EPISODE 11

Customer Community - The Consulting Curve Podcast

Tue, 8/16 10:35AM • 27:56

Introduction: Welcome to the Consulting Curve Podcast. The community approach to clients and consulting brought to you each week by Peter Selby founder of biz drivers dot biz, a trusted profit and growth advisory to companies and consultants around the world. Tune in each week and Learn how you too can take that journey from corporate to consulting.

Kevin: This is Kevin Pruitt with another episode of the consulting curve. And my good friend Peter Selby, once again joins us, Peter, thank you for taking time in your busy schedule to pick your brain a bit in the consulting space.

Peter: Heaven help us find pleasure as always worry picking my brain.

Kevin: Well, we are actually firing up episode 11 of the consulting curve the community approach to clients in consulting and it's amazing how quickly this, this series is going by. But, Peter, last week, we touched on a really interesting topic, I mean, around the whole idea of, of network and community and, and I know that, you know, these episodes are so short, and we try to cram everything in. I would love to kind of segue from last week to this week. And really just there was there was a couple of things that that we really wanted to touch on related to networking and networks. And I want to just kind of give you that space as we as we open up this episode. And then we can transition into really talking about the customer community as we get into this. So what are one or two things that that? Would you'd like to kind of segue from last week to this week? Yeah, I guess.

Peter: Yeah, I guess. They are. Yeah, there is a lot of overlap, I guess. And although we'll be talking more about the communities themselves and the networks, perhaps today, but there is a there's a definite link. And one of the things that's a common observation that we see is people get a little bit fixed on numbers, you know, I need a bigger network, I need a bigger network. And sure, whilst it is important that you are consistently growing your sphere of influence, it's as important that the network is the right type of people for what you're trying to do is not necessarily a numbers game, it's really about thinking about the type of problems that you're trying to solve for people. And also, the type of companies and people you want to do business with, or that would want to do business with you to be fair, and making sure that your network is focused in the right place. So and there's lots of places to focus. I mean, the digital platforms are obvious, you know, the LinkedIn is of the world, etc, Twitter and whatnot. But you know, there's, there's lots of industry networks, there's all sorts of networks around the edges. And you've only got so much time. So it's about getting the right quality of network as much as about the numbers. And that might be something we probably glossed over a little bit last week, because we're cramming a lot of things in, but it certainly is an area from our observations that we see people tripping up on more than more than anything else, really, from the perspective of growing a network.

Kevin: So are you talking more on the client side of things? Or on the service provider side? I mean, it's already the end both?

Peter: It could be both, but I suppose I'm really talking about the potential client side, you know, the network, you're trying the pond that you're trying to fish in? Right. But it could be either way? Absolutely.

Kevin: What's that is such an interesting, you know, normally when you talk about building your network, it really is becomes a numbers game. It's a quality that's quantitative, you know, it's like, the bigger I can grow my network, the bigger to use your fishing analogy, you know, the bigger the pond is that I can fish in. But you know, everything in this kind of new economy. And we've talked about in different ways, everything a new economy is almost like you got to niche down. You know,

Peter: It's interesting. And there's also the Pareto Effects and everything in life, tend to, and we touched on it last week. So people tend to forget when they're marketing, you know, 20% of your known network at any one time, is all that's ever going to do business with you. Just like 20% of your customers tend to be 8% of your income, no matter your business. So what can happen if you get the quality wrong is you just twist that formula further askew, and it becomes 10-10- 90 rather than 20-80. So whilst you're connected to more people, you're just connected to more people that are never going to do business with you. That is the issue.

Kevin: Right.

