Are You There Law Firm? It's Me, Client.

By LawVision on May 14, 2014

During a recent visit, a new Managing Partner asked me a seemingly simple question: "How has what you hear from clients changed in the past decade?" My initial thought was to respond "dramatically." Yet I paused. "Clients are saying virtually the same thing as they were saying 10 years ago. Sure, their priorities have ebbed and flowed, but the overall message is virtually the same. The difference is," I told her, "law firms are listening."

The truth is, *some* law firms are listening. Somewhere between 35% and 48% of law firms, depending on source, do almost nothing to systematically gather client input. Another group of up to a third fails to act on or institute change as a result of client feedback. Which leaves just 1 in 5 law firms, approximately, who effectively incorporate client feedback into their business decisions.

In light of my colleague, Joe Altonji's recent post on Getting it Done…or Not, I am dedicating this post to exploring the top obstacles to bringing the client's voice into the strategic conversation.

1. **"We did a survey a few years ago – we didn't learn anything"** One of our favorite sayings in the research industry is "our biggest competitor is bad research." Rather than interpreting 100% glowing client reviews, a botched experience or staid results as a useless endeavor, recognize it for what it is: poor quality. Just as legal skills can differ from one attorney to the next, so too can the skills of those (internal or external) designated to lead client feedback programs. Well-executed client research will deliver results – a boost in satisfaction, an increase in business opportunities and/or invaluable strategic insights. In the past year, 1 in 3 clients has dropped at least one law firm, most often for price or poor service. Take a cue from clients on this one – if you are not happy with the service delivered, move on and find an alternative provider who will exceed your expectations.
2. **"Our attorneys won't let us"** Admittedly, this one irks me more than most. While it is true that clients hire attorneys, they do so only if the law firm meets their standards. Hence the concept that an individual truly owns a client relationship is faulty – and proven so time and again by the storied challenges of lateral hires. Underpinnings aside, if this is the challenge you face, my suggestion is to start with the willing. Invest in building trust and demonstrating the value of client feedback through isolated instances. The initial payback may be slower to emerge, but over time a proven track record in expanding relationships, mitigating challenges and creating new opportunity will speak for itself.
3. **"Our Chair or Managing Partner visits clients"** Congratulations – your firm is making a dedicated investment in clients. In-person leadership visits are one of three key facets to a world-class client feedback program. They demonstrate your commitment and the value you place on client relationships. Typically, the role of the leadership visit is to build rapport and establish trust. Often these meetings lead to uncovering new opportunity with the client and sometimes to the unveiling of a service issue. Rarely, however, do these visits yield a firm-wide perspective on overall performance or strategic direction. In fact, having in-depth conversations with a dozen or half dozen clients a year may even skew leadership's perceptions – and increase the risk of making major decisions based on the opinions of a small handful of (albeit important) individuals. To ensure your firm is getting the complete picture, reach out to a greater number of clients in a short time frame, professionally analyze the feedback and commit to acting on the results and recommendations.
4. **"We don't have the resources"** If you are not investing in your client relationships, who is? Study after study quantifies the value of existing client relationships, and in an industry such as ours where every decision to work

with one law firm takes dollars directly from another, these figures are magnified. Whether it is the fact that acquiring a new client costs 7 to 10 times more than retaining an existing client, or the more optimistic outlook that a 5% increase in client retention can yield a 25% to 95% boost in profit, the financial benefits – and your firm's ROI – are clear. Though perhaps the more relevant reason to invest in strategic client engagement comes in my closing anecdote.

During a recent strategic planning project, our interviews with firm leadership indicated a clear concern about the firm's future. Shareholders young and old lamented the fact that the young partners lacked the ability to originate business. They wanted solutions. A redesigned compensation system and a coaching program seemed to fit the bill and they were eager to get started. Then we talked to the firm's clients.

The needs and demands of the clients' growing businesses were expanding, yet the majority of this growth was coming in new geographic regions and in the diversification of the clients' businesses. The firm's own client base was evolving in a way that could potentially leave them in the lurch, regardless of their ability to develop business. This insight enabled us to reframe our discussions, leading the firm to a different conclusion and placing them in a much stronger position for the future. Can you imagine the alternative?