

# Trust is Everything

A transcript of an interview of Tom McMakin, co-author of *How Clients Buy: A Practical Guide to Business Development for Consulting and Professional Services*.

## Trust

Assured reliability

confidence of

the truth, with

dependence

belief in the

# Introduction

To sustain and grow our professional services and consulting practices, we must be trustworthy.

In this sixth of a series of interviews, Andi Baldwin of Profitable Ideas Exchange asked *How Clients Buy* co-author Tom McMakin about the role of trust in the purchase of professional services. Put simply, "Trusting the person you're going to engage with is the whole ball of wax."

Tom goes on to explain two types of trust are required. First, we must demonstrate competence—our willingness and capacity to do what we say we'll do. Second, we must consistently demonstrate that we'll put our client's interest above our own.

In my experience, we don't *earn* trust. That is, trust doesn't accrue like interest on a loan. We must, however, demonstrate that we are worthy of trust.

A handwritten signature in black ink, appearing to read "Dave", with a stylized, cursive script.

Dave Bayless, Co-founder of Human Scale Business

# About the Authors

Tom McMakin and Doug Fletcher are practicing consultants who live the challenges addressed in their book.



Tom is CEO of Profitable Ideas Exchange (PIE), a leading provider of business development services for consulting and professional services firms. Previously, he held leadership positions in private equity and served as the chief operating officer of Great Harvest Bread Co, a multi-unit operator of bread stores. Tom is the author of *Bread and Butter*, a critically-acclaimed book that describes his work at Great Harvest and how he and his team created a nationally recognized corporate learning community and culture of best practices using collaborative networks. He has appeared on the pages of *Fast Company*, *Inc Magazine*, *Newsweek*, *Business Week*, and *The Wall Street Journal* and speaks widely. He is a graduate of Oberlin College and former Peace Corps Volunteer in Cameroon.



Doug currently splits his time between speaking/writing/coaching on the topic of business development in consulting and professional services and teaching at the Jake Jobs College of Business & Entrepreneurship at Montana State University. He also serves on the Board of Directors of The Beacon Group, a growth strategy consulting firm headquartered in Portland, Maine. Prior to that, he was co-founder and CEO of North Star Consulting Group, a technology-enabled consulting firm that specialized in global web-survey projects. Earlier in his professional life, Doug served as a consultant with the management consultancy, A.T. Kearney, and was trained at General Electric in its leadership development program. He is a graduate of Clemson University and has an MBA from the University of Virginia's Darden School of Business Administration.

# Transcript

**Andi Baldwin:** Tom, why is trust important in a professional services sale?

**Tom McMakin:** Oh, trust is everything, right? Once they become aware of you and they know what you do, trusting the person that you're going to engage with is the whole ball of wax.

Economists call services credence goods, which means simply that you have to believe that the person that is serving you will serve your interests and do what they say. The reason that credence goods are interesting and the reason they're relevant to expert services is that there's an information asymmetry in the world of expert service.

Imagine that you go to a car mechanic, and the mechanic comes out and goes, "Ugh, Andi, it looks like the valve ring is shot here, and, actually, we're going to have to replace the entire head gasket." So notice what's going on there. As an expert in engines, your mechanic is both diagnosing the problem and also telling you what you should do—what the solution to the problem is. In those cases, you really have to trust the person that you're talking with.

Contrast that with a product. My house is dirty. I diagnose the problem. I go to the hardware store. I buy a broom. So in that case, I diagnose the problem, and I go buy the solution based on features and attributes.

A credence good is a good or a service that is sold in a case where I as the provider have unique insight into what the nature of the problem is, and then, also, what the solution is. And so that we call trust.

**Andi:** In your book, you write that there are two types of trust. What are these two kinds of trust?

**Tom:** You know, I think the first kind of trust is will someone do what they say they're going to do? And the second kind of trust is, do they have my best interests at heart?

So in the first case, if I ask a friend to pick me up at the airport—and the first time, I might wake up an hour early in case I need to call an Uber and they don't show up—but by the 10th time, I feel as though they are going to do what they say they're going to do. They always show up at 5 o'clock. I always get to the airport on time. So there's that sense of will the person deliver on the promise that they've set out.

And then the second, which is very different, which is, do they have my best interests at heart? Or are they going to take advantage of this information asymmetry in order to do me wrong? If they're diagnosing the problem, they could diagnose a much larger problem—you know, replace the head gasket—that's much more expensive and not in my interests. And so I need to believe that they have my interests at heart.

**Andi:** So what can someone actually do to build trust with the people that they want to serve?

**Tom:** In the first case, which is a sense that you will do what you say you are going to do, the best thing you can do is case studies, or maybe you have a logo page on your deck where you say, "Look at all these great companies we've worked for before." That assures people that, well, if that big company trusts them, they must follow through on their promise. References, of course, are great. "Why, I hired Andi for that project, and she came in on time and under budget." That speaks volumes.

Probably the best thing you can do to build trust in that first instance is to have worked with a person before. So maybe I worked for an organization and I hired an attorney, and now I work for another organization and I recommend that attorney. And I say we should bring that attorney in because they always get the job done. They're highly effective.

In the latter case—which is, do you have my interests at heart—that's much tougher. A lot of times, we use intersections in our experience as a way of mitigating the risk that we don't know each other. We've never worked together. So, "Oh, I see you went to Northwestern's Kellogg School for your business degree. My sister went

there roughly the same time. Did you all know each other?" Or I see you work for that firm. I used to work for that firm as well. And so we're trying to close that gap and use our social networks to underwrite the risk of the fact that we've never worked before.

But in the end, the thing that really fuels that kind of trust is experience. I've worked with this person before, or I know somebody that I trust—has my interests at heart—and they recommend that I work with you.

We interviewed a former McKinsey consultant and the head of consulting for North America for Accenture for a number of years, Walt Shill. And Walt Shill said one of the most effective things he's seen for building trust is simply to volunteer on a nonprofit board, and then to volunteer your services to that organization. And what happens is your other board members begin to experience the quality and the effort that you put into the project, and they begin to trust you enough to put their projects into your hands.

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