



*"Developing great leaders...by design not by chance"*

# PROVIDING EXCEPTIONAL SERVICE DEFINING THE ENGAGEMENT

CLIENT ENGAGEMENT SERIES – LESSON #2



Carefully identifying needs and establishing clear expectations about services the client will receive is fundamental to the success of every engagement, large or small, in any practice area. Some firms already understand due diligence includes defining the engagement and creating explicit agreement up front. They know that doing so creates trust, reduces costs, enhances profits, and builds lasting, mutually beneficial relationships. Other firms, however, struggle with this important step in the engagement management process, almost guaranteeing difficulties later in the engagement that will leave both the client and firm members less than satisfied with the final results. Accurately and fully defining an engagement is not particularly difficult, but it does require a clear understanding of important concepts, key principles, and a simple three-step process.



# PROVIDING EXCEPTIONAL SERVICE DEFINING THE ENGAGEMENT

## CLIENT ENGAGEMENT SERIES — LESSON #2



*“Come in. Take off your coat. Sit down. Tell me why you’ve come. Get up. Take your coat. Leave.”*

*“Success or failure is often determined on the drawing board.”*

Robert J. McKain

*“If you cry ‘Forward,’ you must be sure to make clear the direction in which to go. Don’t you see that if you fail to do that and simply call out the word to a monk and a revolutionary, they will go in precisely opposite directions?”*

Anton Chekhov

*“Two monologues do not make a dialogue.”*

Jeff Daly

Irish playwright and essayist George Bernard Shaw once observed, “The single biggest problem in communication is the illusion that it has occurred.” Effective communication is, of course, crucial throughout every stage of an engagement. However, at no time is it more important than at the very beginning when the service that will be provided to the client is being discussed and defined.

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As Blaine Lee has said, “Almost all conflict is a result of violated expectations.” Conflict in a business relationship produces

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little of value and frequently destroys important things that have been painstakingly created over the course of many months or years. Carefully defining the services to be provided in connection with an engagement is one of the behaviors of prevention every wise professional must understand and know how to perform.

Let’s eavesdrop now on a meeting of the Golden Highways project team, led by Don and joined this morning by Hugh, Strike Hook and Land’s managing partner, and Rick Williams, the firm’s consultant.

### UPSTREAM SNAPSHOT™

“All of our engagements are important,” Hugh began, “but this one is particularly significant because it will be the first time the firm has used the new engagement management process Rick brought to us. As we proceed, we’ll have several more meetings like this to give Rick a chance to help us learn the new process.”

“That’s right, Hugh,” said Rick. “My intent today is to really zero in on the first step, ‘Defining the Engagement,’ and make sure everyone understands this step forms the foundation upon which the entire engagement is built. And like the foundation of a building, if what we do at this point isn’t absolutely solid, the paybacks later on are not very pleasant.”

“Some of you,” he continued, “may be thinking, ‘Oh come on, Rick! This is simple stuff; let’s not make a big deal of it.’ Well, you’re half right: it isn’t terribly complicated, but it is a big deal and much more important than most people realize. Many of those I work with think they’ve completed this step when they’ve had a brief discussion or two with the client, perhaps

*“The end we aim at must be known, before the way can be made.”*

Jean Paul

*"It takes time to  
save time."*  
Joe Taylor

exchanged some emails, and received the signed engagement letter. Unfortunately, that's just not so."

"Your task," he went on, "is to learn a new approach—a leave nothing to chance approach, if you will—to this important step and quickly become experts at it, which I'm confident will happen. As I watch people make this change, I'm reminded of the quotation by Emerson: 'That which we persist in doing becomes easier for us to do; not that the nature of the thing itself is changed, but that our power to do is increased.'"

"Because we're anxious to get started," Hugh interjected, "it's easy to shortchange this step. Doing so, however, comes at a cost. Serious problems that surface midway or at the end of an engagement—increased costs due to faulty assumptions, delays resulting from the client's inability to meet deadlines, confusion over who—our staff or the client—is responsible for what, and overall disappointment with the solutions we provide—all too often stem from our failure to carefully define the engagement. I know we've all experienced those kinds of problems before, and they're no fun."

