

**Don't be an ostrich:  
Ask general counsel, "How're we doing?"**

Janet Ellen Raasch

*Janet Ellen Raasch is a writer and ghostwriter who works closely with professional services providers – especially lawyers, law firms, legal consultants and legal organizations -- to help them achieve name recognition and new business through publication of keyword-rich content for the Internet as well as articles and books for print. She can be reached at (303) 399-5041 or [jeraasch@msn.com](mailto:jeraasch@msn.com).*

What do ostriches and law firms have in common? With his head buried in the sand, the ostrich is oblivious to approaching danger. With no method for client feedback, a law firm is often oblivious to the significant dangers of client dissatisfaction.

What are these dangers? Most obvious is the danger that the firm will be “fired” by an unhappy client. A decline in referrals is also a very real risk. Dissatisfied clients will not refer your firm. Even worse, they will give you a negative referral.

If you think that most of your clients are satisfied, think again. Research shows that law firms consistently rank themselves twice as successful at client satisfaction as clients do. In the 17<sup>th</sup> 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 clients rated the relationship an “A.” That is a big disconnect.

“Interviewing and surveying your clients to see how satisfied they are – and acting decisively on what you learn from this process -- is quite possibly a law firm’s most important client retention program,” said Martha Cusick Eddy. “Better relationships help bulletproof your clients against the efforts of your competitors. More importantly, there is a direct correlation between client satisfaction and increased revenue.”

Cusick Eddy is a partner with Marketing Evolutions ([www.marketingllp.com](http://www.marketingllp.com)), where she regularly conducts client interviews and surveys. She has served as president of the Rocky Mountain Chapter of the Legal Marketing Association and the Colorado Chapter of the American Marketing Association.

In her presentation, Cusick Eddy discussed the results of more than 100 interviews her firm has conducted with in-house counsel. The program was part of a monthly educational series sponsored by the Rocky Mountain Chapter of the LMA ([www.legalmarketing.org/rockymountain](http://www.legalmarketing.org/rockymountain)). It took place Oct. 14 at Maggiano’s Little Italy in downtown Denver.

“Very often, the simple act of conducting a client interview can prevent the loss of a valued client,” said Cusick Eddy. “More than once, our interview subjects have stated, ‘I

was ready to fire this firm or use it less, but the fact that you are here – to show that the firm values our relationship and will do what it takes to fix it – has changed my mind.’

“Simply reaching out to clients for feedback underscores the value a firm places on its clients and helps cement that relationship – paving the way for continued and expanded work,” said Cusick Eddy.

Cusick Eddy’s research demonstrates that a lack of congruency between a client’s expectations and a law firm’s delivery of service is the major cause of attorney/client disconnect. Poor communication throughout an engagement also leads to dissatisfaction.

This dissatisfaction can best be prevented at the client, case or matter intake stage. Lawyers should take time up front to clearly discuss expectations and communications. Does the client want detailed analyses of a legal issue, with all possibilities, or just the three most important points? How often does the client want to hear from you – and how? How does the general counsel (and his or her boss) expect you will handle costs and estimates?

“Firms that continuously monitor a client’s expectations and frequently ask about performance often register the highest degree of client satisfaction,” said Cusick Eddy.

### **Commonly heard complaints**

In conducting interviews, Cusick Eddy often hears complaints in the areas of:

- *Billing*: General counsel are more than willing to pay for legal services – as long as a lawyer can demonstrate value. What they often object to is an absence of clear value demonstrated in their fees and bills. Clients are frustrated when bills contain vague or excessive costs they cannot explain to their superiors.

“Don’t ever bill five hours to prepare an email, for example, without some explanation as to why it took so long,” said Cusick Eddy. “Better yet, when you get a legal question from a client, step back and think about the level of analysis the client wants and needs in your response. If you aren’t sure, just pick up the phone and ask.”

Clients also complain when lawyers ignore the fact that in-house counsel are business people as well as lawyers. “In-house counsel must adhere to budgets – or competently explain overages,” said Cusick Eddy. “Clients don’t like being treated as an ‘open wallet’ by their lawyers – and they particularly dislike feeling that law firms are training associates or meeting billable hour requirements on their dime.”

- *Case and matter management:* In-house counsel are unhappy when legal guidance does not address the client’s specific business problem – or when issues are over-lawyered.

