Winning the Contract That Was Already Lost

A CASE STUDY IN USING THE DELTA CIPHER TECHNIQUE WHEN STAKES ARE HIGH

by Whit Pepper

You don't see it coming, and that's what makes it sting. One afternoon a firm (my client, a global services firm) was told by their customer that the contract was over. No warning. No "we should talk." Just a board-level decision delivered as a fait accompli. The number at stake was not trivial: more than US$10 million a year in recurring revenue. It wasn't just revenue, either. This customer was one of the biggest companies on the planet, an iconic brand that signaled credibility in a lucrative sector. Partners had built careers around that marquee reference. Some of the consultants now working the account hadn't even been born when the relationship began.

The irony was the firm had served the customer exceptionally well. They knew the business cold. Delivery quality wasn't the issue; the customer said as much. The driver was governance optics and a broader market trend. Since the early 2000s (think Sarbanes-Oxley, anti-money-laundering regimes, and a rising stack of financial and regulatory controls) boards of public companies had become wary of long, cozy advisor relationships. Shareholders wanted fresh eyes. Regulators wanted daylight between management and their counselors. Around the world, big companies were rotating advisors for reasons that had nothing to do with competence. "We like you," the message went, "but we just can't keep you."

Meanwhile, the economics had drifted in a way that punished loyalty. Fees had inched up maybe two or three percent a year; often not even keeping pace with CPI. Labor costs rose every year as people advanced. Overheads crept up. Regulatory burden mushroomed. Yes, the learning curve flattened; efficiency improved as the firm came to understand every wrinkle of the customer's operation, but the cost to deliver the same standard of care grew far faster than price. On an eight-figure account that should have been minting margin, profitability had been quietly eroding. In truth, the partners could almost rationalize the engagement as a marketing expense: pay to keep the logo and the reference, tolerate thin economics, and hope the halo effect made up the difference elsewhere.

That background mattered for what came next, because those numbers would become a deliberate part of the response. But in the moment, the immediate reality was bleak. The firm hadn't done the long-range account work you do in regulated markets where conflicts restrict which combinations of services one provider can supply. In industries like this, if you provide Service A you often cannot simultaneously provide Service B. If you're prudent, you prepare your "B" play anyway, with those capabilities' propositions packaged and ready, so that if the rules or the relationship force a switch, you can pivot without losing the client altogether. This firm hadn't done that; they had teams who delivered brilliantly against a steady brief and assumed the work would always be there. Now the decree had come down suddenly, and they were caught flat-footed.

So now I was asked to get involved, and I told them what I tell anyone in this position: the steps that prevent this kind of predicament are upstream. Once a board has moved, momentum is against you. Honestly, I didn't want the case; I'd been fortunate to win some turnarounds in this arena and didn't need a loss on the record. They pressed, and I agreed to review it – but with no guarantee of the outcome. Before I touched it, though, I asked a simple question I always do: if this goes perfectly, what does "success" look like now? Given where you are; given that decisions have effectively been made; what is the best plausible result?

Their answer was modest and honest: "If the process could be slowed, we could buy six months, ideally a year, that would give us time to position for other service lines that were about to be rotated as well." That is because other advisors were likely to be tossed out in the same governance sweep. Those advisors would then chase the work my client was losing, and vice versa. But! My client had nothing packaged to compete for the newly available areas; competitors were already out ahead. Buying time would at least allow the firm to prepare. They also needed breathing room for a more practical reason: this was a time-and-materials business. If US$10 million of work vanished on a date certain, you didn't just lose revenue; you had teams and overheads assigned to that account with nowhere to go. The financial damage would be closer to double the headline figure once you counted stranded capacity.

If I'd had prior visibility into the account, the risk would have been flagged months earlier and there would have been a Plan B. We were at the 11th hour now. The only way through would be to invert the firm's instinctive response.

The first thing I did was talk to people – partners in a dozen countries who touched the customer, directors and managers who sustained the relationship, and consultants who practically lived on the customer's sites. On paper the ties were strong. In practice, they weren't at the right levels. The personal understanding that matters when decisions go political was thin. Then a small comment, almost throwaway, cracked the problem open. A junior team member stationed at the customer's headquarters mentioned something he'd heard repeatedly: one of the key executives (the person the board consulted and trusted on this area) wanted to be seen as more than a functional leader. He was out on speaking circuits, joining organizations, burnishing a profile. He aspired to be recognized as strategic. He wasn't getting the credit he felt he deserved. That wasn't gossip; it was the executive's own behavior telegraphing his need.

