

THE TRUSTED ADVISOR

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"This is a brilliant—and practical—book. In our 'world gone mad,' trust is, paradoxically, more important than ever."

—TOM PETERS, author of *The Professional Service 50*

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(continued from front flap)

The result is a *tour de force*—brilliant, penetrating, unique. It is essential reading for anyone who must advise, negotiate, or manage complex relationships with others.

In today's fast-paced networked economy, professionals must work harder than ever to maintain and improve their business skills and knowledge. But technical mastery of your discipline is not enough, assert world-renowned professional advisors David H. Maister, Charles H. Green, and Robert M. Galford. The key to professional success, they argue, is the ability to earn the trust and confidence of clients. The creation of trust is what earns the right to influence clients; trust is also at the root of client satisfaction and loyalty. The workings of trust are even more critical in the new economy than in the old.

Maister, Green, and Galford enrich our understanding of trust—yet they have also written a deeply practical book. Using their model of "The Trust Equation," they dissect the rational and emotional components of trustworthiness. With precision and clarity, they detail five distinct steps you must take to create a trust-based relationship. Each step—engage, listen, frame, envision, and commit—is richly described in distinct chapters. The book is peppered with pragmatic "top ten" lists aimed at improving advisors' effectiveness that can be put to use instantly. It also includes a trust self-diagnostic in the appendix.

This immensely readable book will be welcomed by the inexperienced advisor and the most seasoned expert alike. The authors use anecdotes, experiences, and examples—successes and mistakes, their own and others'—to great effect. Though they use the professional services advisor/client paradigm throughout the book, their prescriptions have resonance for other trust-reliant situations—selling, customer relationship management, and internal staff functions like HR and information technology.

(continued on back flap)



DAVID H. MAISTER is widely acknowledged as the world's leading authority on the management of professional service firms. He advises firms in a broad spectrum of professions on issues ranging from marketing to human resources strategies. He is the author of the bestselling *Managing the Professional Service Firm* (1993) and *True Professionalism* (1997).



CHARLES H. GREEN is a consultant and executive educator focusing on trust-based client and customer relationships. A former strategy consultant (the MAC Group, Gemini Consulting), he has taught in executive education programs at Columbia and Kellogg business schools and through his own firm, Trusted Advisor Associates. He has published articles in *Harvard Business Review* and in *Management Horizons*.



ROBERT M. GALFORD is Executive Vice President and Chief People Officer of Digitas, Inc., a leading Internet professional-services firm. He has also taught executive education at Columbia Graduate School of Business and the Kellogg Graduate School of Management. He has written articles for *The Boston Globe* and *Harvard Business Review*.

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THE TRUSTED ADVISOR

By David H. Maister, Charles H. Green & Robert M. Galford (2000)

**Summary Prepared by:
Stephen Pappaterra**

PART I PERSPECTIVES ON TRUST

Aspects of Trusted Advisors:

- Focus on problem definition and resolution more than technical mastery.
- Seek out, rather than avoid, client contact experiences, and take personal risks with clients.
- “View methodologies, models, techniques, and business processes as a means to an end. They are useful if they work, and are to be discarded if they don’t; the test is effectiveness for *this* client.”

Three skills of a trusted advisor:

1. Earning trust
2. Giving advice effectively
3. Building relationships

Trust

Trust (which can be won or lost rapidly) enables professionals to be more fully themselves, and eliminates posturing with clients. Trust is usually not earned at once, but over time and in stages. “Trust is more like ballroom dancing. One person must lead and the other must follow. If there is any ambiguity about who is leading and who is following, then the dance collapses.”

“If you’re not taking a risk, you’re not likely to create trust.” Maister encourages having a close *personal* relationship with clients. Caveat: **“Occasional socializing can be enjoyable, but earning trust is not about golf games, dinners, and opera performances.”** It’s about aligning interests and transcending the advisor’s *own* concerns.

Giving Advice

An advisor’s job is to be *helpful*, not just *right*. Proving you are right may be intellectually satisfying, but unproductive for advisor and client. Give reasons, not just instructions. Remember that you are often critiquing the client’s former work. “What clients frequently want is someone who will take away their worries and absorb all their hassles. Yet all too often, they encounter professionals who add to their worries.”

Pay careful attention to language, e.g., “X seems likely to work, doesn’t it? Or can you think of a better solution?” Skip assertions, pose questions, e.g., “My other clients usually do X for the following reasons. Do you think that reasoning applies here?” Or, “What benefits might come if we tried the following approach?” Change “Do you understand?” to “Did I make myself clear?” A neutral way of letting clients express

confusion is to say, "Would you like to stay on this point or move on to the next topic?" (Again, Maister encourages the use of videotaped role plays.) Advisory skills are much like teaching skills; both should take the client/ student on a journey of discovery.