“In-house counsel complain when outside counsel apply a standard, one-size-fits-all process to every case or matter – or become overly focused on all the nuances of the law,” said Eddy Cusick. “Clients tell us, “We recognize there are inherent legal risks in any business decision. Our CEO is looking for pragmatic advice to move forward – not an exhaustive review of case law.”

- *Relationships:* General counsel are very loyal to outside counsel who build a personal as well as a professional relationship with them – a relationship that is maintained even when there are no active cases or matters.

“Our research shows relationships can supersede all other elements of the client/attorney engagement,” said Eddy Cusick. “Law firms should place a premium on relationship-development programs that demonstrate how effective relationships are built and maintained.”

- *Loyalty:* Despite studies reporting a high number of in-house counsel willing to switch legal service providers, Eddy Cusick’s interviewees often report a high degree of loyalty to their providers.

“Changing firms is hard for clients,” said Eddy Cusick. “Even when they are dissatisfied, clients know what to expect and can compensate internally for any weaknesses. Law firms looking to unseat incumbent law firms must tangibly demonstrate their value and minimize the risk clients might feel about switching to a provider whose product they do not know.”

- *Introductions:* General counsel are not impressed with “cold” calls or brochures. In particular, they find annoying the increasing number of cold calls from lawyers based on information from subscription case alert systems.

“Clients tell us that they receive hundreds of brochures and materials – as well as cold calls – from firms unknown to them,” said Eddy Cusick. “Ninety-nine percent of the time, these cold outreach efforts do not work. Work through a warm introduction – not a cold call.”

- *Communications media:* Each client has a preferred means of communication – phone, email, letter – and a preferred level of detail in that communication – whether a detailed newsletter; a concise, targeted alert; or a simple email update. “A good CRM system will allow you to track and communicate with a client in the way he or she finds the most valuable,” said Eddy Cusick.

- *Proposals and presentations:* General counsel react negatively to “generic” proposals and presentations. “Take the time to discover what particular problems

a client or potential client is facing,” said Cusick Eddy, “and customize your proposal or presentation for that client and that industry.

“When making a presentation, focus the conversation on the client’s needs – not on your own qualifications,” said Cusick Eddy. “You’ve been invited to pitch because you’ve passed a threshold test. The presentation or proposal is a chance for you to establish rapport and demonstrate what it is like to work with you.”

- *Seminars*: Seminars – whether in-person or Web-based -- are very effective business development tools. “In-house counsel tell us that content-based seminars help them educate their own internal ‘customers’ and minimize their risk and exposure,” said Cusick Eddy.

“The most effective seminars are targeted to the audience,” said Cusick Eddy. They don’t have to be big, formal affairs. Call a client or prospect and ask about the issues they are facing. Then, go in and spend a few hours with them – educating them on how they can minimize risk or adapt to those issues.”

### **Client satisfaction process**

Client interviews and surveys should be a regular process for most law firms. Typically, the process is precipitated by a new marketing strategy, by the launch of new practice areas or industry groups, by a merger or acquisition, by the arrival of new laterals, by economic factors (like the current economic turmoil), new competitors entering the market, and/or loss of a big client. Firms continue to use them because they work.

“Generally, a law firm will conduct in-person, in-depth interviews with its top ten most important clients – which will vary year-to-year,” said Cusick Eddy. “Because these formal interviews can uncover unhappy clients or information that requires management action, we recommend that they be conducted by an outside expert or a senior manager of the firm – someone with the credibility and position to deliver potentially bad news.”

In-depth interviews take time and can be costly. “To get a baseline sense of how a firm is performing across its client base, we also recommend annual Internet-based surveys of a law firm’s large stakeholder groups that can be conducted cost-effectively and consistently,” said Cusick Eddy.

In these trying economic times, clients are paying even closer attention to their budgets and bottom lines. It is more important than ever that lawyers proactively uncover opportunities for improvement -- in their relationships and in their services -- where changes can create a stronger and more profitable relationship.

“If interviews do reveal information that is unfavorable, it is critical that firms take action – quickly and decisively – to fix any problems,” said Cusick Eddy. “The result will be a

considerably stronger attorney/client relationship that will have a positive impact on your firm's profitability.”