Be aware of how you conduct yourself
Listen carefully; be confident and honest, but not arrogant.
9. Ask for feedback
To continue improving, find out what you are doing well and where you're performing poorly.
10. Go the extra mile
Don't settle into a routine – push yourself and surprise your client.