Let the client think the solution was all or partly *their* idea. Gently guide the client to the preferred solution, which means avoiding taking a stand too early in the process. Ultimately, let the client choose. Do not rush to give answers! [Note: Some clients may want the advisor to cut right to the point and skip the Socratic dialogue. If so, follow their wishes. Customize. Know the client.] Before giving advice, we must (i) understand the client's situation; (ii) understand how they feel about it; and (iii) convince the client we understand the first two. "The 'right answer' is never as right at the outset as it is after it has evolved, informed by inquiry."

People hint a lot (like when someone "asks," "Would you like to have pasta tonight?" They often don't come right out and ask.

Summarize decisions at the end of a meeting, preferably with a written synopsis.

Be explicit with questions, and then keep quiet and wait for an answer. When advisors remember what they've been told, it is, according to Maister, "incredibly powerful." Obviously, good note taking is essential.

Relationship Building

Creative approaches are great, but must be seen as a pattern of behavior to earn the business, not isolated (and thus, insincere) tricks.

"Before you go into any meeting with a client, figure out the two or three things you want the client to absolutely believe about you by the end of the meeting. Then, figure out, in advance, precisely how you are going to demonstrate that you *are* those things. Don't tell them, show them. Don't 'wing' it. If the client is to be convinced of something, you need to be prepared to *demonstrate* it convincingly."

Do the "unexpected thoughtful," not what is taken for granted. Little notes and clippings are great for this.

If a client (or anyone) says, "I think *this*," the appropriate response is not, "I think *that*." Ask: "Why do you think that?" or "What led you to that conclusion?" or "Do you think this is always true?"

PART II THE STRUCTURE OF TRUST-BUILDING

The Trust Equation

$$T = \frac{C + R + I}{S}$$

T = trustworthiness
C = credibility
R = reliability
I = intimacy
S = self-orientation

Illustration	
<i>(Scale based on 1 to 10 (10 being the highest))</i>	
For a New Client	For an Existing Client
(5+3+2) divided by 8 = 10/8 = 1.25	(7+8+5) divided by 4 = 20/4 = 5
No wonder getting new business is more difficult than expanding business from existing clients!	

Credibility

Best way to establish credibility? Anticipate needs and speak about needs not commonly articulated.

When you don't know, say so quickly and directly.

Reliability

Is "the repeated experience of links between promises and action." Or, looking at the emotional aspects, it's "the repeated experience of expectations fulfilled." Good advisors find opportunities (or create them) to demonstrate follow-through.

Use agendas! Always check on agendas before meetings. "Clients should know that they can expect you to solicit their views on how time will be spent." Send meeting material in advance.

Intimacy

yes! | "The most common failure in building trust is the lack of intimacy." It's the "willingness to expand the bounds of acceptable topics." (This is really, really important.)

"Have you given your client a reasonable way *not* to answer the question?" Test out difficult questions before using them.

"Taking a risk is precisely how you build trust." *Counterintuitive, but he's probably right.*

Self-Orientation

Any focus on something other than the client's needs will reduce trust. What are some "threats" to client focus?

- Self-consciousness
- Desire to look smart
- Jumping to solutions
- Desire to *be seen* as adding value
- Relating their stories to yours
- Finishing sentences for them
- Need to appear witty and clever

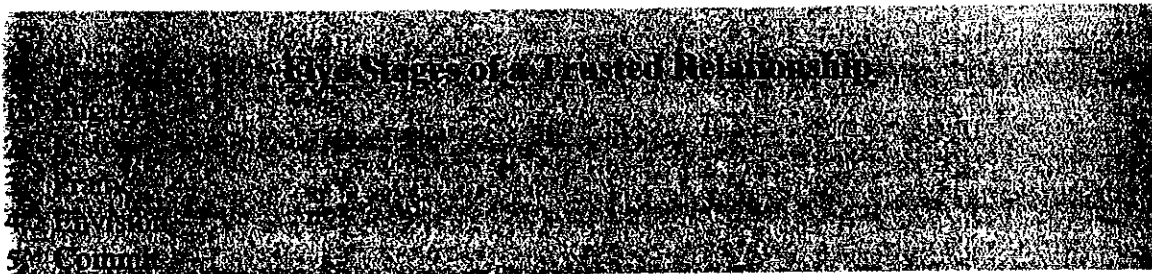
Inability to provide a direct answer to a direct question
Listening only to determine a response

→ An issue for PNCA.

