

How's Your Asset?

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At the end of my first full year as a management consultant, at the age of 39, I decided to take stock. How healthy was my career? I quickly discovered a disturbing paradox. My income statement was fantastic, but my balance sheet was deteriorating so badly that I was in danger of ruining my career (in other words, going out of business).

Just before starting my consulting career I had published a few articles that had caught the attention of my target clientele, and I also had the advantage of having been a faculty member at Harvard Business School for the previous six and a half years. The phone rang constantly with requests for me to do work in the area in which I had built my (budding) reputation.

Not only was I very busy (and “highly chargeable”), but because I was being hired to do things for which I already had a reputation, I had relatively few problems with fee levels (that is, I had a “high realization percentage”). I made a lot of money, more than I had hoped for. All seemed to be going very well.

But was my business (and/or my career) truly healthy? I remembered my business-school training, which had taught me that to judge the health of a business you have to look at the balance sheet as well as the income statement.

What made up my balance sheet? I could think of two groups of assets for my profession. (We'll ignore for the moment my liabilities, particularly the personal ones.)

When I first started out, the ideas contained in my articles (on which I had launched my business) were relatively new to the market, and I could therefore command a premium fee to consult or speak about them. However, with the passage of time, the price the market would pay for those ideas (and the related skills and knowledge) would inevitably decline. There were probably many potential clients out there to whom I could keep selling the “same old stuff,” but if I kept this up, my skills eventually would be out of date and worthless.

Already the danger signs were there. Friends among my client base told me that people were saying, “Oh, yeah, we've had Maister in and heard his stuff. What else has he got?” Even with ongoing clients (and I had a few), they clearly didn't value as highly what I was doing the second or third time as they had the first time. The value of my asset was definitely going down.

There was also a strange problem with my second group of assets, my client relationships and reputation.

If I had published a personal brochure (or resume) about my consulting career to date, it would have looked very impressive. I had worked for a large number of very prestigious clients. It felt like my client and contact list

represented a real asset. But was there any real value there?

It quickly became clear that my client relationships would have a high value only if, the next time the client had a problem in my field of interest, I had a high probability of getting the job. That would have been worth something. But truthfully, that wasn't the case. I realized that having only done "one thing" (or a limited set of things) for a wide variety of clients meant that I really hadn't developed relationships that promoted the chances of me getting their next (interesting) assignment.

I realized that the value of my client relationships was not measured by the number of clients or by their prestige, but by how deep the relationship was. I realized that I would have been better off working for fewer clients but doing a variety of things for them, so that they would have seen the range of my skills and had the chance to know me better and trust me when new things came up.

As I worked to address these problems in subsequent years, more harsh realities about professional life became evident.

Unfortunately, I discovered that it was harder to generate asset-building work than to sell what I was already known for, already had methodologies for, already had written articles about and already had references for. If I took the line of least resistance in my practice development activities (in other words, sold what was easiest to sell), chances were that I would be milking my asset, not building it.

Second, I learned that doing asset-building work was often more stressful and sometimes less fun than doing what I was already good at. Doing the type of work that was easiest and most

comfortable was not necessarily what was best for my career. In fact, it rarely was. I realized that in professional life, if you're comfortable, you're heading for trouble.

In summary, I learned that unless I actively worked at it, my career prospects would inevitably decline, even when (or perhaps especially when) I was making lots of money. Having a good current year financially was clearly a necessary condition for my success, but it was far from being a sufficient condition. Keeping my career moving forward, even staying level, was going to take conscious effort.

There were two pieces of good news in all this. First, I discovered that if I was prepared to work at it, there did not have to be a trade-off between my balance sheet and my income statement. If I could be diligent and clever enough in my practice development, then I could be as busy with asset-building work as I had been with asset-milking activities.

Furthermore, if I did things correctly, I could deserve and earn higher fees for learning and developing new types of projects than I was able to earn for the stuff I knew how to do years before. My current chargeability and realization did not have to suffer; I just had to learn to manage my flow of work and be sure to build new skills—continually and forever.

For example, an assignment from an existing client (assuming the project was different) was far more likely to deepen my knowledge, broaden my skills and make an asset out of my client relationships than a "first" assignment for another new client.

That's what I learned in my first year. Since then, I have learned that those

experiences were not just problems encountered in the early stages of a career. In fact, the more “successful” I became in later years, the greater the temptation was to exploit existing skills and relationships, and the harder I had to work to make sure that I didn’t just cruise and let my balance sheet slip away unexamined.

After having observed thousands of partner-level professionals in a wide variety of vocations in numerous countries, I have concluded that those same lessons still apply, not only to me but to every professional at any stage of his or her career.

Moving Toward a Solution: The Personal Strategic Plan

To grow your asset successfully requires a plan, one designed to make your asset increasingly valuable in the marketplace. You have to find ways to continually develop the knowledge and skills that your target clients value. In essence, we all need a personal strategic plan for our careers.

What can you do to promote your learning apart from being exposed to a variety of experiences? Traditionally, most people acquire their skills and knowledge through opportunistic insights, not structured learning (a phrase taken from Donald Schon). However, you can rely too much on random experience as a teacher. To learn well, you have to set out to learn something specific.

