Talking About the Unmentionable

This is about the business “F” word – Fees! Feel you’ve got it covered? Then give yourself a big pat on the back and read on to learn that your clients may well think that you didn’t do as good job of discussing fees with them as you think you did.

A Wharton Business School study (Eric Bradlow) revealed some interesting information for those of us who think that the relationship you build with your clients is a good indicator of the quality of your professional practice; good client relationships lead to client acquisition, retention and referrals.

In the study, fees were “an area where there is a wide gap between what the (financial) advisors say and what their clients hear.” In my experience this applies to all professionals; read on lawyers and other professionals!

“Almost all advisors surveyed (95%),” the study went on, “indicated they discuss their fees with their clients; yet, only 61% of customers say that their advisor initiates fee discussions with them.” The studies author believes, “It’s wishful thinking…It’s almost like they (the advisors) want to believe that this is something that’s understood. If you believe that it’s already been covered, then you don’t have to do it.”

Another interesting perspective was suggested by the study, 41% of advisors believed that cost was their clients’ least important concern, while 31% of clients ranked it as one of their top two most important concerns.

This is a classic example of not reading the full communication of the client in front of you, and of professionals not dealing well with areas that give them trouble. To overcome this kind of stumbling block we need to consciously practice techniques and have a clear understanding of the dynamics at work.

The solution is easy to design, figure out your fee schedule and make it transparent to your clients early on. It just isn’t that easy to implement. There are many simple ways to accomplish it, but first you need to understand your own money issues. Many of my professional coaching clients are surprised to find just how tangled up their old money emotions are – feelings of not being worth the money they’re charging, misplaced compassion toward those who don’t need a discount, or feeling that talking about money is just not polite. Many times their old feelings hijack their best intentions.

If you would like to be more comfortable talking with clients about fees, and want to be sure they hear you and have a chance to share their reactions, give me a call. In just a couple of sessions we can check this one off your “To Do List.” Better yet, why not set up a training session for all the people in your office who have to quote fees.

Bottom Line: Fee isn’t a four letter word (and neither is money).