Peter: So it's about you're trying to bend the Pareto curve in your favour. I mean, the ideal networks the other way around, right 80% of your network is a people Are they going to do business with you? Well, that's never going to happen. But you can certainly build a network where 80% of other right type of people that are going to do business with you, right. And that takes a fair bit of work, it's not something you're going to do by accident, you really got to think it through. Because a lot of dynamics, it's not just the right type of people, the right type of companies, the right geography, the right industries, are you stretching into new industries? How do you get known how does your authority work in those places, there's a lot to think about, rather than just connecting to as many people as you can. So the other thing that a lot of people don't realise on platforms like LinkedIn, there is a finite number of connections you can make, right? You can have as many people connect to you, but there is a limit to the number you can connect to. So you need to make those numbers can you know,

Kevin: That I mean, that what you mentioned just now is exactly, quote, a great, great transition, what I was going to ask you about LinkedIn anyway. So, you know, we get so many connections, you know, connection requests from people, and you connect with them, and then bam, you know, they're selling you something immediately through a message. That's not what you're talking about, you're talking about adding value, you're talking about connecting, you know, to make it mutually beneficial. How do you, you know, personally, I know you're you're pretty prolific on on LinkedIn. So how do you? How do you utilise that particular social network, you know, to build your network?

Peter: Well, I'll just tell you one thing I never do in Linkedin is sell anything. So, you know, you just think about the world you've just described, where somebody connects with you. And you press Connect. And next thing, there's the pitching, something just completely turned you off. And the next thing I knew him from your network,

Kevin: Exactly, remove connection. That's the next the next move.

Peter: So, and rightly so at the end of the day, you know, when it comes down to the professional services environment, nobody's going to do business with you, unless they trust you on two levels. And we've talked about this before, you know, you've got to trust to to trust boxes, you've got to tip one is that they trust you on a personal level. And second, they trust you can solve their problem. How can they? How can you hope to achieve any sort of reply to a pitch that comes when you start walking straight up to somebody in a room, shaking their hand and starting to sell them a car, you know, it's just ridiculous. So and that tends to be lost a lot of people and to be fair, again, if you are in the business improvement space, for instance, you're trying to build a level of authority in the market with with reputable people, and reputable people don't expect you to turn up and start selling them things. I mean, it's just so I mean, you know, you're asking how, how do we utilise LinkedIn, we utilise LinkedIn to help the industry by sharing content, you know, reaching out and creating relationships with people. You know, maybe sometimes there's a sale at the end of that, maybe not, but it's, you know, the focus is about sharing useful content and creating meaningful relationships. And for that LinkedIn is a fantastic platform, but as soon as you start using it, like something more out of Facebook, or, you know, it turns people off.

Kevin: Yeah, I certainly can see that. And I think, you know, whether there's a sale attached the end of that or not, you are building your community, you are building your network, and you are inviting others, you know, kind of into the biz driver, you know, community as well through through LinkedIn through that platform. So yeah, appreciate you, you kind of circling back and, and kind of closing the loop on you know, what we're talking about networking, but really want to kind of transition now and really talk about the topic that we're going to focus on today. And that really is, you know, the customer community. When we when you when you say that, can you define that for us? What do you mean, when you're talking about the customer community?

