Sample Training Lesson

LEADER*Skills* INSTITUTE

A division of Upstream Academy

"Developing great leaders...by design not by chance"

The title page gives the lesson title and identifies the lesson group and number. Groups include Client Service, Business Development, Firm Management, Personal Development, and Supervision.

Responding to Objections about High Fees

Client Service – Lesson #1

This paragraph provides a brief summary of the lesson content.

Client concerns about "high fees" are a fact of life in our profession. Sometimes those concerns are expressed very directly, even angrily. At other times, uneasiness over fees may be just below the surface of a question, comment, or action. There may be little that can be done to prevent your clients from occasionally feeling such anxiety; there is, however, much you can do to be ready to respond to their objections.

This is where you can insert your firm name and logo.

Strike, Hook & Land, LLP

Certified Public Accountants & Consultants

Responding to Objections about High Fees

Client Service — Lesson #1

Most people agree that humor helps the learning process, so we begin each lesson with a professional cartoon that relates to the lesson topic.

"I just wanted to get your reaction to that."

"I think I'm safe in saying that money is an objection you are going to encounter frequently as long as you are in sales. That being so, can you reach your full potential without learning how to cope with it?"
Tom Hopkins

"There is hardly anything in the world that some man cannot make a little worse and sell a little cheaper, and the people who consider price only are this man's lawful prey."
John Ruskin

Lesson-related quotations help participants to understand the topic and make each lesson a more interesting learning experience.

The first few paragraphs of each lesson introduce the lesson topic, helping participants to focus their thoughts and prepare for the training.

Our professional lives are full of surprises, events and circumstances that cannot be anticipated and for which no real preparation may be possible. However, many situations are foreseeable, giving us the opportunity to prepare ourselves. Louis Pasteur once said, "Chance favors the prepared mind." We would argue that success also favors those who are prepared.

Client concerns about "high fees" are a fact of life in our profession. Sometimes those concerns are expressed very directly, even angrily. At other times, uneasiness over fees may be just below the surface of a question, comment, or action. There may be little that can be done to prevent clients from occasionally feeling such anxiety; there is, however, much we can do to be ready to respond to their objections.

Viewing client objections to high fees as "negative" can easily keep us from taking full advantage of the opportunities presented by responding to such concerns. Expressions of discomfort about high fees are an open door to strengthening our relationship with a good client. The same objections can also supply a welcome exit for a bad client. In addition, responding appropriately to a question about fees may provide a valuable forum for training a less-experienced employee in how to deal with fee issues. Our ability to take advantage of any of these opportunities depends largely on our attitude and on how well-prepared we are to respond to the situation.

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Let's take a look, now, at someone who had a great opportunity but was unprepared to capitalize on it.

Upstream SnapShot™

Dave had been looking forward to this meeting ever since he signed the management letter. Four Seasons Heating & Air Conditioning had been a valued Strike Hook and Land client for many years and he could sense that the current situation presented a great opportunity to strengthen that relationship. The retirement of the company's founder nearly three years ago and the subsequent passing of the baton to his oldest son Gary had been a difficult transition for Four Seasons, one of the largest HVAC contractors in the area. The recent letter outlining the firm's concerns and recommendations lay on the table between them as the meeting began.

Sounding a little battle-weary, Gary glanced at the letter and breathed deeply. "Dave, it looks to me like there are some pressing issues in our internal processes that we can no longer afford to ignore. The problem is, I'm just not sure how we can get it all done." Gary looked at Dave, seemingly searching for an easy solution to the serious concerns raised in the letter.

This was exactly the opening Dave had hoped the meeting would produce. "Gary, we have the people who can make this happen if you need the assistance," he said confidently.

Dave's reaction caught him completely off guard. "I'd like your help," he began, "but

> *"Customers don't want to be treated equally. They want to be treated individually . . . Any company that treats a customer the same as 'everybody' is treating that customer like nobody."*
> Don Peppers

Upstream SnapShots™ portray individuals responding to events and challenges they're likely to encounter working for the firm. The "Before" view depicts the way such situations are often handled, and helps stimulate discussion as participants read the scenario and see themselves in it.

Shaded boxes highlight key principles discussed in the lesson.

There is plenty of space for participants to write down important principles they've learned, jot down questions, etc.

"When you're prepared, you're more confident. When you have a strategy, you're more comfortable."
Fred Couples

there's something I need to tell you, and I guess this is as good a time as any. To be perfectly honest with you, Dave, I'm not sure we can afford you any more. I've really been shocked at some of the invoices I've seen this past year. You guys may be good, but your fees are killing us."

For a moment, everything seemed frozen in time.

