

How to Manage Client Expectations

**“WE WIN EITHER WAY WITH A
GOOD EXPECTATIONS DOCUMENT.”**

HOW TO MANAGE CLIENT EXPECTATIONS

I could tell from the grimace on his face that the phone call had not gone well.

“What’s up?” I asked.

“I hate this.” he answered. “We start out liking each other. We deliver a great project, but they don’t appreciate it. Three months after their last payment, we’re still working on it for free and they’re unhappy.”

“I dread the calls,” he continued. “Clients always want things beyond the original scope. If I give in, we’ll work the rest of our lives for free. If I refuse, they’ll trash our reputation, which they’ll probably do anyway. This is no way to live.

“What do these people expect from us?”

WHAT DID THEY EXPECT?

Good question. “What do these people expect from us?”

This conversation was with a client who does complex web development projects. It could just as easily been with a builder, attorney, remodeler, architect, electrician, real estate agent, marketing agency, business coach or any of us who sell complex services or projects that involve a lot of steps and client involvement.

“How many of these projects have you done?” I asked my client.

“Over six hundred.”

"How many has your typical client done?"

"None."

"So, it's fair to say that you have a good idea of what to expect, and your clients don't have a clue?"

"Right."

A SIN OF OMISSION

We all know that the way to delight clients is to underpromise and overdeliver. But we also want the sale and are susceptible to overpromising in order to get it.

Overpromising doesn't mean promising something we don't intend to do - that's lying. More often than not, overpromising is a sin of omission. We just don't mention the bad stuff, and let stand the expectations they have conjured up in their imaginations. That's true even when we don't know exactly what those expectations are.

If we are to avoid hard feelings, bad reviews and the cost of a project gone wrong, we have to manage client expectations up front. Merely mentioning what could go wrong isn't sufficient because what we say, what they hear, and what we all remember are likely to be different. We have to do it in writing.

DOCUMENTING EXPECTATIONS

Professionals manage expectations without blowing the sale with an "expectations document." The document, ideally, is one page on which we lay out key subjects that we know from experience are likely to

cause problems. The document is a list of what clients can expect from us and what we will expect from them.

You already have a contract? The expectations document is in addition to the contract. Contracts are complex. The expectations document is simple. It should not conflict with your contract, but it should be written in short sentences with clear language.

What to include in the document is a matter of experience. What has given us the most trouble? Is it weather delays for construction? Is it clients' failure to make timely decisions? Is it the completion date? Is it the domino effect of a prior client's schedule affecting the new client? Is it unforeseen costs or change orders? We have to include the tough subjects because they're the ones that matter most.

A well done expectations agreement is not a list of everything that could possibly go wrong, it is a list of things that often don't go as planned. Nor should it be a list of excuses that involve our safety and the client's risk. For that reason, it begins with a list of what the client can expect from us:

CLARIFIED EXPECTATIONS

YOU CAN EXPECT US TO:

1. Deliver to you a detailed scope of work within one week of downpayment.
2. Begin work within three working days of receipt of your approval.
3. To tell you within one business day if we cannot meet the planned schedule.

4. To return your phone calls within one business day.
5. To answer your emails the day we receive them.
6. Etc.

WE EXPECT YOU TO:

1. Make all payments to us by the due date.
2. Direct your calls and questions to your primary contact at
3. Provide us with your content/selections on time.
4. Understand that work will stop and the schedule will change if we do not receive your content/selections on time.
5. Understand that weather delays are common.
6. Understand that one day of bad weather may result in longer delays due to scheduling "domino effect".
7. Etc.

Whatever the business, the document should address communications. Ninety percent of the problems with client relationships are due to poor communication, and the other 10% include communication as a factor.

Of course we have to live up to our promises, which is a second advantage of an expectations document. It sets out clearly for us and our teams the promises we have made.

LEARN FROM THE PAST

To create a document for your business, think through past projects.

What do clients or customers do, or not do, that has most annoyed you or created the most havoc with your projects? List those things. What misunderstandings have created the greatest delays or conflicts?

Create your first expectations document using the topics you can think of now, and add topics to the list as they arise in the future.

IMPLEMENTING EXPECTATIONS

Review the topics with clients at the point of sale, and ask them to initial each line acknowledging that you have discussed it.

Encourage questions. Be clear. Don't overstate the possible problems, but don't sugarcoat them either. Give them a copy.

They may not remember all the specifics of you talked about, but they will remember the discussion you've anchored in their minds - and - they will see you as a experienced professional.

We win either way with a good expectations document. We either make a sale and work with an informed client who pays and makes decisions on time, or we lose a sale and let our competitors suffer the hard feelings, bad reviews and high cost of working with uninformed, unreasonable clients.

HOW ABOUT YOU?

Have you ever had to work with "unreasonable" clients? Did they expect more from you than you delivered? Do you repeatedly suffer the same problems with clients? Have you ever thought: "But I told them this might happen?" How do you discuss projects with prospects?

If you have any further questions, please don't hesitate to mail me at Martin@annealbc.com or visit www.annealbc.com



Martin Holland

Martin Holland is the son of a successful entrepreneur. He grew up hearing about margins and markets, R&D and sales, risk and return on investment. He learned to love the language and rigors of business and grew to believe that business is both the most human of all endeavors and the highest calling. After selling a company in 2011, Martin became a coach in order to help other owners build profitable businesses that do not require their day-to-day involvement.

A native of Norman, Martin earned a B.A. degree from Hastings College in Hastings, Nebraska and a Masters in Business Administration degree from the University of Oklahoma. Over the past 7 years he has written business plans that have raised over \$52.4 million in bank and investor financing. He has helped 157 (and counting) business owners reduce stress and increase performance through clarity of purpose, better marriages, more money, and more free time away from the business.