Unfortunately, this requires focus. Like most professionals, I enjoy variety in my work life. I have wide interests and enjoy learning new things about lots of things. Yet I have learned from my own career, and from watching thousands of other professionals, that if you want to

create a truly valuable asset, then you have to focus your attentions on building a highly specific set of knowledge and skills.

This is true not only because focusing means that individual pieces of learning are more likely to be cumulative and hence speed up the value creation process, but also because (with ever-increasing intensity in each profession) clients demonstrably value specialization. If we want our asset to be valuable in the marketplace, we have to respond to their preferences..

With each passing year, I have relearned the importance that clients give to specialization in “their kind of business” (that is, specialization either by industry or by “type of client,” such as family-owned businesses, government agencies, entrepreneurial companies, Fortune 500 or international organizations).

Meeting this client need does *not* mean working only in one industry, 100 percent of the time. It *does* mean being sufficiently well-informed and experienced to stay current with industry developments, being able to converse with the client about industry-specific issues and offering your professional counsel in such a way that the client does not have to perform any “mental translation” of generalities or terminology into his or her specific situation.

For example, I have learned that the (seemingly “low-level”) task of diligently reading my clients’ industry trade magazines, newsletters and trade association materials every single month without fail has made me a better professional in their eyes. It has made me, in their judgment, substantially more valuable to them. Sometimes reading those materials (or attending their trade

association meetings) doesn't feel like a "professional development" activity, but I have to remind myself that, in the clients' eyes, my asset is not defined as just my technical skill. For them, my asset is valuable if I have technical skill *and* the ability to apply it in a customized way to their situation.

Choosing an industry (or "type of client") focus is a problem for many professionals who worry about over-specializing. When I began, I too wanted to work with more than one industry (or, in my case, profession) and faced a common problem. How could I achieve my ultimate goal, involving both breadth (the variety of clients that I find fun and fulfilling) and depth (the detailed knowledge of industry specifics that clients value)?

By observing others and through my own experience, I have concluded that the correct approach is depth first and then breadth. By first focusing on clients in a specific industry, you will more quickly build the knowledge and skills they value, more quickly be exposed to a variety of (asset-building) assignments and more quickly build client relationships.

Only after having done that is it wise to begin branching out. If one took the opposite route of breadth first, one would be accumulating lots of little pieces of knowledge in a wide area and establishing numerous minor client relationships—not the best strategy for fast skill building.

It is important, I have learned, to make a distinction between knowledge and skill. Knowledge is relatively easy to accumulate quickly, but it also depreciates quickly. Skills are hard to win, but they keep their value a little longer. Further, I have learned that it is

important to distinguish between technical skills and counseling skills.

Growing one's professional technical skill is, of course, a minimum requirement for keeping one's career alive. However, it has been a fascinating lesson to observe lawyers, accountants, consultants and other professionals, noting that only a very special few have been able to build their careers on technical skills alone. These few are the gurus, the rocket scientists, the brain surgeons of their professional specialty who have somehow persuaded the market that they are closer to the frontier of their discipline than their competition.

For the vast bulk of the remaining professionals I know (including myself), technical skills alone are rarely enough. To be a valuable professional in the eyes of clients, I have learned (sometimes through bitter experience) that it takes a variety of interpersonal skills, which I lump together under the title of counseling skills.

Professionals are more valuable to clients if they not only solve their clients' problems and "tell" them what they should do, but also help their clients understand more. This includes helping clients look at issues in a fresh, more revealing way, and helping them see what the options are and what relative advantages and disadvantages those options offer.

This activity sounds simple but I have learned that it truly is a skill, and like all skills, it takes practice. By observation, I can report that some professionals are terrific at this and others (probably the majority, including myself) could do with some improvement. What is certain is that effectiveness in this area is something that clients value highly, and

that utilizing this skill will build one's asset and one's career prospects.

Other skills fall into this category of counseling ability. Most professionals find themselves working with more than one executive as their client. Accordingly, the client will receive greater value from any ability that the professional may have to deal with groups, in that the professional can help the client organization arrive at consensus where none existed before, reconcile differences and diplomatically handle the conflicting views that exist among client personnel, and so on. Again, what I have learned is that these skills are called upon, not infrequently, but in the regular activities of most professionals' work.

How to Speed Up Your Asset-Building

With these thoughts in mind, I worked hard over the years to manage the mix of my business, and I think that I've succeeded. I was lucky enough to be given the chance to work on a variety of interesting and challenging new types of assignments. A while ago, I gave myself a test.

"OK, David," I said to the face in the mirror. "What do you know now, or what can you do now, that you didn't know or couldn't do one year ago? In what way are you a better professional than you were one year ago?"

I watched my face turn red. "I know I've learned something," I replied, "but I'm not sure I can tell you what it is."

"Why not?" I quizzed myself.

"The problem, you see, is this. I've had lots of interesting experiences, but I'm not sure I've figured out what they taught me. I've had my share of successes, but I've never paused to

reflect on why that particular assignment went well—I was always too busy, dashing to the next assignment.

