The Case for Client Satisfaction

Talk to your clients to generate higher revenues

By Martha Cusick Eddy

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As the economy continues to contract, professional service firms are working harder than ever to compete for a smaller number of new projects, cases and matters, clients are clamping down on budgets, and savvy service firms are deploying every tool in their arsenal (and upping their marketing budgets) to capture new business and position themselves for the eventual economic uptick.

According to new research, nearly two-thirds of law firm marketing officers rate client interviews and surveys as "extremely effective" or "very effective" business development strategies. These statistics were presented by Incisive Media's ALM Research at the 2008 Chief Marketing Officers' Forum in New York.

By investing time and effort into client satisfaction analysis, law firms can prevent defections, generate new business, capture higher fees and minimize fee discounting. In today's volatile economy, these goals are more important than ever before.

Talking to your clients on a regular basis is quite possibly the single most important client retention program at your disposal. When the news is good, client satisfaction research helps you do more of the same -- and further strengthen your relationship. When the news is not so good, interviews and surveys provide the information you need to take prompt corrective action and prevent your clients from walking out the door.

According to Rain Today research, buyers say they select professional services providers who understand their businesses, their unique situations and their needs – and who present appropriate solutions within a business context. Buyers say the biggest mistake service providers made was they "did not understand my business or my needs."

The best way to understand your clients' businesses and needs is to talk to them – regularly – to uncover their unique industry, personnel and market challenges, personal and professional goals, experiences working with your team, and what they value in their relationship with you and your firm.

This process helps you identify opportunities within existing client relationships and define areas where even small changes – enhanced personal and professional connections, service and personnel adjustments, and modifications to your billing process – can create competitive advantages and new revenue opportunities for your firm.

All too often, lawyers and law firms are reluctant to talk to their clients – especially when that conversation takes the form of systematic client satisfactions assessments. Common objections include:

- Our clients don't want to be bothered,
- Our attorneys won't let someone else talk to their clients,
- We know our clients are happy,
- Our clients would tell us if something was wrong, and
- We already know what our clients think.

If you think that most of your clients are satisfied, think again. Research shows that law firms consistently rank themselves considerably higher on client satisfaction indices than their clients do.

In the 17th Annual Survey of General Counsel conducted by *Inside Counsel* magazine, 52 percent of law firms gave themselves an "A" on their client relationship. Only 25 percent of the client rated the relationship an "A."

In a recent presentation to DRI's annual convention in New Orleans, Bruce MacEwen (publisher of the well-known blog *Adam Smith, Esq*.) stated that two out of three law firms give themselves an "A" on client service, but less than one out of five clients agree. That's a big disconnect – and what you don't know can hurt you.

Although it is true that client interviews can unearth unpleasant issues, taking care of those issues promptly and efficiently can prevent the possible loss of a top-tier client – and demonstrate your firm's commitment to the relationship.

In order to find out what it was "doing right" -- so it could use this information to attract new clients -- one firm retained Marketing Evolutions to conduct an in-depth interview with a "client for life" it had identified as completely satisfied. Much to the firm's surprise, the interview revealed that the client was in fact quite dissatisfied – and was seriously considering other providers.

When asked what the firm could do to repair the relationship before it was too late, the client replied, "By talking to me, finding out my concerns and identifying my issues, they are making a good start. If they sit down with me and tell me how they will address my issues to avoid future problems – and actually do it – we are there."

Although it was difficult for this firm to hear what the client had to say, a 30-minute interview salvaged not only the client – but millions in future revenue. It is always better to know for sure how satisfied your clients are.

Most law firms find it beneficial to adopt a variety of client assessment tools.

- *Regular informal interviews*: Several times a year, a law firm's relationship partners should visit with clients off the clock just to ask "how are we doing." Ask about the client's experience with your firm – as well as with other firms. Ask about what is working well and what could be improved.

  To get the most out of your time, do some advance legwork prior to the actual interview. Marketing, library or administrative staff can help compile information on the client and the client's industry and help generate a list of questions (including potential cross-selling opportunities) to guide the conversation.

- *In-depth formal interviews*: Each year, conduct formal, in-depth interviews with a number of your top clients – determined by actual or potential revenues. Ideally, these interviews should be done by an objective third party. Clients are much more likely to be honest and forthcoming with an impartial interviewer – particularly if they've had a negative experience. An outsider is also better able to deliver the results – positive as well as negative – to firm management.

  Formal interviews can cover a range of topics – including service quality, areas of importance to clients and how your firm delivers in these areas, overall satisfaction and an analysis of additional legal needs. In-depth interviews can provide insight into emerging needs, the provider-selection process, internal issues impacting legal procurement, competitors' strategies and more.

- *Satisfaction surveys*: While your largest clients are rotated through the formal interview process, touch base with the remainder of your clients using an annual electronic satisfaction survey. Clients like to know that you consider their opinions important. This is an easy and relatively inexpensive way to assemble benchmark data and identify areas of strength -- as well as areas for improvement.

  To get extra mileage from your surveys, consider sending out an annual summary of your findings – "Here is what our clients are saying and here is our response."

Do not launch any client satisfaction research program unless your firm leadership and service team is fully prepared to act on the information that is gathered. Prompt action to client feedback can strengthen or even save a relationship. Ignoring client feedback will permanently damage a relationship – perhaps irreparably.

Use the results of your client satisfaction research to fine-tune your client relationships – adjusting the personnel working on cases and matters, eliminating client-service or client-management hiccups via education and training programs, and developing new business development strategies that meet the expressed needs of your clients.

Talking to your clients on a regular basis – and acting on what they tell you – is quite possibly the single most important client retention program at your disposal.