Co_Drafting Client Agreements Nov. 16, 2017

Jennifer Navarrete: Welcome to the show that shares insights into how you can Build Your Business Once with hosts Sherry Lowry and Jennifer Navarrete.

Thanks for joining us today, my name is Jennifer Navarrete, and I am joined by Sherry Lowry who is sharing her 20-plus years of experience on what it takes to Build Your Business Once.

On today's show we are diving deeper into contract negotiation. You know, Sherry, this is the kind of thing that usually makes people cringe.

Sherry Lowry: Yes. Well, we will try to do it to make it interesting, adventuresome, fun, and very much more collaborative.

JN: Ok, lets dive in. I am ready, I am going to take some serious notes. I am in the middle of some contract negotiations, and I want to know how I can do it better.

SL: We will start right up. First, you have already gone through some degree of discovery together as to a good set of reasons for you to be pre-qualified to work together. What they want is what you have to offer. You have some kind of sense in the pre-clarification stage that you have already gone through of how you can be of service to them, but also you have already decided it is something you want to do that will allow some kind of benefit even, if it is very timely cash flow only. It is still not something that will take away from you or jeopardize the brand you have built, or fly in the face of any of your foundational values or principles to begin with. So you are already on high ground together, so to speak, at that point.

So, the first thing I want to do is to create a document that is a bit of an outline, but in prose form so it has more than just bullets to it. I write this up in my case in what normally is going to be an agreement for four to six months in order for us to test the water of what we can build together for them. This has grown out of a lot of listening and responding on my part so there is already some feeling it will work on their part. From the very beginning of my exchanges with them, I want to pre-educate them as to how the two of us can best work together in my experience, and also learn from them what past experiences they have had or other types of experiences that are related but not exactly the same they can pre-educate me about as to where to best meet them along the way.

I want to set all this in place verbally before we actually get to the written agreement, including what to do if something goes wrong for either of us, how to speak up about that and get that documented. (Essentially, I draft briefly in writing the details we have already spoken together about what to expect and what is wanted.)

I want all that to be included in our process. So, what my actual agreement looks like in the very beginning is a statement of purpose. It identifies who the parties are, and in my case it is a process that will be both supported and facilitated by me. The period of time is documented at the start, then a statement of purpose. This is going to list some priorities and additional information about the Client that the Client fills in about them, early on in the document. So, the first part of the document is mostly about them and what we are agreeing to set out to do together. It forms the core of our initial work together from the basis of the type of professional work we will be doing.

In my case, I like to get their Assets (strengths they have already identified) and their qualities of really good talent potential documented at the early stage of what it is they will be leveraging to accomplish our success together.

I will do the same so that is part of our early foundation and in my case it includes some actual steps we will take together, actual processes we will use, and activities that together we will plan and execute that relate directly to actions as they move into a specific time frame. In my case right now, my agreement moves into 2018, because any contract I initiate in November is going to extend on into 2018. If it is a shorter-term process and it will end by the conclusion of 2017, then you document that.

I want to include in this any kind of introductions or exploration as well as any research as to self-discovery. This kind of thing is written up at the beginning.

My very first inquiry to them, and this is a fill-out-as-you-go form, is titled Priorities and Additional Information. The Client fills this out. Key In My Current Purposes and Main Two or Three Objectives Are:

Then I have a place right there for three of those objectives so they and I know right up front what we are coming together to most quickly accomplish.

So then I make available to them some resources after that, and that is where I describe what it is I would like them to do to pre-prep for our Sessions. I will send a copy, and in cases people DO want to see that, as a two-page, front/back, one-piece of paper, of what I want them to go do between our Sessions to pre-prep for the next one. I use a couple of different assessments that I don't have financial investment in myself that they can buy independently and own. I build on positive elements, not improvement needs or on what is missing. I build on what is present, and one of the tools I use is Kolbe.com, and they have a public version available of their basic assessment.