Peter: That's a great question. And I mean, I suppose there's more than one answer to that. But what we imagine as to customer community, is, is a customer environment, I guess, an exclusive environment in which your customers live, and benefit from being part of and, you know, corporations have been doing this sort of thing for years, they have user groups for products and services or, you know, user groups for a brand or whatever it may be. And they bring them into this habitat, if you like into this ecosystem that is specifically around their organisation. But in the in the, you know, in the consulting community, that is not the norm. If you think about how consulting companies behave, or certainly the larger ones. There is a defined effort to Separate customers and not have them talk to each other. And, and you know that customers don't, although them, you know, everybody's got reference customers, of course, customers don't necessarily expect to speak to other customers when they hire a consultant, it's not the end. And yet, there is immense value from having a customer community in the consulting space, because you can build an ecosystem for your customers that adds value to them, whether you're working for them or not. And you know, if assuming that you deliver a good service to customers, they will have your back at some point in the future, right. So a customer can. Certainly, I mean, there's two types of ways of viewing customers, if you're a consulting company, just go after new customers all the time, or try and have less number of customers that are more strategic that you build deeper relationships with. Whilst you won't work for them all the time you, they will ask you back from time to time, and you will do repeat business. And that's certainly the model we use Well, in that environment. If you can build a an ecosystem for those customers, you can add value to them, even if you're not delivering services at any one time, just by connection and your other customers or sharing information, or whatever it may be. So this idea of having a community really is, is, I guess, leading territory in the consulting space, and it's seen as quite dangerous by a lot of companies, I can't, I could not count the number of conversations I've had with other consulting companies who think we're mad for connecting our customers, because their thinking is if you do a, if you deliver a piece of work that doesn't go to plan, and you know, that happens to the best of companies, then everybody instantly knows about it, well, that's true, you've got to back yourself not to do that very often. But the benefits the upside from having a community around, you outweigh that 1000 to one, you know, so we certainly do it. We've had a customer community for a number of years. And we share we have a In fact, we even have a private platform they all live on. So they can communicate with each other 24/7, they can share documents with each other, they can share videos, they can interact, we even have a channel, so they can promote each other's businesses in there, we promote trade from one customer to another. And we share market insights in there all the time. And it's just a space that people can live in. That's complimentary, it doesn't cost them anything, but we're adding value around no matter, you know, even if we're not doing work, but it's not so much about us adding value, either it's the value they get from being connected is enormous, in ways you, you know, you can't imagine we will ever imagine when we first did it, that we'd see customers trading with each other in this environment. I mean, that's fantastic to watch. Whilst we're not gaining any monetary value from that, it's fantastic to see the value adds to them, you know, so interesting. And we were nervous when we did it, I have to say, it was a bit of an experiment, because of this thinking that, well, you know, they've now got a view behind the scenes almost in your company, when they can speak to all the other people you deal with. But as long as you treat your customers evenly and fairly, and you don't price gouge anywhere, you've got nothing to worry about, you know,

Kevin: I'm curious. So since this was such a kind of a revolutionary idea, kind of in the cold advising space, you know, try to try to take a time trip back to you know, that that meeting that you were sitting in the conference room with the rest of your, you know, kind of leadership team, you guys were kind of bouncing ideas off each other and you're thinking, hey, why don't we build a community around, you know, of our of our clients? What was that first conversation like? And what were you actually trying to achieve? As a as a business by doing this?

Peter: Well, that's an interesting question. I don't think it ever came as, as an instant idea like that. What was happening is we are always looking for ways to add value to customers, even when we're not working with them, you know, so how do we how do we support people on their business journey generally? And so we share marketing, so we were not newsletters, but we dropped documents that we found that would be relevant to a particular industry that that customer might be in or who knows there's, you know, different things we do for people. And it just morphed from that into well, if we're gonna, if we're gonna have regular updates and things why don't we update everybody and that starts to smell like a newsletter. And then, you know, we've been around long enough to know that people don't read other people's newsletters, they're not that interested. So that's a lot of effort for not a lot of benefit. But what customers really want is other customers, you know, and people like communities, I mean, people thrive in communities. So it kind of morphed into that, really. And then we needed to think about what if we're going to have a community? What are they going to live in? You know, you can, there's lots of people do it. I mean, there's Facebook groups, and there's LinkedIn groups that consulting companies run, and they're trying to do the same thing. So it's not, it's now not as novel as it once was. But we kind of tried to take that a step further and think, Well, you can share stuff in groups, but there's so many LinkedIn groups, and so many Facebook groups, how do we have an exclusive environment in which they can live in So we built this platform for them to live in, you know, and, and if they join, we call it our profit and growth collaboration club, and please join me make a big fuss out of them and bring them in, and we do, we have guest speakers talking in there. And you know, it's a whole environment, but as some customers are active in their salon, you know, it's like any other community, you know.

Kevin: It's the Pareto Principle.

Peter: Sorry?

Kevin: It's the Pareto Principle, once again, you're gonna have 20%, that are that are highly active and 80%, that are kind of like, you know, what, just passively active.