Identity matters. In any board-driven rotation, someone inside becomes the face of the change. If that person sees himself as the architect of prudent governance, bringing fresh perspective for shareholders, he cannot be seen internally as the protector of an entrenched vendor. The more we looked, the clearer his pattern became. We did what we always do in that situation: we built and tested a profile using observation, behavioral cues, and a composite of inputs from people who interacted with him. The model that emerged was consistent.

That changed everything. A standard play (like arguing to keep the work on merits, pleading the quality of service, presenting risk if we left) would only have triggered defenses and confirmed the need to rotate. The board had anticipated precisely that argument from every long-tenured advisor. They were ready to hear it and dismiss it. The executive at the center of the decision would expect it too, and he needed to be seen not indulging it. If we confronted, we would lose quickly and maybe burn goodwill in the process.

So, we flipped the script completely. I instructed the firm to go in the opposite direction: disarm, align, and embed the themes we needed into a transition plan we would write for our own exit.

The global lead partner went to the customer with three moves in a deliberate order. First: acknowledge and align. "We understand and appreciate that you want to make a change. This isn't about service quality; we value the long relationship and your success comes first. As much as we hate to lose you, we'll put together a transition plan that ensures a seamless handover to your new provider. No friction, no drama. The priority is continuity."

Second: put the economics on the table, not as complaint but as context. We had prepared a simple set of charts: the firm's fees across the last three decades creeping up by two to three percent a year, a line showing regulatory cost growth since the turn of the century, a line for labor, and a line for overhead. The picture told the obvious story: delivery costs had been climbing far faster than price, and the firm had swallowed it to maintain standards. "To keep giving you what you deserve we've been absorbing rising costs. In truth, continuing on the same basis is nearly unprofitable for us. So, if there were ever a reasonable time to transition, this would be it."

That was the *unexpected* moment. The customer had braced for pleading, perhaps anger. They got respectful acceptance and a rational case that didn't make them the villain. It bought the goodwill we needed for the third move: timeline engineering.

We presented a long, detailed transition plan that made the case for six to twelve months, and then we justified why even that might be too fast. Not with theatrics, but with enterprise logic the board could carry to shareholders with a straight face. We showed how major transitions of this kind often create noise that can influence share price, sales momentum, management confidence, and market sentiment if rushed. We translated that noise into enterprise value risk. We laid out specific milestones and sequencing that were sensible in the abstract (knowledge transfer cycles, audit checkpoints, regulatory reporting windows, financial close periods, interdependencies with other programs) and we tied each to why certain steps simply shouldn't be forced on immediate quarter boundaries.

And then we embedded the identity piece. We knew, from our profile work, that the executive at the center of the decision had a calendar peppered with events and appearances central to his personal brand. Our plan didn't name them. It didn't need to. It simply placed critical transition milestones in windows that would make it awkward for him to be away from the firm's work without risking the optics he wanted. Every justification in the plan was sound and defensible on shareholder terms – protect the company, protect value, do it right – but the effect was to make any accelerated timeline personally inconvenient while giving him a credible, externally validated rationale to slow down. The logic and the identity reinforcement were one message.

A few weeks later, the global lead partner went back in to hear the verdict from the customer's C-suite. I paced a bit while waiting for the call. When he finally rang, he didn't open with "good news" or "bad news." He said, "It was… weird." Over the years, on the big plays like this one, I've learned to *appreciate* that word. When a boardroom conversation feels "weird" after this kind of setup, it means we've taken people out of their script.

They appreciated how the firm had handled it, he said. He shared that they had expected us to be upset, to beg for the business, to argue, the way their other vendors had… but that *we* hadn't. They acknowledged the three milestones we'd argued made an immediate change unwise. And then the interesting part: the executive *added* several more reasons of his own to extend the schedule. Those rationales weren't ours! Our job hadn't been to feed them lines; it was to create the conditions for them to invent their own. They had. Our themes had landed so naturally that the customer internalized them and expanded on them. People defend what they think is their idea. That was the point.

We had hoped for six months. We got twelve. And then twelve more. The extension wasn't just a pause to shuffle paperwork. It reset the field. We had time to package alternative offerings to reposition for services the firm had never offered the customer, but which were now in motion due to the same board rotation sweeping out other providers… and we had time to fix economics.

That last part mattered. Remember the cost chart. We had prepared for the contingency that the customer might ask us to stay longer. Professionals do that: you don't "wing it" under pressure. You rehearse the play you'll call if the situation presents. The partner was ready.

