

DON'T LET REFERENCES CHECKMATE YOU – CHECK THEM FIRST

Positive references from previous clients are one of a firm's most valuable assets. They play a vital role in establishing immediate credibility with a prospective or new client. We often take them for granted, using old references, or worse, references that have not been surveyed for their current comments. Another factor is the ostrich syndrome, where we think everything is going well, but it really isn't. It pays to know, and the typical client needs assessment procedures will not work here. The reason – the person doing the assessment may be part of the problem.

Consider these reference scenarios from different clients types.

First there's the *outdated reference*. As one client lamented. "We always make reference calls, and I can't tell you how many times firms submit a list of references in their proposal and the phone number is no longer working, or the person cited is no longer with the company."

Then there is the *silent, but deadly reference*. A client was used as a reference for every proposal that went out. However, this person harbored deep-seated negative feelings about the firm, but never told them – only the people who called for a reference.

It brings to mind axioms about negatives that were compiled from a national study by the Technical Assistant Research Program, performed for the White House Office of consumer affairs. It states:

- . 96% of client complaints are never voiced.
- . On average, each client will tell a negative story to 9 other people.
- . 13% of disgruntled clients will tell at least 20 other people.

The good news in this survey is that 70% of disgruntled clients will return if the design firm corrects the error, or apologizes for the problem.

Then, there's the *surprise reference*. A client called a reference and received this response. "They did pretty good work, but we use another firm." The client was astonished. "When your reference gives someone else a better reference, you don't rise to the top, the other firm does, because that's a spontaneous reference, and it's very valuable."

There is always some client who *doesn't play by the rules*. You send your list of references in selected firms, and they call others in the same firm instead of the ones you provided.

Finally, there's the *wild card reference* obtained by a client who doesn't believe your references. A developer client had this comment about how he handles design firm's references. "I believe in 'ground up' references. I call people I know and ask if they know anyone in the firm. If someone sends me a list of references, I throw it away because I wonder who isn't on that list. If I call the reference and don't know the person giving it, it's a waste of time."

One would think that periodic needs assessment carried out by the PM would spot any problems, and it might. But conventional wisdom and experience indicates that it will not. While readings on the progress of the work and the client's satisfaction is very important, the only true measure of a happy client and potential for a good reference is found by outside consultants who are not part of the project's problems.

Consider this verbatim reference acquired in this manner. "They're just tremendous folks to work with. They were always on call and always responded to those times I was available to meet, which didn't fit the typical 8 to 5 schedule. We have a major renovation job just underway, and I didn't even look at another architectural firm, because I've got a tremendous comfort zone in their ability to get that job done."

You can call this client anytime.