Peter: passive, active, are all connected 24/7, no matter where they are in the world, and that was the other thing we had to do was build a platform, but it didn't matter where you were, if you and, you know, even when we're helping other consultants, we, we open this platform up to them as well, so they can bring their customers into it, if it's a benefit, you know, it's not for everybody, but again, but we have found, it's just amazing, it was a game changer, actually, in some ways. And certainly, the other thing to think about in the new economy, is there is a lot of competition. So you can't afford to just do a customer have worked with a customer wants, you need repeat business. So you've got to retain those customers. And our community is another great way of retaining people, because you're, you are connected to them, even when you're not doing work. And, you know, they're thinking, and they know what you're thinking and you're adding value, you're sharing content with them that they're going to find useful even. And it's not costing them anything financially. I mean, you've got to, you've got to be prepared to fund it as a company, because you need, you know, there's a cost to having the platform, there's a cost to just setting up the ecosystem and all the rest of it. But compared to the value that it brings with it, it's a small price to pay.

Kevin: I mean, it's certainly easier to to, you know, upsell an existing client than it is to, you know, pay for a new one to come in that acquisition cost for that new client. But I'm curious, there are two questions that kind of come to mind about just as we just kind of drive narrowed down to two biz drivers specifically. So first of all, I'd like to, I'd like to have you share a little bit about what that community looks like, what's what's like a day in the life of a business, the biz driver community, like if I'm, if I'm a member of that community, what what could I, you know, expect to see and encounter in that, you know, on a daily, weekly basis, or whatever. The second thing is, I'd love for you to touch on like a win, you know, you guys have been doing this long enough, there's obviously, you know, one that just kind of is top of mind, you're going hey, this is this is exactly what we were trying to accomplish. And this is we saw this inaction work really well.

Peter: Sure, so a day in the life of a community while the community lives, like I say, in our exclusive ecosystem. And one of the things that we get all our consultants to do, whether they're consultants, we're helping as part of our Executive Advisory board membership, or whether there are consultants inside the business. Whenever they post useful content on LinkedIn, we also get them posted in this environment. So there's lots of information coming in all the time. And customers will get pinged by the platform, or if they've got notifications turned on, they will if they haven't worked, but hey, there's been a post on a topic. And if that's a useful topic, a customer can, you know, this platform works on their mobile phone, it will work on their desktop, it works everywhere. So they're constantly connected to new information and data.

Kevin: And they can interact with that right? Within the ecosystem.

Peter: So you know, if somebody has, for instance, posted, and they've shared, I don't know, an article on on whatever it may be, and they want to know more, they can just reply back to the person who's posting and start asking questions about it. So it's an instant tap into this data connected world we keep talking about this is an instant way of customers keeping up to speed with what's going on in market places. So that is one thing that happens. The other thing is, you see customers interacting with each other. I need such and such service. And we do that, you know, and again, they might be reaching to each other from different parts of the globe, it doesn't matter if it's on a platform, that's, that's touching the web. So it's available 24/7. And equally, then customers that want to share stuff, we have done this, or we've found this problem or watch out for this, or here's a brilliant tool that we found, or here's a great consulting company, we found besides business drivers, whatever it may be, they can share all that readily, you know, so the only thing that we are careful about, we don't have many rules about the community beyond, we won't invite people that compete with each other directly on the same in the same geographic area, because obviously, that would start to unravel the community. But outside of that, we really do. We really do open the community up. So that does that answer your first question?