So, I want them to have read their Kolbe A. report when we start working together because we will be doing some things based on that in terms of their actions. It is 100% built upon their capabilities and strengths as Kolbe categorizes them into: Quick Start (Entrepreneur/Visionary;) Fact-Finder; Implementer; and Follow-Through.

I want them to list right here as part of our agreement what they want to build upon or expand and extend use of the following of their perceived skills, talents, strengths and capabilities.

In your case, you may want to know what the resources are they already do they have some preferences for, what are they going to be dependent on to do their end of the prep for what you, yourself (and or your team) will end up doing for them.

Most people don't just start cold, people come to you because you're somehow known to them, or established, or if not that, they come to you with something in-mind. I want to know what they will be building on that they will bring to the table right there. Then my next part of this agreement is what additional goals may be that they want us together to track on that will evidence their progress during our work together, and there is a place for them to fill in what those things will be.

From the very beginning we expect some accountability to be involved. I want to know who is going to be involved with them, if someone else is; I want them to know what kind of accountability I will provide and also what kind of accessibility to me they will have in our process. I don't have a ticking $$-meter going, though. I explain that as we get to it.

The second thing I want to know is that I am a Business Coach, so I am working on making sure their life works with whatever we state they want the two of us to be doing together to make changes and additions to their business life I want to ensure their personal life does not get in the way. For that, I may refer them to more training, or to a therapist sometime, or to other resource elements.

Maybe to a speaking consultant, if adding more public speaking is on their agenda, and I can help them a bit with that but that is not my forte, so I have someone I can send them to for it.

So the second thing they would document under this category is what they may want to resolve or rectify: circumstances, situations, challenges they already know they are up against. For example, I have something going currently with a Solo Mom. We already know scheduling is going to be our largest challenge. The work together has a high potential to go well; the largest difficulty will be in continuous enough contact. That does not mean all the time, but maybe once between sessions, and our sessions will likely be two times a month. We will document that in this agreement.

I want to know if there is anything like that they want support with, or if it will be something they will take on independently without me but I know in the background they are working on that.

So, Jennifer, let me stop there and see if this kind of thing is possible for you including in your current projects.

JN: Mine is not that different from yours. I do a Discoverability Meeting as I work trying to pre-qualify the Client. We do a Discoverability Meeting and I find out what exactly it is they think they want, and then identify what I really think they need. Then I come up with a Mind-Map. I am big on Mind-Maps.

I create a Mind-Map of based on our Discoverability Meeting of this is what I believe you have stated you want, and these are the services I can provide. Here is the Time Line; here is Phase One, Phase Two, Phase Three. When a potential client sees it laid out like that, they can identify Yes! This is what we want, or no, I did not mean it that way.

Then, from that, if they want to proceed, then we move over to the agreement phase. This is where I state this is who this person is, this is their company, they are looking for these kinds of services, I am the person who provides those services. Then we list out we will do in the timeframe. Then, of course, the price point.

The other thing as well, letting them know that our work is dependent on one another. If they want to accomplish those goals and I am waiting for documentation, approval, or whatever, then we can't move forward till we get there jointly.

By the same token, if given me all of those things and are waiting for me to come up with what the deliverables are, then they can't move forward until I do that. In that way it very much is a partnership and a joint effort of us working side by side to move this to where they feel the key performance indicator of success.

SL: That is the key philosophical underpinning of this whole co-drafting piece. I give them some support to begin with to hang some things onto and stage things within, but they have the prerogative to adapt, revise, add, take away, any part of this but when it comes to take-away, sometimes I want to know why they want to take that away, or if they want to provide something else instead. I really want to know what their circumstance is if we will work together. Because if we can't have the true exchanges, we are already limited on the amount of good we can do for them.

I ask and have referenced this in Show #15 briefly. Within the first 60, 90, 120 days, what they would consider eliminating in terms of what I call Energy Drainers, or they may call them Life Inconveniences, or my industry calls Tolerations – they have been putting up with.

