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**CLIENT LOYALTY: STRATEGIES FOR BUILDING INNER CIRCLE  
RELATIONSHIPS**

Number 24

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Client Loyalty is a free, monthly newsletter published by Andrew Sobel, the leading authority on the skills and strategies required to build broad-based, long-term relationships with clients and customers. It is based on Andrew's research, writing, and popular workshops.

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**This month: Friends and Clients**

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**FRIENDS AND CLIENTS**

Consider this (true) scenario: You are a human resources consultant, and your client is Bill, the head of HR for a Fortune-500 company. You do great work for this company, and build relationships at multiple levels in the organization. Over time, you become quite close to Bill--really good friends. You get to know each other's families, and frequently socialize together. Top management becomes quite concerned about his performance, however, and the chief operating officer calls you in to ask your advice. She seeks your opinion about whether Bill is really cutting it in the organization, and goes further, asking you to produce a detailed, written assessment of him. Shortly afterwards, Bill pulls you aside, very tense, and asks you if management has concerns about his performance.

How do you handle this rather awkward situation?

[Note: I'd welcome reader comments or suggestions about this dilemma]

During my workshops, I am often asked about clients and friendship. The questions are expressed differently depending on the individual's inherent point of view or concerns. Here is a sampling:

“If you have a purely professional relationship with a client executive, how do you make it more personal?”

“Is it OK to become friends with your clients?”

“Aren’t there big risks in becoming too close to your clients? Shouldn’t you stop short of becoming friends?”

“How do you take a friendship and turn it into a business relationship?”

Depending on your perspective, you may think some of these questions are trivial or have obvious answers. But I am asked them all the time. Here are my thoughts, tempered by many lively discussions and the input of a lot of other successful professionals who manage high-level client relationships. This is not a definitive guide to the subject, but rather a list of thoughtful suggestions.

### Clients and Friendship: Some Basic Principals to Consider

#### 1. IT’S IMPORTANT TO BUILD A PERSONAL RELATIONSHIP WITH CLIENTS.

Notice that I did not say it’s important for you to become your client’s best friend, or even that you must become friends with your clients. I said you need to build a personal relationship with your clients. Simply put, this means that you develop shared personal knowledge about each other that enables you to talk about things other than business and to enjoy your interactions on a personal level. You can have a personal relationship without ever inviting your client to your house for dinner, although that might be a natural consequence of getting to know him or her on a more personal level.

When you build personal knowledge and have a personal relationship, several things happen. First, your client relationships become more enjoyable. You derive social pleasure and warmth from your meetings. You talk about sports, your families, teenage tribulations, running marathons, visiting Florence—as opposed to just reviewing pie charts.

Second, you develop a better understanding of your clients’ goals, aspirations, hopes, and fears. You become better able to contextualize your advice and services and tailor them to your clients as individuals not just anonymous institutions. The quality of your work, in short, improves.

#### 2. YOU MAY BECOME GOOD FRIENDS WITH A FEW CLIENTS, AND THERE’S NOTHING WRONG WITH THAT.

You may truly hit it off with a few of your clients, and become good friends. The vagaries of personal chemistry dictate that this situation is unlikely to arise very often, but it certainly does happen. Over time, I have become good friends with a handful of

my clients, but we're talking about maybe 5% or less of the total, if that. If you can maintain your independence and objectivity through this friendship, then you will have a very rewarding client relationship on your hands.

There can be issues, however--see (3) below

### 3. IF YOU BECOME GOOD FRIENDS WITH A CLIENT, YOU MAY OCCASIONALLY FIND YOURSELF ON THE HORNS OF A DILEMMA

The case of Bill, the HR executive, illustrates one of the pitfalls of becoming good friends with your clients. Here are some other potential problems you need to watch out for:

\*\*\*Your friendship makes business development an awkward process. When you suggest additional work to your client, you may feel uncomfortable because of the close personal relationship, and your client may feel obliged to say yes when he or she has doubts about the wisdom or validity of your proposals.

\*\*\*You may lose your objectivity because of your emotional attachment to the person. (On the other hand, your friendship may enable you to be even more blunt and candid than you would be with a client you don't know very well).

\*\*\*Both of you may lose credibility in the larger organization. Your client's colleagues, subordinates, and bosses may be wary of or uncomfortable with your close relationship, fearing that it compromises the quality of judgments on both sides and perhaps even your client's fiduciary duty to strike the best deal for your services.

Some things that can blunt or ameliorate these concerns include:

\*\*\*Never put the "hard sell" on a client who has become a friend. Go out of your way to be nonchalant and even a bit passive about suggesting new work.

\*\*\*If possible, negotiate contracts and proposals with someone else in the organization besides your client.

\*\*\*Be discreet about your friendship—don't go around the client's organization bragging about how close you and your client are, or publicizing your latest outing to a playoff game. This can provoke gratuitous envy or resentment.

\*\*\*Build multiple relationships, if your client is a corporation, and always remind yourself that your "client" is generally the institution and its shareholders not any one executive.

\*\*\*Don't "force" friendships with clients—you can take a first step (e.g., inviting someone to a dinner party at your house, or to the opera), but don't continually shower a client with invitations and overtures of friendship. Let it grow naturally.

#### 4. BE CAREFUL ABOUT TURNING GOOD FRIENDS INTO PERSONAL CLIENTS.

If a really good friend asks you do work for him (e.g., become his or her consultant, financial advisor, lawyer, banker, etc.), think hard before accepting. I think it's one thing if a client eventually becomes a friend, but when a close friend becomes a client you're facing a variety of possible problems. They may have unreasonable expectations about what you will do for them and the level of attention they will receive, and you may feel hindered in your ability to be an objective source of advice. You may find that you've gained a client but lost a friend, and I would argue that the latter are far harder to come by!

If you can, I think it's better to refer your friends to a trusted colleague. That way, you meet their needs without putting yourself in an awkward position and/or potentially damaging your friendship.

#### 5. PRACTICES VARY ENORMOUSLY BY CULTURE.

I lived in Europe for 13 years, and have worked in more than 30 countries around the world. It's pretty clear to me that practices vary a lot from country to country. In the US, for example, we are quite happy to do business with someone whom we don't know very well but who meets certain professional criteria and standards. In southern Europe, Latin American, and parts of Asia, it can work differently: People often won't do business with you until they know you personally. I can remember spending over a year calling on certain top executives in Rome, and it was ONLY after we had struck up a personal acquaintance that they felt comfortable inviting me to do consulting work for them.

We have to be very careful making broad, sweeping generalizations about clients and friendship, therefore, because accepted practice will vary depending on where you are in the world.

Overall, I think the dangers of mixing clients and friends are somewhat exaggerated. But as I've pointed out there are some very real pitfalls that you need to be on the lookout for. Keep in mind, however, that if you don't at least take the first step of getting to know your client as a person, you'll remain a vendor who can be dropped with little compunction on the part of your client. Client advisors build both professional credibility AND deep, personal trust, which cannot exist without personal familiarity.

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