Kevin: Yeah, it did. It did, I made you when you mentioned that I'm thinking do you also kind of guard against within the community and moderate against like, just direct cold pitching, you know, to the, to the community, I mean,

Peter: We do have a channel that is for companies to advertise what they do, but they don't pitch, per se, they're just there's a one pager, they'll put in there that says, This is our company, this is what we do. And if people want the service, though, we'll contact them, but there's no direct sales going on, it doesn't really work like that. Secondly, if you think about when that comes from that, I can think of a couple of occasions where somebody has contacted us through the platform, to do some work to or to help solve a problem that's turned into a sizable assignment. No marketing was involved. Nobody chased anybody. And in fact, it was a customer that had been connected through, I can't remember how it might have been through one of the guest speaker series, but the customer we never actually done any work for, but they'd somehow they were in the community. And we ended up with a new customer, sells from a community that we generated without any work without any marketing. So when right, but I think the real win, though, is, is the community itself, just by the fact it's a sustainable, private community that customers can can interact with, beyond the on their own networks, and sort of more public platforms? You know,

Kevin: As we talked to this entire series, you know, what it's like to advise the new economy. I mean, you kind of mentioned that a second ago about, you know, you this is this is vital, you know, this is a differentiator, you know, this competition is certainly, you know, more fierce, and people want to be able to not only trust you as an individual relationally, they want to trust you, that you can solve their problem, you know, and I think you can also bring, you know, a certain increased level of trust through the community, you know, like, if I'm looking for, for a car vendor, or you know, somebody to help me with a service, and they're, and we're part of the same, you know, community, there's, there's like, an increased, you know, affirmation there that, yeah, there's some, some substance there that, that I can, I can kind of hang my hat on, so to speak. But this is, this is such an interesting topic. And, and, I mean, it's, as we're kind of nearing the end of the end of our series here, I just, I really liked the way that that we're kind of wrapping up with this idea that really was kind of the tagline of the whole series, I mean, the community approach to clients and consulting. That's exactly what we're talking about here. And in so many different ways, whether it's the services that we can provide the the expanded service provider network, whether it's building your own personal network, whether it's learning from each other, supporting each other, you know, obviously seeing the Pareto principle, you know, operating within that, but the whole idea of, of what it is to really learn to advise the new economy, but do it in community.

Peter: Yeah, okay. It is interesting, I think as, as the world in general connects more and more people that service that world need to open their mind to doing things more from a joint, a joined up community approach, then singularly and we've certainly seen the benefits in in just about every business we work with, be it a consultant or a company that they benefit From taking much more of a community approach, I'd still say, you know, customer communities in the consulting space is not yet the norm, it's, it's a lot more common than it used to be. But it still isn't the norm. And I think, I think they're missing a trick there, I think there's, there's a lot, there's a lot to be gained from pulling your customers together and adding value beyond just charging for work. And, you know, regardless whether you have a community or not, and having certainly a private exclusive community is a fair bit of work. But I'm not suggesting everybody does that, particularly, but the idea that you've got to retain more of your customer base for future opportunity to add value is more critical now than it's ever been, he was no doubt about that.

Kevin: No doubt, no doubt about that. And it is becoming in a, in a world of increased competition, you know, you do have to have to stand out and, and, and it's not just, you know, through flash and, and pop, you know, through marketing techniques, it truly is in the delivery side of things. And, you know, are you truly delivering on your promise, but, Peter, thanks.

Peter: I mean, that's a good point. It's not just about retaining customers, for your pipeline of opportunity. If you're genuine about the fact you are trying to support and add value to companies, generally speaking, then that's a great way to do it. And it brings its own dividends, you know, it's not really, it's not, it's not a marketing or, or a customer retention trick. It's just that's an outcome of adding value.

Kevin: Well, my friend, I would we talked for hours and hours about the whole advising space. And one thing that I have learned from you is that you are not into cheap tricks you are delivery of value that I can affirm with 1,000% So yeah, just thanks again for just taking time today. And just another great topic in this entire series advising in the new economy and really just love doing this, this, this whole series with you and just really just being able to kind of pick your brain and draw from your experience and and the examples of things that worked and haven't worked but you know, lessons learned that are applied. And and I think have a have a much broader application than just you know what we've talked about on here. But really, this this whole series is such a great series, that consulting curve that community approach to clients and consulting. Peter, thanks again.

Peter: Thanks, Kevin. Great fun as always,