What I want to know personally is what are they in control of in contrast to what impinges on them that they are not in control of. It is not a problem, but we need a plan of a work around with that or create a work-around that. It is the only reason I want to know about it.

Thus, I ask them to actually document that. Then, gets us to our Measurable Results aspects that we state. I partner with them in stating those in such a way we can both independently track our outcomes during our engagement together. We can keep working with this very document as to how we are doing what and when as we go through. This document may change as our working relationship evolves and we may be able to have conversations about what we have already done enough of and switch gears.

Even though it may be to some extent incomplete, it may be complete enough for their purpose.

Another point under all of this is the fundamental changes or shifts in mindset, or beliefs, points of view they anticipate they may need to make.

One of the things I have heard you reference, Jennifer, is some times your Clients come in with the point of view that you will come in with more specific In the trench" kind of stuff for them. You may have a means for drawing on one of your partnerships for that to happen, but it does not mean you personally will do that. So you will want to make that very clear in your co-agreement before you get very far into the start there.

In my case, a lot of people like to use the services of a Business Coach instead of a psychologist or therapist, and so I want to have one of those in the wings. If they do have on-going, more historical or emotionally-based issues that may be related to an addiction, a really toxic relationship, a situation they are getting out of, maybe a past betrayal they are getting over, I want to be sure they have something in their background that is going to be supportive of them, in addition to what we are doing together in moving forward that way. *(If not, I may well ask them to wait for us to initiate until they do).*

I have an open-ended piece toward the end of this co-agreement for any clarification or verification they believe I may benefit from knowing in the areas of _______, ________, so they can tell me if there is anything else. For example, I have had a Client involved in a real estate lawsuit that would not impinge on the work we were involved in, but could impinge on the schedule of our dates, so he wanted me to know about that in advance as we had a regular twice monthly meeting we were going to be holding and had pre-arranged times for together.

One of the pieces of this co-agreement is what they will value most about what I may be able to bring into our partnership. I want them to document that. Also I want them to know any caveats, for example, if they may have somebody moving to town such as an aging parent, or aging parent they will need to travel to, or anything that might interrupt our process. I don't feel the need to do anything about it now, or ask them to do anything about it now, but I want to ask them to document that because of the way we work together will need to potentially accommodate around that.

This is the therapeutic probe I do that you do not need to do, and most businesses are not as personalized as the type of business I have that intertwines. So that piece in my case is for business design, business process, business success, but their personal life impinges so I have that included.

Over all, I would rate the quality of my personal life personally on a scale of 10, one to ten, and I want them to document that because I would like their relationship with their life to improve along with their business life. Along this path I ask about their personal life quality in the immediate, past six months, I will ask them for some some kind of contrast there – if it has improved or has deteriorated a bit. Then I ask them about the same thing concerning their business life, and then at the very end they can add anything else they want to know about our process together, or any questions they have about me.

Then, our action items get started beginning right here in our co-agreement. I want to start documenting the action items for example in December would be if we were contracting this month moving into December after the Thanksgiving holidays.

So I don't know if this is useful to you, then this is how I do it. I have a whole section on billing in our co-agreement, and my understanding of what we will do on that and when in terms of calendaring. Jennifer, you mentioned you come to terms with that directly as well.

Then the last section is about process and how I am on-call with no ticking-meter between our sessions to Coach-on-Call, for five to ten minute exchanges for updates or whatever. I've always kept this available partly because it is so much easier for the Client to "stay in process" with such brief contacts, especially if/when they may be making important decisions in between our formally scheduled sessions.

Jennifer, What do you do in your agreement for things that come up they might want to be in communication with you before your next appointment for example?

JN: Mine is more Project-based rather than Coaching and depending on the situation, I am available via email, call, text, at any time pretty much. Some clients I have worked with have events on the weekend, so not even weekends are off, so I know going into the project that will be part and parcel of what we are doing. Of course you charge accordingly for those types of things.

