



The Trusted Advisor

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Rating

7 8 Applicability
7 Innovation
6 Style

Focus

- Leadership & Management
- Strategy
- Sales & Marketing
- Finance
- Human Resources
- IT, Production & Logistics
- Career & Self-Development
- Small Business
- Economics & Politics
- Industries**
- Global Business
- Concepts & Trends

Take-Aways

- Trusted advisors have strong professional and personal relationships with clients.
- To become trusted, advisors must be credible and reliable, show their emotions and have the right motivation.
- To create trust, follow five steps on each issue: "engagement, listening, framing the problem, sketching an alternative solution and formulating an acceptable plan."
- Advisors should not assume that they can solve every problem.
- Not all professional advice givers will become trusted advisors.
- To give advisory counsel, use the Socratic teaching method: ask many questions.
- Clients want advisors to understand the technical and emotional aspects of problems or questions.
- When companies make complex, expensive purchases, the buying process becomes emotional as well as rational.
- Professionals only like their clients 20% to 30% of the time.
- Basketball star Michael Jordan's agent, David Falk, sold his agency for \$100 million and continues to collect 4% of Jordan's earnings. He is a trusted advisor.

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Relevance

What You Will Learn

In this summary, you will learn: 1) Why it is important for advisors to become trusted; 2) How advisors can guide clients to make the right choices; and 3) What five steps an advisor must take to earn a client's trust.

Review

Being trusted by their clients separates successful advisors and consultants from the corporate consiglores. But how does a qualified advisor become trusted? Authors David H. Maister, Charles H. Green and Robert M. Galford provide methods you can use to reach the inner circle. They break trust into its component parts and reassemble those pieces into a viable, practical model, complete with suggested conversations. That may sound a little robotic, but with practice, an advisor can make the transition from outside technician to habitué of the inner sanctum. This readable book includes a useful appendix and a list of quick references. *getAbstract* recommends it to consultants and professional service providers. We trust you'll know what to do with it.

Summary

"A trusted advisor is above all someone who is capable of totally and completely devoting himself, his caring and his attention to the client."

"Since clients are often anxious and uncertain, they are, above all, looking for someone who will provide reassurance, calm their fears and inspire confidence."

Trust and Confidence

Times have changed. At one time, being a professional automatically carried a certain prestige and clients could assume that almost any professional was solid. However, things have changed. The notion of embedded trust has been damaged. These days, professionals often find that they need more client access, more ways to cross-sell and more opportunities to show the quality of their work (beyond price considerations). Many clients treat professionals as untrustworthy, because they question the advisors' motives or do not see them as experts.

To break out of these boundaries, you must become a "trusted advisor." This requires developing an ever-deepening relationship with each client. As such a relationship evolves, the client will involve you in a broader range of business issues. Along the way, you can progress from being a subject-matter expert, to being an associate with expert knowledge and additional valuable specialties. Moving from one level to the next is an evolutionary process, but once you become a trusted advisor, your client will openly discuss both personal and professional issues with you.

At this level, you will often be the first person your clients call when they face a challenge or a crisis. Once you demonstrate that you can meet a client's needs by covering a "breadth of issues" within the context of a "depth of personal relationship," the client will seek and respect your advice.

For an example of a "trust-based relationship," turn to sports agent David Falk and basketball star Michael Jordan. In 1977, Falk helped negotiate Jordan's \$2.5 million endorsement deal with Nike. As Jordan's career progressed, Falk negotiated more endorsements. Eventually, Falk sold his agency for \$100 million, but he still collects 4% of Jordan's earnings. Falk earned Jordan's trust and friendship by knowing what his client wanted, including Jordan's opinions about his fees. A few times, Falk waived his fee without any discussion with Jordan because Falk knew Jordan might object to the cost. He continues to work with Jordan today.

“In the deepest and most complete trusted advisor relationships, there are few boundaries within the relationship.”

“Trust must be earned and deserved.”

“Many people assume they are better at winning trust than they really are.”

“Great trusted advisors can be relied on to tell the client the bad news, along with the good.”

