

Small But Mighty Agency Podcast

Episode 51: How to Handle Unclear Scopes (profitably) in a Service Business

Speakers: Audrey Joy Kwan

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Unclear scopes happen to all service business owners, and it can drain time, money, and people away from what works well in your business. The challenge is that unclear scopes can come disguised as opportunities if you're unclear about your business vision and where you want to spend time and resources. So, stay tuned as we dive into how to handle unclear scopes and the power of the discovery process.

Audrey Joy Kwan

Welcome to the Small But Mighty Agency podcast. If you're a creative, consultant, or agency owner, who wants to know what the roller coaster ride really looks like to grow your business from one to many, you're in the right place. My guest and I pull back the curtains on the realities of growing and running agencies of different sizes, and what it takes to build a team. And if you're anything like me, you want more than the highlight reel. You want to learn from the mistakes of others so that you can stop short of making the same mistakes. I'm your host, Audrey Joy Kwan, I spend my days as a coach and consultant to multiple six and seven figure agency owners. For the last seven years. I've been behind the scenes, helping people grow, lead and operate small but mighty agencies. Here at the Small But Mighty Agency podcast will uncover what works. And equally as important what didn't work to get these business owners to where they are today.

Audrey Joy Kwan

Hi Friends! We're back with another episode today inspired by conversations I've had with clients. We're talking about handling unclear scopes and productizing your discovery process.

As a creative consultant or agency owner, you know the situation.

A potential client comes to you with a project, and the scope is unclear. It happens to all service providers.

So, what are your options?

Before I dive in, let's define the term "scope of work." Simply put, scope of work refers to the objectives of a project and the requirements to complete the project.

In a productized service, our goal is to turn your project scopes into clear and concise ones. We do that in Pillar #2 of my Productized your service pillars.

Pillar #2 is the promise that you make to your clients. A clear promise leads to clear scope.

If you're curious about what the 5 pillars are in Productizing Your Service, check out episode 50. I'll link that in the show notes.

When you have a productized service offering, you market the offer to a defined niche and an ideal client. Instead of chasing down clients, your prospects can self-identify as the right fit because of the promise of your offer and the clear problem it solves.

Of course, not all prospective clients will fit under the scope of your productized service AND squeezing them into a productized service offering isn't going to benefit them or you.

It doesn't help your prospective client because you don't know if you can solve their challenge, and it won't benefit you because your current productized service wasn't built for it, and unless the scope is clear, it will cost you time, money and stress on your team.

So, what are your options when a prospective client comes to you with an unclear scope?

Let's look at two.

Option #1 is straightforward; it's about knowing what you want to be known for and staying in your lane.

That means you determine it doesn't fit within your productized services and choose not to take it. Yes, that's an option. Knowing what you want your business to be known for and choosing to focus time and resources to be great at one thing means you actively decide not to dabble in things that can distract you.

I hear what you are saying... isn't that leaving money on the table? No, because if the scope is outside your means, it can drain resources. By resources, I mean time, money, and people from what works well in your business. The result is more stress on you and your team, and added distractions to scaling what works.

The second option is the opposite of the first...you decide that your business is ready to take on a new productized service offering, and you set out to actively add to your sweet of services by creating a new scope.

I've seen this happen; you try to squeeze a scope that doesn't fit into a current productized service and figure it out along the way. Don't do that...because you're going to wreak havoc on your current processes, which confuses your team, and the result will either drain you so that you never want to do it again or create an outcome that wasn't optimal.

Instead, run a paid discovery and planning project with the prospect. The discovery project comes by many names; you can call it strategy sessions, roadmaps or blueprints, but whatever you call it when the scope is unclear, it's the work that needs to be done, and it isn't free to work.

As a service provider, there is a ton of value in the discovery phase when the output is a tangible strategy, roadmap or blueprint. The process you take a client through in the discovery can be productized.

Whether you have a sweet of productized services or one, adding the paid discovery supports you and the client to get better results.

But too many creatives, consultants and marketers give away the discovery session or shy away from asking prospects to invest in one.

Think about it this way, when you have a flood in your house, and you call a plumber to find the problem, do they do it for free? No! They bill you for finding the problem before they fix it. Or maybe you have an injury and see a physiotherapist for advice; the diagnosis isn't free; you get billed.

It's no different for you... If you're a copywriter, designer, marketer, or specialized consultant, your time spent in discovery is valuable, and you should get paid for that work.

Let me be clear this isn't about adding unnecessary work. Most service-based business owners need to do some sort of discovery in the form of research, analysis, or audit. All of which add incredible value.

When you do research, you look at the external environment to inform current and future actions for your clients.

When you do analysis, you examine and interpret elements and look for cause and effect.

OR, when you provide an audit, you assess what is currently working and what is not.

If you do any of those activities, you can package your discovery into your current productized service and get paid for it.

The bonus is that you can also use your discovery process as a standalone product to help you navigate unclear scopes.

Here's the caveat!

Discovery as a productized service must have a clear promise and deliverable to add value. Charging for your time and offering nothing tangible in your discovery creates a gap for your client, and they won't be able to bridge the value.

Your client should feel they can take the document away and have value even if they decide not to work with you. Of course, the goal is not to have them leave but to give them insights and to encourage and build trust.

Turning your discovery into a productized service can be a "get in the door product." It allows your client to get a taste of what it will be like to work with you and gives them a tangible takeaway.

If you have a service business with various scopes, making your entry point the discovery process generates an opportunity at the very start of the relationship to increase the client's lifetime value.

I call it seeding. When you provide a roadmap or a blueprint, you can show the client the journey you'll take them on to solve their challenges. Even if the client commits to only the first project, your discovery phase can plant the seeds and lead your clients to budget for the second and third projects.

When you have more than a one-off project you increase the lifetime value of your client or suppose you're signing on a retainer client. In that case, a great discovery process does the work of planting seeds that will increase your retainer value.

In summary, by saying no to prospective clients with unclear scopes, you stay focused and scale a clearly defined productized service business, but that doesn't mean you shouldn't consider the value of your discovery process and get paid for it.

Now, if you want a business with a wide selection of productized services to address more scopes, your discovery process easily becomes a standalone product. All project scopes require some form of discovery. Whether you fold it into a productized service or extract it as a standalone product, the discovery process is valuable and needs to be a paid process.

The strategic benefit of a discovery process as a standalone product is that a discovery can be positioned as a "get in the door offer" or used to highlight upsells opportunities.

And just as important, a great standalone discovery process establishes your business as a partner to your client. A partner provides proactive idea generation and an in-depth understanding of your client's business versus a vendor who is transactional and seen as a supplier.

Productizing your services is a key foundation of building a service business in my Mighty Pod Model program. If you want to learn more about productizing your service, get the Free Productize Your Service Roadmap by going to audreyjoykwan.com/roadmap or click on the link in your show notes.

That's it for today, friends; thanks for joining me again. I'll see you in the next episode.

Audrey Joy Kwan

Hey there. Thanks for hanging out with me at the Small But Mighty Agency Podcast. If you enjoyed this episode, it would mean the world to me if you hit the follow or subscribe button in your podcast app and share it with a friend. I'll see you in the next one.