



Developing and Maintaining Client Relationships

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The Importance of Client Relationships

The success of any human endeavour depends on the quality of the relationships between those involved. A good working relationship, just like a good friendship, builds rapport and understanding between the parties. To achieve such a relationship takes more than clear and regular communication, although this certainly makes a contribution. It requires investing time and effort into understanding the client and his or her business and situation.

Benefits of good client relationships

Building and maintaining effective and rewarding relationships with clients has many benefits.

A good working relationship allows an engineer to demonstrate their credibility, professionalism and other non-technical qualities. Engineers offer intangible services, the quality of which cannot be judged by prospective clients. Therefore a client's experience is one of the most significant ways by which the engineer will be judged. Regardless of marketing and promotional material, actions speak louder than words. The client's experience will shape the comments they make in public and contribute to the engineer's reputation, and that of his or her firm, in the market-place.

Although it takes time, building and maintaining a client relationship is a cost-effective exercise which contributes to productivity and efficiency. Complaints and misunderstandings cost time and money – a good client relationship is like an insurance policy that ensures there will be a quicker and easier resolution of any difficulties or conflicts.

Managing complex client relationships

Where a firm employs a number of engineers or other professionals who work with an individual client over a period of time, it is important to clarify which person has prime responsibility for maintaining the client relationship. The contribution of other staff, over and above their technical roles, should also be clear.

Special care is needed to manage relationships with larger client organisations. It is important for the engineer to understand the complexity of the organisation's structure, the position of client contacts within the structure, the organisation's drivers, and decision making processes. These

may not be apparent at first but can have a strong bearing on the success of the project. It is important to support your client contacts within their organisation to ensure that they are associated with success and the client's management is delighted with the project outcomes.

Laying the Foundations

Spending time to understand the client, as well as his or her business and its environment, is an essential first step in laying a good foundation for a client relationship. Depending on the policy of the engineer's firm, at the initial stages this may include having several meetings with the client and other appropriate people within the business, as well as doing background research.

At this point it is crucial to be clear about the project's desired outcome, and the proposed way of achieving this. An essential role of the consulting engineer is to identify and manage risks for the project and the client. Successful communication of risks, and how best to mitigate them, is a vital part of relationship building.

Role of the *Code of Ethics*

Above all, engineers need to be mindful of the IPENZ *Code of Ethics*, which requires the engineer to act with professionalism, integrity and competence at all times. From time to time clients may put pressure on engineers to step outside the *Code of Ethics*. Managing the client's expectations and educating them about ethical behaviours is an important aspect of the engineer/client relationship.

Importance of clear documentation

There is no substitute for comprehensive and clear documentation in minimising any difficulties which may occur as the project proceeds.

A letter of acceptance is often the first item of documentation and this is normally regarded as the instruction for the engineer to proceed. If this is the intention of the letter, an enforceable contract then exists between the parties, even if a formal agreement has not yet been signed. It is in everyone's interest to proceed to a formal agreement as soon as possible because this confirms the parties' understanding of what is to be done, and the price.

Contract documents have a significant role in establishing and maintaining a good client relationship. Examples of



long and short forms of contract documents for domestic and commercial engagements are available on the IPENZ and ACENZ websites. Whatever the selected format, it is essential to include specific details which can be used as reference points to resolve differences of opinion later on. The level of detail required depends on the likelihood of disagreement but essential areas that must be covered in any engagement document are scope, programme, fees, and liability to be carried by the engineer. Two other areas which often need to be covered in contract documents are the level of specification of proprietary items to be used, and the way in which changes to the original brief will be handled. This includes the effect of changes on the agreed contract price and the rate at which time spent on additional changes will be charged. Further information can be found in the *Guideline on the Briefing and Engagement for Consulting Engineering Services*, also available on the IPENZ and ACENZ websites.

Another useful form of documentation found on the IPENZ website is Producer Statements. These are formal statements to the effect that the engineer believes, on reasonable grounds, that specific design features of a building comply with the stated or industry standards. These can also be used as an effective way of managing any pressure to endorse less-than-acceptable standards.

The Value of Ongoing Communication

Relationships are dynamic and need regular nurturing. One of the most common reasons for the deterioration of a relationship in any walk of life is the perception of being taken for granted. The engineer is responsible for the state of health of any client relationship and the good work undertaken at the beginning must be continued throughout the life of the relationship.

Role of communication in nurturing relationships

Comprehensive, clear and regular communication is the most effective means of nurturing a client relationship. A schedule of regular meetings and progress reports should be agreed at the outset. Ideally this is enhanced by opportunities for social interaction. Keep a record of interaction so that this aspect and the health of the relationship can be monitored.

As well as promoting the “feel good factor”, communication develops a high level of understanding on both sides and minimises misunderstanding. Above all, it ensures there are no surprises for the client. The damage caused by bad news is increased if this news also comes unexpectedly. It is far

better to communicate the facts about a problem, and better still provide a range of solutions at the same time, than to fail to communicate in the hope that the client will not learn of the situation. It is here that the value of trust comes into its own. Where a strong relationship exists, the client is less likely to attribute blame and more likely to work positively with the engineer to achieve the required resolution.

When to walk away from a client

A good client relationship, based on mutual understanding and trust and supported by proper documentation, is critical to ensure that an engineer is never compromised. However, difficult situations may sometimes arise. For example, a client may plan actions or choices which, by implication, would involve the consulting engineer in unethical behaviour. Or, a client may decide to implement an option which, while not unethical, is clearly unfeasible or inappropriate, or would cause environmental damage.

In such a situation, the first step is to attempt to change the client's intentions by drawing on shared trust and referring to relevant detail in the original contract and/or any other documentation developed during the project. In most cases the strength of the relationship will allow the situation to be resolved at this point. However, failure to achieve a change in the client's plans leaves the engineer with no alternative but to document the facts of the situation, indicating that the client has materially breached the terms of the formal agreement, and terminate the agreement by notice to the client. This is a very serious step and will usually only be taken as a last resort, after a number of attempts to find a solution have completely failed.

Successful Completion

Successful completion means tying up all the documentation loose ends and measuring the client's satisfaction. It is always worthwhile to seek feedback from clients on the service provided and to say thank you. A satisfied client will be an advocate for the engineer and his or her firm in the market-place and will refer other clients, even if he or she is unlikely to be a repeat client. Before making the decision to purchase, prospective clients will often seek the reassurance of those who have experienced the engineer's services, so enthusiastic advocates in the market-place are worth their weight in gold.



Maintaining Client Relationships

Some clients will be repeat purchasers of the engineering consultant's service. Keeping in touch with these clients in between projects will increase the likelihood of more projects being awarded and is the most cost-effective form of marketing. Identify the clients with the greatest potential for ongoing work and implement a systematic programme of regular contact which fits within the structure of the firm's marketing and business development initiatives. It may be useful to keep a client diary to prompt you to call or email a client. Other strategies include sending media items of interest for the client's type of business or industry, acknowledging client successes, and, where appropriate, offering opportunities for social interaction. A client database which records contacts, communications and opportunities will keep all staff in the loop and is useful for tracking communications at a later date.



Further Information

Practice Note 01 Producer Statements

http://www.ipenz.org.nz/ipenz/forms/pdfs/PN01_Producer_Statements.pdf

Contract documents and Producer Statements

<http://www.ipenz.org.nz/ipenz/practicesupport/endorsedinfo/>

<http://www.acenz.org.nz/>



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