Trusted advisors form this kind of strong professional and personal bond with their clients. They focus on their clients' needs and believe that doing the right thing has long-term benefits. Trusted advisors place the client relationship first and foremost, even if a current project fails. This often means that the professional makes a substantial commitment to the client even when there is no immediate prospect of a profit. Successful trusted advisors are client-focused and consider each client's individual merits. They continually explore new ways to help, define problems and work on solutions.

Trust Me

Most professional advisors consider themselves trustworthy, even if others do not share that opinion, but realistically, not all professionals will become trusted advisors. Earning another person's trust is a crucial, but complex, challenge, particularly if the prospective client is a stranger.

To be trusted, you must give clients evidence as to why they should trust you. This is a quid pro quo. A prospective legal client in search of probate information met with several attorneys who told him about their firms. He was not impressed because those lawyers never asked what he wanted.

Then, he spoke to a lawyer who asked him what he knew about probate. When the client said he knew very little, the attorney mailed him free information about which agencies to contact and what action to take. The lawyer enclosed his contact information. This small interchange built a degree of trust and the lawyer earned a new client.

Trust has several clear characteristics: it grows over time, it is both rational and based on emotions, it depends on a mutual understanding between both parties, it involves taking some personal risk and it also calls for a long-term commitment. People trust other people, not institutions.

Dispensing Advice

Providing advice requires a certain level of technical competency but it also requires knowledge of emotions. Professional advisors must start by being helpful. Then, you can weave in bad news about any mistake the client might have made if you must. Coming right out and presenting a client with a list of errors is counterproductive. An advisor has to consider how clients will receive bad news in light of their company's politics, their individual interpretations of advice and their prevailing emotions.

This process calls for nonconfrontational language. Do not present a black-or-white decision. Instead of saying, "This is the problem and here is the solution," use "soft" language. Perhaps you can ask, "What problems are we facing?" When you propose solutions, couch your suggestions as examples of steps others have taken to address such problems. The best approach parallels the Socratic teaching method: asking many questions. This takes time and sometimes gets frustrating, but it is a key tool when providing advice. Each client and situation is unique, so you need varied approaches. Acknowledge each client's individuality and personal communication style. To guide clients to make the right choices, follow this sequence:

- Provide clients with a list of possible options.
- Educate them about the options and their ramifications.
- Make a recommendation.
- Provide a framework so the clients can make their own informed decisions.

“The ability to focus on the other person is evident in virtually all the trusted advisors we have encountered.”

“While outstanding technical competence...is a nonnegotiable, essential ingredient for success, it is not sufficient.”

“The essence of advice giving is the ability to design a process and means of interacting that fits each unique client situation.”

Separate but Equal

Building a business relationship involves some of the same elements you would use to build a personal relationship. You would be sympathetic, understanding, available, reinforcing and respectful. Learn what each client likes and dislikes; treat each one as special. For example, a professional firm that was pitching Wells Fargo bank for new business delivered its presentation in a leather saddlebag, evoking Wells Fargo’s American pioneer history. Show potential clients that your talents could benefit them and that you understand their needs. Show that you can listen to their problems, discern the unique elements and provide help.

In most cases, trusted advisors earn the right to provide advice. They understand the clients’ business and know what a decision involves. This may include decoding what clients say. For instance, if a client says, "I’m not sure that will work," that could mean the client thinks the idea will fail, or it is too political, or it needs modification, or it is hopeless and you should move on to another subject. When you get to know a client, you often will be able to tell when your advice is being sought and when it is not. Both matter. Do not assume you can solve everything.

Advisors should state their ideas clearly. If getting information from staff creates a bottleneck, say so. If you get bogged down, admit it and ask for help. Advisors who try to appear omnipotent often end up looking foolish. The key is to ask for help, as opposed to demanding that help be provided. The difference is subtle, but powerful.

Stay Focused

Trusted advisors concentrate on their clients. This is harder than providing technical expertise. Too often, while a client is speaking, the advisor is too busy worrying about what to say next in order to look interested or intelligent. This is common because the advisor is afraid of looking dumb or failing to understand the problem. This reaction often can complicate the issue, since clients want their advisors to understand problems technically and emotionally. Use "emphatic listening" to learn what clients know and don’t know. If you work with other professionals who also counsel your clients, expand on your mutual synergies rather than emphasizing any differences. "Exclusive professionalism" can hinder collaboration. To help your clients, you must work well with their other advisors.

