



Expectation Management

Dealing with client demands comes down to how you communicate and meeting your service-level agreement. **Evan Thompson** explains

Managing client expectations is like long-term investing. Just as market volatility means you won't generate portfolio gains every day, you can't expect to meet the expectations of every client on a daily basis. In both instances, many factors are beyond your control. Clients and markets have good days and dreadful days and it's how you navigate those elements that determine success.

We live in a fast-paced society where we're accustomed to getting what we want immediately. We get cash from a machine, instant responses via social media, information at our fingertips on our smartphones, and much more. Clients are no different in shaping their expectations of you. However, you are not a machine or device. As humans, we have a limit to what we can give and you need to learn to manage your own personal energy, time, and financial resources when it comes to what others expect of you.

Try creating a format for working with new clients that determines their expectations and fairly reflects your business goals and professional style. Here are some tips to help.

1. Invest in time with clients to understand their personal and business goals. As you begin relationships with new clients, focus conversations on their interests and topics related to their business and relevant industry news. You can also get

personal in terms of getting a sense of what they'll expect from you. For example, if a prospect relays that he is going through a difficult divorce, he may expect some moral support in addition to investment advice and management.

2. Leave nothing to chance. Set up a service-level contract that includes the terms of your relationship and remuneration. Answer questions about the contract and your role that may pop up in the future.

3. Find out their expectations. How often they want to hear from you and in what format. Do they prefer email, face-to-face meetings, or telephone calls? How often do they wish to review their investments, and in which setting — at their homes, in your office, or elsewhere?

4. Introduce your team members. This meet and greet should take place during your first working meeting. You can win a prospect's confidence by being honest about your commitment to delegating to your team, which you have assembled carefully and trust implicitly. You can manage the client's expectations of you by setting out the role of each team member in assisting the client on a daily or less frequent basis.

5. Set boundaries early in the relationship. Regardless of the value of the client to your business, you need not be on call 24-7. You may need to call on your diplomatic skills to discourage a client who calls too frequently or chats for too long.

SERVICING PROBLEMS

Failing to set realistic client expectations comes down to three issues.

Over-servicing key clients: It can be personally satisfying and help you build client loyalty, but what happens when they are not your only key client anymore? You have set a precedent with over-service. Best to spread your attention evenly across your client base.

Lack of trust among your team: While you may feel that no one else will ever really understand what your client wants, sharing key clients is a good way to motivate employees or colleagues and enhance their loyalty to you and your organization.

Scope of work confusion: If you have a little extra time, you may decide to do extra work for a client that doesn't fall within your usual scope of work. This is an easy way to lose money and momentum. Stick to your negotiated scope of work, and if you think there is something extra your client may benefit from, suggest it and renegotiate your agreement so your fees fairly reflect it. — E.T.

Consider suggesting that you meet at pre-arranged times (for example, monthly or weekly) when you can both prepare and focus on the business at hand versus meeting on an ad hoc basis.

Dealing with PITAs

You may find yourself in the grip of a client whose expectations are spiralling out of control. Try not to confuse behaviour with personality when trying to understand a client who is difficult. Aside from being a subjective term, few people are born difficult. A toddler may be deemed difficult owing to teething or other issues the child cannot articulate. If the child could talk, we would soon learn that the root of the undesired behaviour was a hearing or other issue. As the child matures and learns to communicate, we may see the difficulties had nothing to do with the child's intentions, only its prevailing circumstances beyond its control.

People can become difficult for many reasons. You need to determine whether their actions are the result of their personality or pressures they are facing. For example, a short-tempered client may be the same with family, friends, and business associates. Or, the client may be very calm by nature, but under a lot of pressure, which makes them short-tempered. They could be anxious about their job performance, meeting a tight deadline, or be dealing with a personal issue that makes them difficult to work with.

You need to quickly assess whether a conflict with a client is merely a personality issue, or whether it could have legal ramifications that may affect your business. If the client does small things that are affecting you and your team, such as occasionally being late for meetings or cancelling on short notice, they are not in contravention of your working agreement. But if their chronic lateness and failure to meet input deadlines hamper your ability to do your job and fulfill your side of the agreement, then you could be facing a legal issue.

Let's say you notice a certain pattern with this client. For example, the client is rude and demanding with your team members in requesting constant changes to their investment portfolio. When the alarm bells go off, you need to know why, what the implications may be, and how to resolve the issue immediately.

When does it get too personal? Show empathy, but don't be dragged into the drama with personal stories to support the client's stories. Retain a level of objectivity and friendly distance to maintain your credibility and ability to help solve the problem. It takes years to learn how to manage clients and maintain a distance while staying involved. For example: Your client is filing for divorce and is talking about the resentment she feels toward her partner. Listen and offer well thought-out advice. But avoid describing your feelings of resentment when involved in a similar situation. Opening up too much will hurt your credibility in your client's eyes as they see your very human side when they are paying you for your professional and balanced counsel.

You try to meet the expectations of a variety of people when you commit to a role as an investment professional, whether they are your own expectations or those of your clients. How you manage those expectations will determine your success and your enjoyment (and the duration) of your professional and business lives. 📌

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