Dave's mind raced, even as he felt the sinking feeling in his stomach. "Where's Scott when I need him?" he said to himself. "Scott is so much better at this type of thing than I am." His first thoughts were defensive: Gary obviously had no idea how much it cost to run an excellent firm like Strike Hook and Land. Benefits costs, developing requested new services, training costs, liability insurance—all of these expenses, plus many more—seemed to know only one direction of travel. "How could Gary not understand that?" he wondered, almost aloud.

Still thinking at warp speed, he quickly reviewed in his head the most recent invoices sent to Four Seasons. Had he missed something? Were the fees reasonable? Had the firm taken advantage of its long-time relationship with Four Seasons? For a fleeting moment, he entertained the idea of somehow blaming the firm to ease his personal discomfort.

Humor. Maybe that was how to deal with this situation. But nothing remotely funny came to mind. And a valued client relationship was clearly at stake.

Only a few seconds had elapsed since he had heard the words "…your fees are killing us" but suddenly he was aware that Dave was staring at him, waiting for his response.

Notes:

SNAPSHOT DISCUSSION

❶ What thoughts entered your mind as you read the scenario?

❷ When did you last find yourself in a situation similar to Dave's? How did you handle it? If you could turn back the clock and change what you did, what would you do differently?

❸ Should Dave have been able to anticipate Gary's objections to high fees? What might Dave have done to be ready to discuss the issue?

❹ Are objections to high fees inevitable? Are there things that can be proactively done to avoid situations like Dave encountered with Gary?

"You're really not in business to make a profit, but you're in business to render a service that is so good people are willing to pay a profit in recognition of what you're doing for them."
Stanley Marcus

Group discussion is one of the most effective and enjoyable ways to learn. Questions following the "Before" SnapShot help participants to see the errors made by characters in the scenario and identify better ways of handling the situation.

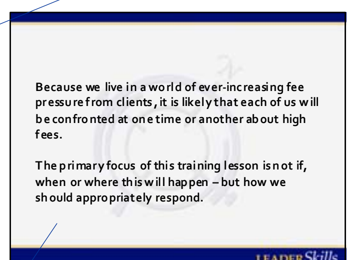
We've named the PowerPoint presentation that teaches key principles and enables individuals to improve their soft skills, "Upstream Insights™." Each presentation is comprised of 16 slides.

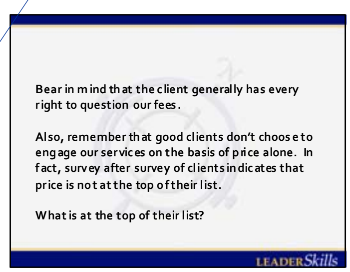
You receive the PowerPoint slides both in the lesson and on a CD with embedded audio narration and commentary by Sam Allred. Think of this as a mini Management Presentation on the selected soft skill topic.

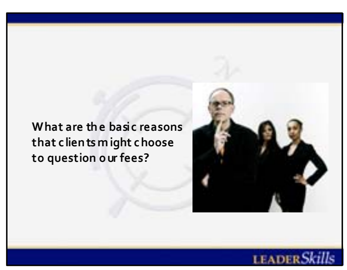
The second slide in each presentation identifies the primary focus of the lesson, including the need to improve that particular skill.

UPSTREAM INSIGHTS™

"A pessimist is one who makes difficulties of his opportunities; an optimist is one who makes opportunities of his difficulties."
Reginald B. Mansell







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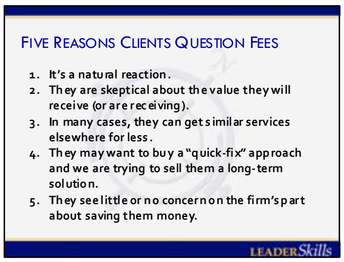

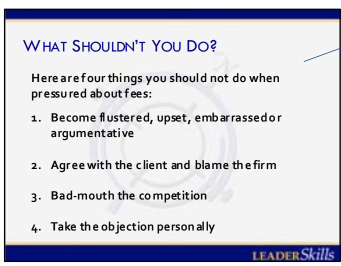

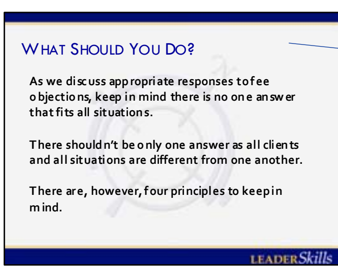

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"The only pressure I'm under is the pressure I've put on myself."
Mark Messier

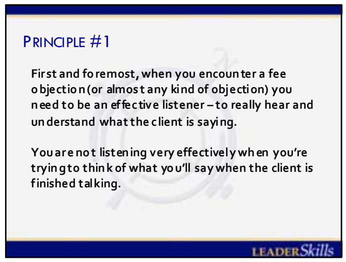
There's plenty of room for note taking throughout the Upstream Insights™ portion of the training lesson.