Do You Like Me?

Advisors who like their clients generally have stronger relationships. However, one study found that professionals only like their clients up to 20% to 30% of the time. The rest of the time, they purely conduct business, without an emotional attachment. Sometimes the advisor likes the client, but the client doesn’t like the advisor, and so does not become a friend. This is the common demarcation line between business involvement and personal knowledge, the distinction between caring about the client and just serving as a service provider or vendor.

For advisors to become trusted, they must be credible, reliable, properly motivated and, sometimes, emotional. Credibility encompasses technical expertise, presentation abilities and individual experience. Credible advisors are accurate and thorough; they can anticipate needs and offer insights about future possible scenarios. To convey credibility, admit any lack of knowledge, introduce clients to one another so they can share experiences, display your credentials, show some emotion when you make a presentation and never exaggerate your claims. Reliability means linking your promises with your performance over time. To earn the trust of the clients you advise, follow a five-step process:

“It is an interesting comment on the human condition that we often resent those who have done us a favor, and to whom we owe an obligation.”

“Learning to focus on the other (person) isn't an instantaneous decision: it's a lifelong learning experience!”

“As Dale Carnegie said: ‘The only way to influence someone is to find out what they want, and show them how to get it.’”

1. **"Engaging"** - Give your clients and prospects individual attention. Offer customization. Make personal, timely, topical connections with clients about their business challenges. Find out all you can about new prospects. Seek opportunities to discuss activities of mutual interest. Discuss more than factual content, because that can pigeonhole you as a technician, not an advisor.
2. **"Listening"** - Sometimes an advisor's most important job is to listen, sympathize, integrate and get involved. Listening is an activity, not a passive process. When arranging a meeting, set an agenda. That can help you prioritize various decisions, prompt a conclusion and foster action. When clients share the agenda, they become involved in the meeting and gain a vested interest in its outcome.
3. **"Framing"** - Once advisors can clearly state their clients' problems, they are more than half-way toward reaching a solution. Framing a problem is challenging, but when you do it correctly, it is very rewarding. You can frame problems in a rational or emotional context. Rational framing breaks a problem down into its component parts. It works best when it reveals a new perspective. Emotional framing uncovers any personal feelings that may be linked to a decision. This can often be uncomfortable since it involves saying things that have been left unsaid, often deliberately.
4. **"Alternate reality"** - Articulating a possible new reality opens a client's imagination to new ways of doing things; it can spark creativity or challenge the status quo. Envisioning, which is crucial to problem solving, sets the stage for future actions.
5. **"Commitment"** - Once you frame a problem, shape a vision and determine a general course of action, explain the implementation details to your client. Covering all the pitfalls and barriers is an essential part of getting the client to agree to future action. This links the plan to the nuts-and-bolts of execution. Manage the client's expectations about what will happen. Restrain excess anticipation by clearly stating what you plan to do and what the client should do. Give details to avoid misunderstanding.

Implementing the Plan

Why do many highly qualified professional advisors fail to become trusted? Many say it's risky or not within their professional training or their current practice. Others say it intrudes on private territory, or confuses counseling or coaching with providing professional advice. However, the more familiar you are with people, the more likely they are to trust you.

The most common mistake advisors make is to head into action before gaining the client's full trust. Advisors often focus on themselves, believe they are just technicians or offer solutions too soon. Avoid just selling solutions, even if you sense that your clients - like many - rank their advisors according to their mastery or expertise. Some clients want to pursue a broader agenda with advisors they trust. When executives make complex, expensive decisions, the process becomes emotional as well as rational. Advisors who fear doing the wrong thing can fall prey to not doing the right thing. This kind of error, usually born of arrogance or cowardice, is more serious than making an honest mistake.

About the Authors

David H. Maister also wrote *Managing the Professional Service Firm* and *True Professionalism*. Consultant **Charles H. Green** and corporate executive **Robert M. Galford** both taught at the Columbia University and Kellogg business schools, and published articles in the *Harvard Business Review*. Green's work appeared in *Management Horizons*, and Galford has written for *The Boston Globe*.