Rick spent the next half-hour teaching the assembled group how to work with clients to define the engagement. Hugh then announced, "It's time to implement what we've learned. As partner in charge of this project, Don, I'd like you and Lauren, our HR expert, to meet with Brian Cheever, apply what we've all learned today and report back to the group within 10 days."

"Fair enough," Don responded.

## NOTES:

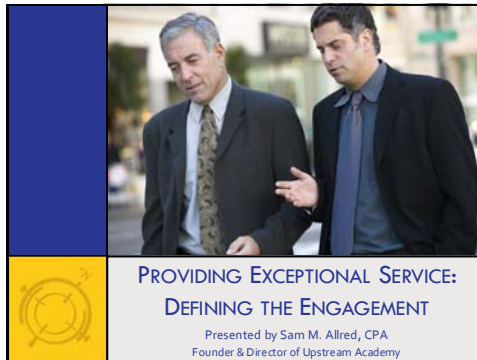
## SNAPSHOT DISCUSSION

- 1 What thoughts entered your mind as you read the scenario?
- 2 Hugh cites several possible negative outcomes (“increased costs due to faulty assumptions,” etc.) from failure to properly define the engagement. What are some other likely unpleasant results from such a failure?
- 3 What should be the objectives(s) of this step in the engagement management process?
- 4 Excellent communication is essential to defining an engagement. What are some key elements of great communication?

*“It seems rather incongruous that in a society of super-sophisticated communication, we often suffer from a shortage of listeners.”*  
Erma Bombeck

## UPSTREAM INSIGHTS™

*“How do you know so much about everything?” was asked of a very wise and intelligent man; and the answer was “By never being afraid or ashamed to ask questions as to anything of which I was ignorant.”*  
John Abbott



Carefully defining the services a client will receive creates a solid foundation upon which to build a successful engagement.

The benefits of doing this include strengthened relationships, increased trust, reduced misunderstandings and confusion, and improved profits.

LEADERSkills

### CHANCE FOR SUCCESS VS. LEAVE NOTHING TO CHANCE

Unfortunately, it is easy to approach this important task in a casual, “leave nothing to chance” manner. While the engagement will turn out well but do not take the time to ensure its success.

The “leave nothing to chance” approach requires careful thought, clear delineation of responsibilities, and skillful execution of a written plan.

LEADERSkills

### PITFALLS OF THE CHANCE FOR SUCCESS APPROACH

Failure to properly define the engagement up front all but guarantees problems later on, including:

- delays or higher costs due to faulty assumptions about the availability of critical information
- payment disputes arising from misunderstandings over who was supposed to do what

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NOTES:

**PITFALLS OF THE CHANCE FOR SUCCESS APPROACH**

- reduced value of the deliverable due to confusion over who was to receive it and how it was to be used
- failure to meet expectations for timeliness in providing services or deliverables
- wasted time and expenditure of resources due to incorrect staffing of the project

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**OBJECTIVE**

The objective of this step in the process is to lay the groundwork for the overall success of the engagement by creating a firm base of understanding upon which to build the remaining steps.



Excellent communication is absolutely essential to achieving this objective.

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Honest, clear, and direct communication with the client as the engagement is defined offers the following benefits:

- allows assumptions to be tested
- reduces the likelihood of conflict later
- enhances credibility
- fosters relationships of trust
- fosters desirable behavior patterns
- creates a positive climate

LEADERSkills

Great communication requires a sincere interest in the client, the ability to ask the right questions, a willingness to openly address all concerns, and the discipline to put things in writing. Perhaps most importantly, it requires outstanding listening skills.

“A good listener is not only popular, but after a while he gets to know something.”

Wilson Mizner

LEADERSkills

**NOTES:**

*“You don’t run twenty-six miles at five minutes a mile on good looks and a secret recipe.”*  
 Frank B. Rowland

*“To listen well is as powerful a means of communication and influence as to talk well.”*  
John Marshall

#### VITAL PRINCIPLES OF GOOD LISTENING



1. Listening is not a passive activity; it takes more mental energy to listen well than it does to speak.
2. It's impossible to be a good listener if all you're thinking about is how you're going to respond.

LEADERSkills

#### VITAL PRINCIPLES OF GOOD LISTENING

3. Listening for what isn't being said may be as important as hearing the words that are spoken.
4. Great listening is a "fact finding mission."

"Communication works for those who work for it."

