

## Closing Business: Four Stages of a Business Relationship

By [Silvia L. Coulter](#) on February 21, 2023

A number of scholars have studied relationship development and the science/psychology around building relationships. Whether the perspective is from a psychology viewpoint using tools like Myers Briggs and others or from a business science viewpoint about various stages of relationship development, relationships matter and they take time to develop. Certainly knowing one's style or preference is helpful since that has an impact on other's styles and preferences. The relationship will either be a miss or a go. This article looks at a perspective on four stages of relationship-building and provides some insight into each.

Just knowing people isn't enough in today's competitive legal market. That may have been the case 10 years ago, but not today. We often hear from clients, "she'll definitely call me if she ever has a legal need" or "I play golf with him every week, he will certainly call me if he needs help" or "I talk with this client a lot—we have a number of active matters." Assuming a client or friend will know to pick up the phone and call you when a need arises is wishful thinking.

So, what can one do to help drive the relationship from one step to another in the sales process? It's helpful to understand the current stage of your relationship with a contact. There are four basic stages according to *Robert Fisher, a Professor at the University of Alberta*:

- **Awareness:** Meeting people, getting them interested in knowing you better and/or working with you. Establish common interests.
- **Exploration:** This is what shifts someone from being an acquaintance to a potential client. Stimulate with value propositions.
- **Commitment:** Does it make sense to do business together? Introduce unique differentiators and propose.
- **Dissolution:** A Go/No Go Decision. Is this the right supplier/firm and is this the right client?

While much of his writing is related to consumer behaviors and the impact the Internet has had, the bridge to law firms and clients is fairly straight-forward to make.

In the **Awareness** stage, the likelihood of getting hired is very remote. Awareness is developed in many ways—marketing activities which may include writing, speaking, advertising, sponsorships, etc., and business development activities like face-to-face meetings at businesses or social events. Finding ways to continue to reach out to build on the initial relationship is critical. Keep in touch by sending articles of interest or following what is going on with their business and reaching out to comment on the latest events taking place with the business or the industry. These are good ways of moving toward the exploration stage. In other words, this stage relies heavily on traditional marketing activities. Studies show that it takes up to 16 'touches' or connections with a contact before awareness sinks in! That coincides with traditional selling experience of one to three years to build business from a contact.

When moving the relationship into the **Exploration** stage, a common avenue for getting an audience or 'in the door' is offering a value proposition. Perhaps a firm seminar, client alert, CLE program, or simply an article on a business issue or topic that has a legal connection to what you know is important to the contact(s) and to the company. Resources to help them with their business and legal objectives will help to get firmly in the exploration stage. Adding value to relationships

is an ongoing process and will continue to result in potential opportunities. In this phase the client is more likely to be the driver of developing the relationship based on their terms. Communication is considered a key driver of building the relationship, and at this stage trust and confidence in the firm is built over time.

The **Commitment** stage suggests that the prospective client has a need and you and/or your firm can help. In the commitment stage it's wise to begin asking closing questions. Questions like "is this an area you might need help with?" or "would you be interested in a few ideas/strategies regarding this issue?" This is also the stage where the client and firm have developed an 'obligation' of sorts to one another.

Fisher states that clients who are willing to invest in the relationship perceive that the net present value of future benefits is greater than the cost of commitment. Clients must anticipate that their investments in activities such as spending time to educate lawyers about their business and legal preferences and goals, sharing thoughts about preferences in the relationship and how the work is managed and handled are worthwhile. The levers that are most likely to gain or increase commitment are those that reduce costs and increase the benefits associated with developing a buyer-seller relationship. Fisher reminds us that firms may have clients who are important and profitable who are not committed. Something that seems to be the case more frequently than we'd like in the legal industry. It's also important to note that Fisher believes it is critical to have clients discuss their commitment to a long-term relationship. This, of course, is best done through client meetings, client interviews, and client planning sessions. Many lawyers today remain agnostic or even fearful to spend time with clients in this manner and to make their own commitment to these important relationships. The gap between the clients' expectations with regard to this and the lawyers' perceptions about client meetings is one that needs to be closed or competitors will do it and grab more client share.

The **Dissolution** stage can occur as a result of the firm determining the relationship is no longer profitable to retain or service. Or the client feels the relationship has changed for reasons to do with either price, product, accessibility, or brand erosion. These are 'levers,' as Fisher refers to them, that must be given attention especially at the *Commitment* and *Dissolution* stages.

In many firms the business development professionals are still finding it challenging to have partners meet with clients to strengthen relationships. In other words, working on the relationship itself versus client work, where relationship is secondary to the time spent working on important billable work.

Understanding the stages of the relationship and at which stage the relationship is at is important and may guide future marketing and sales activities. The stronger the relationship becomes over time (remember, one to three+ years) the clearer the opportunities for new business will emerge. Keep it moving forward and realize the benefits relationship-building will yield. Above all, be patient. It takes time to build valued relationships.

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