I am someone who is pretty available. Granted if someone is texting you or sending you things at 9:00 pm at night, you don't respond to that.

First, you should not be checking your email at that time, you should be resting with your family. But yeah, there are those limits you need to put in place. If you are someone that is more available, then you still need to identify what those limits are and set them. If you don't set those limits, you are going to have someone who is running all over you and it is frustrating for you and at the end of the day if they expect you to answer at late hours or on the weekend if that is not part of the agreement, you are setting yourself up for misunderstandings.

Identifying those things in advance of how available you are, and when they can expect setting those expectations is another key to success when working with clients.

SL: That is right. What is most important when working with Clients having a co-drafted agreement is you both know where you stand all along the way. What is flexible, will be flexible, what is committed if you are both committing for the success of the arrangement, the reaching of the goals. I do like that stated in terms of my process how it actually works is my understanding to be accessible for you, for the span and duration of our scheduling this access includes spending up to an hour or to an hour and a half together in 1-1 appointments or group appointments if meeting with a team, and where we pre-determine what is up and when our meeting will occur. Then like you, I have no additional charge for spontaneous Coach contacts, and these relate to specific purposes we will mutually understand will be brief exchanges, five to ten minutes, and no additional charge. I also clarify that they related to what we already have going on – brand new situations may need to be dealt with separately.

The Benefit: They don't have to wait for the next appointment. Then, if either of us realizes it will go beyond that few minutes of contact, we move up our next scheduled appointment on the calendar. We might change that rather than adding some form of a ticking meter.

I don't charge by time as I am on pre-agreed retainer. I bill either by the month, quarter, or year in advance, and we have set appointments, certain number of meetings we will have, but one meeting if unexpectedly is very successfully executed in 15 minutes, then another might be an hour and a half. It Just depends on what that person needs and can benefit at the time.

So, I think there are a lot of similarities in the way we do business, though our businesses themselves are very different.

I also have a relationship about copyright, and anything I have personally copyrighted through The Lowry Group personally, will be available to certain Clients to adapt and re-use because I do about 20% of my business is training or mentoring Coaches going through Credentials or stepping up their own game. So I want to give them pre-authority about materials if I am making them accessible. It materials are something someone else has copyrighted that I have licensed or have licensed access to, that is not included, that is excluded from our co-agreement.

I don't know if that is helpful, but that is the kind of process I go through with this, and the determination of the actual pricing process we will hold that for another Show.

JN: This is so helpful, I think so often we are in such a rush to close the deal that we skip a lot of these steps in the flurry to get there quickly and start to work on the project. I am telling you, folks, if you take the time to pause, and do it well, it will really help the Client in the best way possible and it will avoid a lot of awkward, painful client situations.

Once you get practice into doing it, it becomes very fluid and it is not like stop the presses, stop everything and do this, but just becomes a natural flow of the negotiation and work together process. I would say, Sherry you don't have any problems, your clients don't have a problems, just the way that it is.

SL: Right, and we do have things that we can't always agree on or just are not timely, that is good to know. We may have situations with Clients where we know they need to put a campaign together a certain way. They may not be in a position to do that, so you come to compromise about certain things, but you both know you are doing that and are both agreeing on it.

JN: Fantastic, another great show, what will be talking about tomorrow, Sherry?

SL: Tomorrow, it sounds timely for me to go into the stage of setting fees and changing of fees, raising fees, and also when you don't necessarily want to raise fees, though you may get encouragement to do so. The sustainability of a long term working relationship also matters.

JN: We are getting into the nitty gritty of this stuff and I absolutely love it. This is the stuff people feel weird about, and feel awkward about. The process you are taking us through takes away the fear factor, the worry, concern, the awkwardness, because the process and what you do to run your business.

Thanks again for another fantastic show.

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