Intense commitment to help. "Being on the receiving end of dealing with someone with low self-orientation can be an amazing experience." Relating one experience: "It was as if nothing else mattered in the world. She made it clear that the conversation would go where he wanted it to go, and for *as long* as he wanted it to go."

← The best communicators have this.

Give clients the *experience* of having been listened to.



1 - Engaging the Client

Many people feel advisors just want to listen to their problems, without bringing any value to the discussion. "They have to think we're worth talking to *on this issue*." Being seen as *visibly trying to customize* our work (enter the client's world, at least symbolically) is potentially very powerful. Pre-meeting research is extremely helpful here. Engage the client's *wants*, not *needs*. "We must engage quickly around something that is meaningful to the client."

A speech coach recently told me my speech was so me-oriented less focused on the audience.

"We are all too worried about ourselves, and it shows. We worry about our lines, we rehearse our presentation, we check our appearance, and we fine-tune our proposal's text. All are activities that are self-oriented." (Isn't this especially true in speaking? Consider the power of speaking to an audience only after discussing the subject matter, and their relative interest, and then tailoring the speech, even with its flaws.)

"Engaging with existing clients is about picking the right topic at the right time."

Always check to see how much time the client has to meet. And don't hold back raising a topic, even just to mention it for later discussion.

→ Small and thoughtful idea.

2 - The Art of Listening

"Effective trusted advisors are (without a single exception, in our experience) very good listeners." Advisors often listen only for the rational or too passively. "Much of communication follows the model of a story. There is a beginning, a middle, and an end. There is setup, tension, and resolution. There is background, setup, and punch line. Good listening respects the speaker by respecting the *sequence* of the story he or she chooses to tell us. If we listen sequentially, we will hear the meaning the speaker intends. If we impose our own structure on what is being said, we will hear some version of our own meaning, superimposed on the speaker." (Particularly useful when interviewing potential employees; let them tell their story.)

I now listen to my wife, I study differently, expecting her to give me.

According to the Ariel Group, who work in theatre-based communications, there are three types of listening:

Reflective – “What I hear you saying is ...”

Supportive – “Gee, that must be tough.”

Listening for Possibility – “So what have you thought about doing to deal with that?”

“Most research on buying suggests unambiguously that buying is a highly emotional process. This is perhaps particularly true for large-ticket, highly differentiated, complex purchases like professional services.”

3 - Framing the Issue

Helping crystallize and clarify the client’s issues. It consists of formulating problem statements, hypotheses, and points of view built around what is important to the client. “Framing is usually the point where the client becomes consciously aware of value being given by the advisor, and hence where significant levels of trust can be built.”

Importance of
“In many advisory situations, an accurate [issue] statement is more than halfway to the solution.”

Advisors must not skip the engaging and listening steps before earning the right to frame.

Rational Framing – distilling complex set of issues down to a few critical variables.

Emotional Framing ^{= TRUST !} the courage to surface hidden emotions – much tougher than rational because it takes everyone out of comfort zones! “Using emotional framing is the equivalent of dynamiting a stream that has been clogged up to the point of dysfunctionality.” By “naming and claiming,” one person acknowledges the difficulty in raising the issue, accepts responsibility for doing so, and makes a direct statement of the issue. Treat emotional signals from client as objective facts, and explore them. They are not judgments about the advisor. Use the “Columbo Approach”: state a caveat (see below) and “say the thing that must be said.”

Examples of Caveats:

“I’m not sure if this is on point, but ...”

“I may be thinking about this all wrong, but ...”

“You’ve probably thought of this already, but ...”

4 - Envisioning an Alternate Reality

Helping client concretize a specific vision (and choice) among possible future states (imagine in rich detail how the end result might look). Consider New Deal, Kennedy’s Inaugural, King’s “I Have a Dream” speech. “Of all the steps in trust creation, it is the one that isn’t absolutely necessary, but can often add the greatest value.”

This might involve “managing down” the client’s expectations.

Envisioning should be both energizing (“let’s go for it”) and comforting (“we can do this”). “Grammar is a good guide here. Instead of using the words “why don’t we?” at this stage, substitute the words “how would it be if...” *great question*

5 – Commitment

“When you consider all the advertisements we ignore, it should be gratifying that our clients accept our guidance even part of the way.”

To Manage Expectations:

- Articulate what the advisor and client will, and will not, do
- Define the boundary of analysis, the output we will produce, and how they like to receive information
- Identify how we will work together, including frequency and methods of communication
- Decide on milestones and how success will be measured

“Sometimes in an effort to get the work, we say yes to work that can only be completed (if at all) with great personal pain. It’s not worth it. Repeat: It’s not worth it. One more time, for emphasis: It’s not worth it.”