When the customer said they wanted us around for another two years, he didn't beam and accept. He kept alignment and added constraint. "We're grateful," he said, "and we want to support you. But we'd been operating under the assumption we were exiting. Our best people, and frankly some of whom are the best in the world in your sector, were headed to more profitable work. You saw in those charts how thin the economics have been. To keep the team here at the standard you expect, we'll need to restructure the contract." [note: Did you catch the value-embedding in there?]

He wasn't bluffing. The numbers were true. The people were in motion. And there was no risk in putting it on the table. The customer couldn't turn around and say, "Forget it then, go now," because they had already internalized and sold the extended timeline up to their board. They had begun seeding it to the market. The executives nodded. "Tell us what it will take." Checkmate.

You could call that pricing, but I call it sequencing. We hadn't "won" anything by being clever. We had created a path on which every step made sense to the customer; we had never told them not to rotate; we had respected their governance need and simply engineered the safe way to do it – all on a schedule that protected the company and, quietly, aligned with an executive's personal comfort, safety, and ambitions. At each turn the customer concluded, for their own reasons, that the course we wanted was *their* idea.

Inside the firm it felt like building an intelligence operation rather than preparing a proposal. That's because the work was the work: day-long sessions on psychology, strategy, and choreography; prewritten lines and counters; rehearsal of delivery; a quarterback's wristband of audibles to call if meetings turned; and a shared commitment to precision. None of it was theatrical in the manipulative sense. It was meticulous. It was the discipline to do nothing accidental.

The result exceeded even my private optimism. We had gone into this expecting to lose and hoping to buy time. We came out with two years with a new contract corrected for years of underpricing. More than that, the partners understood something they hadn't before: the difference between pushing logic at people and guiding them to the safe conclusion they already want but cannot articulate until they feel protected. They saw why you don't fight a board's governance posture head-on, and why you never make the decision-maker look like he is defending you against his own institution. You let him lead the change he must show publicly while you design that change to happen on a path that is survivable for both of you.

There are obvious limits to what I can say about the actors and the company in a story like this. There are no victory laps to be taken and no names to be dropped. The power of this kind of outcome is in how natural it looks from the outside. The customer's board did exactly what it said it would do: moved toward fresh perspective on a schedule that protected the enterprise. The firm did exactly what good partners do: supported the customer's success without tantrum or blame. Somewhere in that quiet shaddow, the real work happened.

This is both *art and science*. The science is understanding the sequences in which human beings accept change; the art is earning the right to be heard, then saying as little as possible so the other side owns the logic. It takes study (neuroscience and behavioral psychology in plain clothes), but mostly it takes something less glamorous: focus, repetition, planning, rehearsal, and the willingness to operate as a disciplined team that improvises without ever violating the plan.

If you've ever watched a special operations unit clear a shoot house, you know what I mean. It looks effortless. It isn't. They don't bump into each other or hit targets (and not hostages!) by luck. They move like that because they've built muscle memory around a few simple principles and then practiced until those principles live in their bones. Business isn't combat. But the conditions that make a team perform under pressure are surprisingly similar. Improvise, adapt, overcome is not a slogan; it's an instinct.

That's why I tend to hire people who are comfortable engineering outcomes without needing applause, and why my team is composed primarily the quiet professionals from elite military and intelligence communities, blended with seasoned commercial operators. They don't posture. They don't boast. They plan; They execute. They understand that the most decisive moves are subtle, the most convincing arguments are the ones your counterpart invents for himself, and the best wins are the ones that look, to the outside world, like the natural arc of events.

If I could go back in time on this engagement, I'd prefer the upstream path: set the account up with Plan B long before any board decree, price the work in line with risk and cost, and build personal understanding at the right levels so identity drivers are known and supported well before a crisis. But reality isn't neat. Boards change posture. Markets move. One day a message lands that says: it's over.

It doesn’t have to be. The difference between an ending and a turning point is not bluster, nor discounts, nor pleas. It’s the discipline to step inside the other side’s frame, to align with what they must show publicly, to seed the logic they can defend privately, and to make the path you need feel like the only safe way forward. That’s what happened here. A relationship that “should” have ended did not. Revenue that “should” have disappeared did not. A firm that had been delivering great work but losing money got two years to reset and the mandate to stay on better terms.

The outside story is simple: a board made a prudent decision, and a transition will happen in due course. Inside, the reality was a little stranger, or “weird,” as the partner said with a laugh of relief. Strange because it ran against every instinct the firm had at the start. Strange because once you’ve seen this way of working, you wonder why you ever did it any other way. Strange because the most powerful influence never announces itself. It just leaves a trail of decisions that look inevitable.