

Our firm attracts too many low-value clients

Firms who differentiate themselves in their market automatically attract better qualified, higher-value clients.

Client value

Not all clients, even all loyal clients, bring equal value to the firm. According to Sabrina Helm in the Journal of Relationship Marketing:

It would be a gross oversimplification to assume that long-term customers are always more profitable ... firms should strive to gain and keep only the right customers ...

This is particularly true for professional services firms who, as compared to product-based companies, have fewer clients and may have less clearly demarcated levels of service.

Defining client profitability

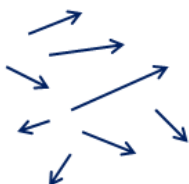
In client value circles, we define *client equity* as the total of the lifetime discounted values of all your firm's clients. *Client profitability* is an individual client's worth, defined as sales minus the cost to get the sale and the cost to manage the ongoing relationship.

How can firms identify profitable clients?

Align to client segments

While senior management often *talk* about the different types of clients they serve, many don't take the necessary step to *strategically align* their efforts to each client type, making their efforts inefficient:

Unaligned Strategy



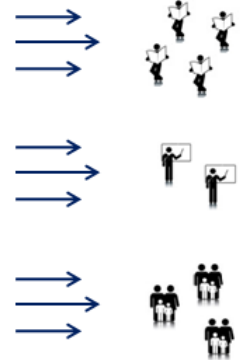
Clients



In contrast, when companies align their marketing strategy by client segment:

- Clients self-qualify.
- Marketing spend is more efficient.
- Success easier to measure and direct.
- Low-value segments easier to discard; high-value ones easier to introduce.
- Concentration within segments leads to deeper specialization which attracts higher-value clients.

Client-aligned Strategy



Low-hanging fruit

The good news is that for firms who have not yet taken this approach, results can be very dramatic with relatively little effort.

Favouring simple methods that deliver results quickly, we can lead your firm through the basic steps:

- Client value** - assess and measure based on contribution to firm.
- Competitive advantage** - develop in context of your firm's distinctive competencies.
- Value propositions** - for each client segment.
- Promotional copy** - compelling for each segment.

Bringing a fresh, outside perspective, we have the expertise and experience to lead the project to success within your firm.