John Powell

LEADERSkills

#### DEFINING THE ENGAGEMENT: VITAL STEPS

1. Know the client's business and needs
2. Identify the services and deliverables to be provided and how they will meet those needs

Establish clear expectations and fee arrangements



LEADERSkills

#### KNOW THE CLIENT'S BUSINESS AND NEEDS

Really knowing the client's business and needs requires:

- thorough research on both the client's specific business and the larger industry
- an awareness of immediate concerns
- an in-depth understanding of both current and anticipated needs
- the ability to see needs in the larger context of the client's future plans and goals

LEADERSkills

NOTES:

### IDENTIFY SERVICES AND DELIVERABLES

To identify the correct services and deliverables, we must:

- fully understand project parameters
- clarify the desired end results
- make the connection between client needs and services the firm can provide

A who, what, where, when, and why approach is often a great tool for ensuring this step is properly completed.

LEADERSkills

### ESTABLISH CLEAR EXPECTATIONS AND FEE ARRANGEMENTS

Setting clear, realistic expectations and fee arrangements at the outset is crucial to the success of the engagement. This is accomplished by:

- clarifying responsibilities and accountability for each phase of the engagement
- openly discussing expectations
- carefully outlining fees and helping the client balance needs against costs

LEADERSkills

### ESTABLISH CLEAR EXPECTATIONS AND FEE ARRANGEMENTS

It's crucial for the firm to clearly specify and retain control over what bills will look like, when they'll be sent, when payment is expected, and what the consequences will be for non-payment.

Surrendering control to the client in important areas all but guarantees frustration, and strained relationships.

LEADERSkills



"The best preparation for good work tomorrow is good work today."

Elbert Hubbard

LEADERSkills

## NOTES:

*"Anger always comes from frustrated expectations."*

Elliott Larson

## UPSTREAM SNAPSHOT™

*“After all, when you come right down to it, how many people speak the same language even when they speak the same language?”*

Russell Hoban

The PowerPoint presentation describes the pitfalls of taking a “chance for success” approach at this stage of the engagement management process, discusses the importance of and teaches vital principles of communication, and details the steps required to define the engagement.

At the end of the first scenario, Don, the partner in charge of the Golden Highways project, received the assignment to meet with Brian Cheever to identify what services the firm would be providing to the construction company. Lauren, the firm’s HR expert was asked to assist Don. The scenario below depicts Don and Lauren reporting back to the project team after completing their assignment.

“So tell us how your meeting with Brian Cheever went,” Hugh asked as the members of the project team took their places around the conference room table.

“Actually, that would be meetings,” Don said, exaggerating the plural. “Our first meeting with Brian actually produced more questions than answers, which then resulted in a subsequent conference. It was all time very well spent.”

“Absolutely,” Lauren interjected. “Brian confirmed and helped us better understand much of what we already knew about the project. We also learned a few new things.”

“Such as?” Karen asked.

“Such as their office manager is taking a six-week, extended vacation starting July 1,” Don replied. “That will have a pretty significant impact on how we schedule the different elements of this project. It’s nothing we can’t work around, but I’m certainly glad we

found out about it now rather than later on. Our discussion of the deliverables also produced some new and very interesting information. I’ll let Lauren tell you about that.”

“‘Interesting’ may be a slight understatement,” Lauren began. “As we discussed each of Golden Highways’ proposed deliverables in depth, we learned some things we really needed to know going in. I’m sure all of us recall that one thing they requested was a restructuring plan. In our second meeting with Brian, we found out they went through a restructuring about eighteen months ago, and it was a train wreck. New roles and reporting relationships were poorly defined and even more poorly communicated, and there was stiff resistance to the whole plan. Two key people resigned, and six months after the restructuring plan was announced, it died a quiet death. They’re still trying to pick up the pieces and deal with all of the fall-out.”

“The other piece,” Lauren continued, “has to do with their request for a benefit review. As we discussed how to approach the review, Brian shared with us their high turnover rate and indicated they felt it was directly linked to some shortcomings in their benefits package. Personally, I’m not convinced that’s the case, and as we talked about it we concluded that what they really need is a confidential employee survey that will allow us to see what’s going on within their workforce. So we’ve added that to the list of deliverables and made the benefits review an option.”

“Terrific job, you two,” said Hugh. “So let’s make sure we all know where we stand on this project...”