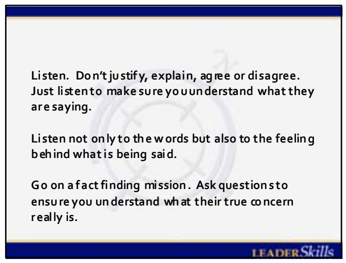
The presentation provides helpful hints, tips, and warnings about things to do or not do.

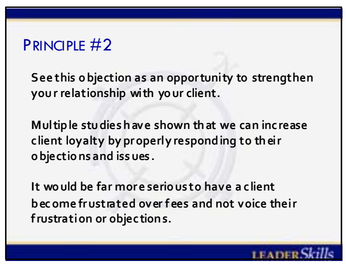
Questions are used frequently throughout the presentation to stimulate thought and help participants really understand key issues related to the training topic.

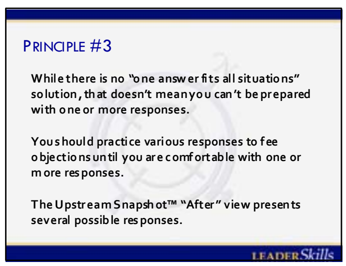
With each Upstream Insights™ presentation, we identify the key principles that need to be understood in order to improve specific soft skills. Having participants listen to Sam explain these principles will help them understand how to apply the principles as they interact with others.

"There are two ways of meeting difficulties: you alter the difficulties or you alter yourself meeting them."
Phyllis Bottome









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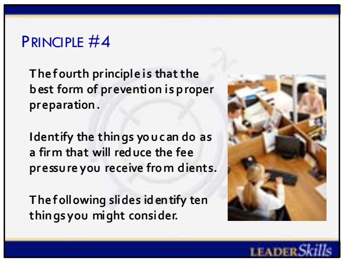

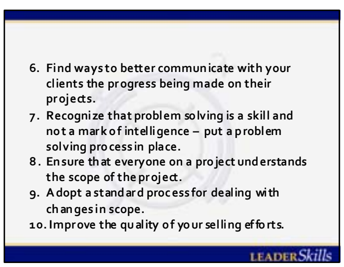

NOTES:

"Experience is a hard teacher because she gives the test first, the lesson afterward."
Chinese Proverb

Each presentation contains suggestions that will help both individuals and firms apply the principles and use the soft skills taught in the lesson.

The "After" view brings participants back to the scenario they read at the beginning of the lesson and illustrates better ways of handling the situation, based on principles taught in the PowerPoint presentation.

"I'm careful not to give into theatrics when times are tough, I don't like it when somebody gives into outside pressure and puts on a show for others."
Tony La Russa

UPSTREAM SNAPSHOT™

Like so many of the situations we face in the normal course of business, there is no one correct way to respond to client objections about high fees. Correctly applying the principles taught in the PowerPoint presentation will provide us with a number of different options for responding to fee concerns. Several of these possibilities are portrayed below.

In the "Before" scenario, Dave was clearly caught off-guard by Gary's expression of concern about high fees, and his mind raced to find a way to respond and encourage Gary to talk about his frustrations. Here's one way to respond in such situations and set the stage for a meaningful discussion:

"Gary, I appreciate hearing your concern about our fees. Four Seasons has been a valued client for many years, and we want you to feel comfortable being open and honest with us. I'd really like to visit about what you're feeling and why you're feeling that way. Could we do that?

With that preparation, Gary should be ready to talk about his concern regarding Strike Hook and Land's fees. Here are some possible ways to proceed with the conversation.

OPTION 1
"Gary, we made the decision early on that our clients would never have cause to question the quality of the services we provide. That decision then produced other decisions and choices we've made along the way. Do you have any concerns or uneasiness about the quality of the services you receive from the firm?"

OPTION 2
"Gary, it's absolutely critical to us that we have a great relationship with valued clients such as Four Seasons. To have that kind of relationship, you certainly need to feel that there's a good balance between the quality of the services you're receiving and the cost of those services. I'm sure you've thought about this; tell me your ideas on how the costs might be reduced. Are there things we're currently doing for you that could just as easily be done by someone on your staff?"

OPTION 3
When the objection is raised by a D-level client, you may want to consider the following response.

"Gary, you deserve the very best service that fits comfortably within what you want to pay. My sense of things is that Strike Hook and Land may not be the best fit for you. Let me recommend a couple of other well-respected firms here in town that you might want to consider for your accounting and business consulting needs."

"We live in a time of such rapid change and growth of knowledge that only a person who continues to learn and inquire can hope to keep pace, let alone play the role of guide."
- Nathan M. Pusey