PART III PUTTING TRUST TO WORK

“It’s risky to take a hard-wired position on an issue until you’re absolutely sure. Take a preliminary position with your client, make sure that it’s just that, and that he or she acknowledges it as such. Then you can actually look pretty good most of the time, and pretty thoughtful all of the time.”

yes! / “Without conscious self-control and practice in controlling our instincts, new habits do not develop.” Hence, role plays and videotaping.

Emotions That Must Be Controlled:

- Wanting to take credit for an idea
- Filling blank airtime
- Playing to our insecurity by over-emphasizing credentials
- Putting a cap on a problem so it can resolved later without pressure
- Hedging answers in case we’re wrong

Differing Client Types

1. What is the client’s prevailing motivation?

- Need to excel
- Need to take action and get results
- Need to understand and analyze
- Need for consensus

2. What is their personality?

3. How does the state of their family or business affect their viewpoint?

How to handle the "I'll get back to you client": Prepare a one page summary, ask them to call or e-mail, and state that, if they don't, you'll call them back.

"Sales and service are flip sides of the same coin." Hard to distinguish between them because they both involve building credibility and trust, as well as delighting and helping.

If you are asked to make a presentation, instead of doing the standard "about us" presentation, show the prospective client what it feels like to be a client. Try to make substantive progress. "The best selling technique is not to sell, but to commence the service process. Many professionals, in their business development activities, will *talk about* serving, rather than actually serving." But they won't provide any help until they start getting paid.

"One of the worst forms of self-delusion is to assume that one is selling specialized knowledge and that there is a limited amount of it to go around. This preconception leads professionals to resist invitations to take a point of view, to refuse to go out on a limb. Through a combination of fear and belief that you shouldn't 'give away' the goods until the client has paid, the client loses both new work and a relationship. No client wants to buy air until they can breathe it first. No client wants to buy a painting without seeing it."

"Don't we have a professional obligation to point out possibilities. Some call that selling. We call it contributing ideas. Advisors don't just leave business on the table, they actually leave opportunities for clients unnoted. This means that, to some extent, they are behaving unprofessionally."

Building Trust on the Current Assignment

Give the client tasks to perform. Have reports read by a non-project person to ensure readability. After meeting, send a summary the next day, then call to confirm goals were met. Err on the side of more communication, not less. Use small commitments to build trust through accumulated experiences. "Respect comes from seeing some performance."

Contact client when you have nothing to sell. "We don't want to be 'romanced.' We already have many opportunities to go to fancy dinners or attend sporting events. They should focus on being useful to us, not on becoming our friends."

"Clients welcome any and all ideas." Be proactive. "Clients' comments clearly indicate that they want us to stay in touch. This is contrary to the instincts of many advisors who feel as though they are imposing on the client."

“Effective relationship managers work at helping their team members find the excitement, the challenge, and the drama in the client’s problems.”

“Return calls unbelievably fast. No one expects it.” It builds trust unbelievably fast.

“The problem is rarely what the client said it was at first.”

Re-earning Trust Away from the Current Engagement

“There’s nothing more destructive than to call only when we want something.”

Avoid generic issues.

Lead the client’s thinking.

Ask for data, don’t wait for the client to give it to you.

“The most important part of a relationship manager’s job is to *manage* the relationship, not try to build it alone. He or she must be active in creating opportunities for other members of the professional firm’s team.” They are also effective at “helping their team members find the excitement, the challenge, and the drama in the client’s problems.”

“The human capacity for problem redefinition and creativity is what a successful advisor brings to every situation.”

“The problem is rarely what the client says it was at first. More value is added through problem definition than through problem answer. Just because the client asks a question doesn’t mean that’s the right question to answer.”

Cross-Selling

Involve the client in the decision-making process. Talk about the client’s problems, not about how good you and your experts are. Always look for where the interests of the client and the firm are intertwined. “The advisor must believe that not to try to help the client’s additional problems would be unprofessional.”

Quick-Impact Means to Gain Trust

1. Listen and paraphrase so client “gets” that you’re getting it.
2. Empathize (for real)
3. Watch for how the client responds to what we say.
4. Build a shared agenda right from the start.
5. Take a point of view to help get the client thinking.
6. Take a personal risk.
7. Let the client set the frame of reference by asking the client open-ended questions.
8. Return calls unbelievably fast.
9. The answer may be a better question.
10. Repeat “And then what happened?”