"And, unfortunately, I've had my share of failures—client assignments that didn't work out as planned. And there I was, even more eager to dash to the next piece of work and not look back on what went wrong. And even if I did look back, I have to confess that it was more normal for me to think about what the client's people did wrong (Those darn clients!) than what I could have done better."

Since I was talking to myself, I indulged myself in an old joke. "The trouble is that some people have five years of experience, and other people have one year of experience five times." The difference, of course, is in the ability to learn. Experience is the best teacher, but you have to do the homework.

I realized that if I was going to build my knowledge and skills, it was not enough to have a wide variety of experiences: I had to work at learning from them. I stole the following quote from somewhere, but now cannot remember where. I'd love to give appropriate credit because it sums up very well what personal asset-building is all about:

What we are is determined by what we experience, which is determined by what we do, which is determined by what we learn, which is determined by how we interpret events.

The lesson of this (inspirational?) quote is that, just like my experience when I looked at myself in the mirror, the essence of personal growth lies in taking the time to look back at what you've been doing and working at extracting the lessons from it.

There are four avenues of “debriefing” that I have found valuable in promoting learning:

- a) By oneself
- b) With the team (assuming that others, including juniors, worked on the assignment)
- c) With the client
- d) With one's peers

First is debriefing on your own. I find that if I force myself to examine my work experiences, taking the time at the end of a project to ask myself, “What went well, and why? What didn't go so well, and why?” I almost always come up with something that will help me get better next time. For myself, I find that if I take notes (keeping a written personal journal) I am more likely to remember and apply the lessons next time.

Debriefing with the team has the same goal and uses the same questions. However, debriefing with the client adds an entirely new perspective. By asking the client to review the assignment with me, and tell me in retrospect what “we” (the client *and* I) could have done better, and what we might do “if” there were a next time, I have found that I get a great deal of assistance in growing my asset, particularly in those areas of working with client personnel that are so important to clients but so easy to neglect in the hurly-burly of “getting the project done.”

There are immense benefits to be gained by asking your clients for feedback on your performance on a regular, systematic basis. I have learned that if you ask, clients will be honest with you about what you can improve on. Often, the things they mention are those you're already aware of, but the act of asking

forces you to confront (and deal with) your (relatively) weak areas.

Many firms have organized efforts in this area, including mailed questionnaires. Whether or not your firm adopts this approach, my experience suggests that it is in the individual professional's self-interest to arrange their own client feedback program just for themselves. Not only does this activity help build skills, but the act of asking for feedback is a powerful tool in cementing client relationships.

By taking every opportunity to discuss your work with peers, you create the possibility that you will derive value when they ask, “Why did you do it this way? What would have happened if you did that?”

Other devices can help skill building. Many of the key interpersonal skills that all professionals need fall into the category of what I call the “Cabin Attendant Test.” The airlines teach their cabin attendants how to deal with a rowdy drunk at 35,000 feet. They even coach them with prepared scripts on precisely what to say to accomplish the desired soothing effect. However, knowing what to say is easy, but having the skill to actually “pull it off” in real time is an entirely different story.

So it is also with some counseling skills. How, for example, do you tell a client he or she is wrong, without being rude, confrontational or challenging? Doing it well takes skill, not knowledge, and a professional without that skill will not have great career prospects.

The answer, of course, comes from practice. But it must be practice in a situation where you can afford to fail, where you can watch yourself, where you can try different approaches and

learn. That means rehearsals and role playing. Some of us can develop these skills rapidly by repeated experience in front of real clients. For most of us, a little off-line practice would work wonders (particularly if there's a video camera around)!

It's also a good idea to participate in as many joint projects with professionals from other disciplines as possible. We learn and develop from our work experiences, and if you get a chance to be on the same assignment as a top professional from some other area, you're going to learn—and learn in a way that no amount of reading or “off-line” conversations with that professional will ever provide. Figure out who has something to teach you, and find a way (even if it means cross-selling their services to your client) to work with that person.

Conclusion

Whether you are age 25 or 55, you will always need to worry about how your career is moving forward from today. As you think about your career, here are some questions to ponder:

In what way are you personally more valuable to the marketplace than last year?

What are your plans for making yourself more valuable to the marketplace than in the past?

What specific new skills do you plan to acquire or enhance in the next year?

What's your personal strategic plan for your career over, say, the next three years?

What can you do to make yourself (even more) special to the marketplace in the near future?

What, precisely, is it that you want to be famous for?

The first group of assets on which my career was based was my inventory of knowledge and skills. Professionals get paid for their time, but that's not what we sell. We sell knowledge and skill. The second (potential) asset was my client relationships. Much to my surprise, I discovered that both had deteriorated badly.

The problem with my knowledge and skill was that I hadn't learned anything new. By definition, the unsolicited phone calls requesting my services had been for things that I was already known for.

Even though each client project was customized (to a degree), I found myself doing basically very similar work for a variety of clients. I had not added to my abilities. What was even more shocking (and depressing) was the realization that not only had I not grown my asset, but its value on the market was going down—rapidly.

Left untended, knowledge and skills, like all assets, depreciate in value—surprisingly quickly.



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