

All feedback is good feedback

Many firms are developing innovative ways of capturing client feedback. Rather than waiting until after delivery, **Stuart Dodds** believes feedback should start at the point of pricing a project.

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One of the most valuable, yet least, conducted activities when nearing the conclusion of a project is proactively seeking feedback. This can be internal team feedback or from the client themselves, but the opportunity gathering structured feedback from either group (ideally both) presents is extremely significant. And with pressure to deliver professional services at lower cost, the ability to deliver tangible efficiency and greater value to clients through improved processes will likely differentiate chosen professional services firms of the future.

To date, most articles on this subject have focused on capturing feedback after delivering a project, with few taking the broader approach proposed here, namely reviewing and gathering feedback at the point of pricing the project and its subsequent delivery. A number of suggestions follow which can be used as a basis for you and your firm based on my – and fellow practitioners – experience. Each can be more tailored to your own situation, but the key is to help you make a tangible difference in both how you define and agree commercial terms and then deliver, cost-effectively and cost-appropriately, against these (to your client's expectations).

Capturing pricing-related feedback

There are two things that are of utmost importance in improving pricing operations in any firm. Leadership interest in reviewing both qualitative and quantitative information together is one. (The other one, in case you are wondering, is



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the analytical capability that converts data into information.) Therefore, we need to have some information for this group to review.

However the challenge of any pricing analysis is that you can only review what you actually priced your services at, not what you could have potentially priced your services for. Through constructive questioning of the fee approaches adopted and initial analysis conducted, you can give yourself a good foundation from which to compare the performance of future similar projects and gain a better understanding of how successfully you convinced your client of your value proposition through a combination of your analysis and feedback captured.

Ron Baker was one of the first advocates of conducting more rigorous reviews focused on both pricing and value, his approach being rooted in the concept of the US Army's 'After Action Review' (AAR) which originated in the mid-1970 – a concept we will return to shortly. These reviews sought to answer a number of relatively open ended questions after the conclusion of each combat mission (and even during).

Yet asking our client a couple of simple questions on pricing can send many of us into a cold shiver. But it shouldn't. We should want to know how we can better meet our client's requirements for value, and asking questions on price can provide useful competitive context. Good questions to ask include how we could have added more value, how our price compared to others considered, whether the client felt they got

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‘value for money’, and whether there were other pricing/ approaches proposed by other firms which they liked, and if so, what? Even if unsuccessful in winning the pitch, it’s always useful to ask some of these questions for the ‘next time’ (and also for the potential competitive intelligence and insight that the answers may provide!)

Taking it one step further, internally we should also ask our client team questions such as whether we added (or clearly articulated) value to our client and whether we could have added more value (and if so, could this have been at a different, higher, price). It’s here that you can begin to probe, in a safe environment, what more you could have done to capture additional value and generate additional revenue.

The US Army has a saying: they never want to build the same bridge twice. And yet when we come to pricing a project and the associated value proposition we often do just that.

Capturing delivery-related feedback

The focus on greater efficiency (often accompanied by expectation of lower cost) is becoming a constant drum beat in discussions with professional service firm clients. This sometimes places us in a conundrum – our firms are set up to be responsive to client demands and are pretty good at doing this on a day to day basis. However, some firms struggle with being ‘proactive’ in response to increasing client demands, which in themselves may not amount to much more than requesting ‘greater efficiency’ from their firms but not specifying where or how.

A simple solution is however at hand -

one used by other successful firms and organisations for over 30 years such as Colgate-Palmolive, GE, Harley-Davidson and Motorola. The After Action Review (remember this?). It’s overall goal is to guide and improve how work is conducted on future similar projects you may conduct... follow up, review, feedback – call it what you like, but the overriding concept here is taking an objective view on how to improve in future.

It starts with asking four relatively open-ended questions:

- What was expected to happen?
- What actually occurred?
- What went well and why?
- What can be improved and how?

Time is typically divided into 25% of time reviewing what happened, 25% on why it happened and the remaining 50% on what can be done to change and improve for next time.

All extremely useful, but I would add one more question to the four listed above: ‘where next?’. Most tangible value from these reviews will derive from actually applying some of the suggestions made so take the opportunity to think through (and if possible, gain a commitment) where you can next apply associated learning on future projects.

Reviews can be conducted with the internal client team only, with the client, or both. Whether your client is included as part of the review or not (and good practice suggests that they are), it’s important to review the outcome with your client for three key reasons:

- it ‘alerts’ your client that you are aware of, and are seeking to actively address their needs;
- it allows your client a specific opportunity to provide feedback on the project;

and,

- it can be used to help ‘educate’ your client on potential issues that will improve communication and expectations for future projects.

If short of time, limiting your questions to ‘what went well and why?’ and ‘what can be improved and how (both from our firm’s perspective and jointly)?’ will still give you enough information to improve, with the real value of these reviews not just to correct things but to correct thinking. (Army experience identified that flawed assumptions were the key factor in flawed execution. Take a moment to ask yourself how often this is true when conducting projects.) Finally, it’s not sufficient just to do the review – you also need to communicate and then use the review, with any report needing to provide a clear summary of concrete and actionable recommendations that will help improve future execution. Indeed, these outputs are only truly valuable if referred to, used and subsequently improved.

By spending some time formally going through a feedback process – whether at the pricing or delivery stage – you can take time to see what you can improve rather than be stuck in ‘doing’ mode all the time. It gives you an opportunity to reflect what you have learned, capture it and then (hopefully) reuse when needed. Although blaming the client, as one commentator noted, is ‘much more simple, comfortable and common’, it’s probably best that we move away from this tendency and become more curious about how we can deliver better value for our clients at an appropriate price and in a cost effective and efficient manner. And guess what? Feedback allows us to do just that.

Find out more about After Action Reviews with the following resources:

- Marilyn Darling, Charles Parry & Joseph Moore, *Learning in the Thick of it*, Harvard Business Review, July - August 2005, 1 (Reprint R0507G)
- Ronald J. Baker, *Implementing Value Pricing: A Radical Business Model for Professional Firms* (New Jersey, Wiley, 2010).



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