



# WHAT'S YOUR SHARE OF WALLET?

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What's the size of your clients' budgets this financial year?

If you don't have any idea of a client's budget, you can't possibly know your share of wallet. And if you don't know your share of wallet, you're missing one of the key metrics for business planning.

## WHAT SHARE OF WALLET MEANS (AND WHY IT MATTERS)

Put simply, your share of wallet is the proportion of a client's budget they spend with you. But it is a little more complex than that. Because, when it comes to choosing exactly which budget, context is key.

For instance, if you're a panelled legal services provider it makes sense to compare what you're billing compared to the overall legal budget and other panelists.

If you're the only legal or accounting provider - or one of just a few - it may make more sense to compare what you're billing with their overall professional services budget. It could even be worth comparing your billings to overall revenue.

Analysing your share of wallet in this way is important because:

- **It helps reveal trends.** You may start noticing clients starting to bring work in-house or using alternative providers. Knowing about these changing spending patterns in advance will give you a head start on preparing a response.
- **It influences your bottom line.** When you understand your share of wallet you also better understand where you can get more work from a client. And growing your share of wallet from existing clients can be an easier, cheaper and faster way to grow revenue than cultivating new sources of work.
- **It helps you manage accounts.** Your account management plans rely on knowing your client's total cost expectations. Knowing this information gives you an understanding of their operations and focus and lets you know where you stand relative to other service providers.
- **What gets measured gets done.** The goal of 'increasing share of wallet' is SMART (specific, measurable, actionable, relevant and time-bound) and can empower all of your team members.

But before you can assess any of these you need to have a direct conversation about their budget and how they have allocated funds.

## DON'T FEEL BAD ABOUT ASKING

Many professionals can get a little squeamish when it comes to asking about money. However, in the 200+ in-depth client feedback meetings I've conducted over the past three years, clients consistently rate 'Understanding My Business' and 'Understanding My Expectations' in their Top 5 criteria for selecting a professional service provider.

Understanding budget expectations is part of understanding a business and how it works. In fact, in most industries this is standard client relationship management practice. And clients will usually have no problem sharing.

A few years ago I attended a conference in the US where a panel of four leading general counsel all said they would happily reveal their total budget to their legal service providers. It's just that not one had ever been asked for this information.

So, if you get this intelligence, you're probably one step ahead of many of your competitors - and in a great place for developing your practice.

## HOW TO POP THE QUESTION

If you're worried about how to ask there are four ways you can make it a little less confronting.

- **Package it up.** Include the question about total budget as part of your year-end review. When I conduct client feedback reviews I ask this question after a discussion about perceived value for fees and plans for the next year.
- **Be direct.** Now is the time to ask. The start of a financial year is when clients usually have budget approvals at the front of their minds. In this context, direct questions about business expectations aren't unusual. But, if you've never asked a client this question before you may like to flag it as an area for discussion beforehand (rather than a surprise).
- **Be prepared.** Get ready for your contact to ask you about what your own plans are for this financial year, including what your revenue plans are. They're likely to also ask what other clients are doing to manage their budget.
- **Involve your firm's CFO.** Why not get your CFO to talk numbers with their CFO?

## AND IF THEY DON'T WANT TO TALK TURKEY...

If they prefer not to say then ensure your intention is clear – you want to understand their expectations and ensure you cut your cloth to match their priorities.

If they're not willing to open up, that's fine - although it may be a yellow flag about the level of trust in the relationship.

And if you don't get the news you want, you have an opportunity for proactively re-building the relationship or re-shaping your practice. Much better than experiencing a slow, unannounced dismissal.

## WANT MORE?

If you'd like help with building the skills and smarts of your team email [get in touch](#).

Sue-Ella is the Principal of [Prodonovich Advisory](#), a business dedicated to helping professional services firms sharpen their business development practices, and attract and retain good clients.

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