

# PETER SCOTT CONSULTING

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### What should your partners be doing – to build client satisfaction?

In April 2017 LexisNexis in conjunction with the Judge Business School at Cambridge University published research which revealed evidence of a serious disconnect between what clients expect from law firms and what they get – see <https://www.realwire.com/releases/LexisNexis-report-Amplifying-the-voice-of-the-client>

Several of the findings from the research were particularly noteworthy:

- **“Not a single client interviewed was satisfied with what law firms provide”**
- Clients said they looked for **‘solutions to business problems’**, while law firms saw their role as just providing advice, with clients required to convert this into solutions
- Clients see the disconnect as a **‘need to better understand the client’s perceptions of value’** whereas law firms see the disconnect as primarily a ‘challenge of improving service delivery’

While the research related to clients of larger firms it is likely that such findings will apply to law firms across the whole spectrum of the profession. And while that research has now highlighted these issues, they are not new. Over many generations successful lawyers have always understood that client satisfaction and client loyalty are fundamental to building a sustainable competitive business.

The finding that *‘clients see the disconnect as a **need to better understand the client’s perceptions of value** whereas law firms see the disconnect as primarily a challenge of improving service delivery’* is fundamental to understanding how partners in law firms should be prioritising their performance if they are to build a law firm to beat their rivals.

**‘Adding value’** is consistently mentioned as something required by clients when law firms carry out in – depth face to face client research. What should lawyers be doing to *‘add value’* to their clients? Client research shows that the following elements need to be present.

#### **It needs to be value which clients regard as valuable to them**

It is the client’s perception of value which matters, not the lawyer’s. As the research findings above indicate, some lawyers see adding value to a client merely in terms of service delivery whereas clients see value in terms of lawyers achieving results for them. As a result there is often a **‘value gap’** between what the client wants and what the lawyer delivers.

Accordingly, lawyers need to ensure that what they provide to clients is regarded by their clients as **valuable to them**. This will always be a perception in the mind of the client, but it is a perception which can and needs to be managed by the lawyer.

Unfortunately, in some areas of legal practice lawyers have failed to convince clients that the services they are buying are valuable to them and should be a warning to others.

In conveyancing for example, clients perceive lawyers to be adding little value to transactions with the consequence that clients wish to pay very little for the most expensive thing most will ever buy in their lives because they have erroneously been led to believe that conveyancing is a commodity product. The fact that negligence claims against lawyers in respect of conveyancing are in the top heads of claims suggests however that conveyancing is a difficult discipline. However, convincing conveyancing clients that paying a price commensurate with the value the lawyer brings **by getting it right** can be an uphill task because the opposite perception has for too long been allowed to gain acceptance.

It is often only when clients compare their conveyancing costs with the stamp duty they must pay and the fees their estate agent is charging do they begin to realise the *value for money* service their lawyer has provided.

### **Value can be *personal***

To add value in a way which clients **care** about, the lawyer needs to identify and recognise the **needs** of the client / decision – maker and then evaluate and agree the client's expectations as to performance. **What will success look like to the client?**

Compare the needs of –

- The owner of a family business
- The chief executive of a large corporate
- The finance director
- The HR director
- The individual / consumer

Their needs of each will be different, but only after having identified those needs will it be possible to manage the client's perception of whether the lawyer has met those expectations and added value in a way which will drive complete satisfaction on the part of the client.

### **Value takes different forms**

As more and more legal advice is systemised and reduced to processes lawyers needs to recognise that evolving trend and manage clients' perceptions of value accordingly. Lawyers should ask their clients how they perceive them in terms of adding value –

- A commodity supplier managing processes?
- A problem solver?

- A trusted adviser?

The lawyer who is regarded by a client as a trusted adviser and a problem solver is likely to be providing **high value – added** services to the client which will have a strategic impact on the client and will tend to be wisdom and experience driven. Advice at the highest level in many disciplines is likely to be involved in providing **high value – added** services and is often provided by lawyers who are seen as market leaders in their fields, whether they are in very large law firms or niche firms.

Such work tends to attract the higher prices which can be charged by lawyers and so it is essential that the lawyer ensures that **such advice is always perceived by the client as highly valuable** to the client. Adding value in this way is an essential element in also creating the perception by the client that the price charged equates to the value received, or to put it another way, is **value for money** in the client's mind.

At the other end of the spectrum but no less important, is the provision of so - called **low value - added** services where the client's perception of value is enhanced by the lawyer's ability to drive down the cost to the client of doing the work. Typically, many consumers and organisations providing consumer products and services such as insurance companies seek high quality legal advice but where lower prices are what **add value** in the mind of the client. Legal services providing this type of added value tend to be technology – driven and competitive advantage is created by continuing to invest in more and more standardising processes to drive down costs.

However, whichever type of law firm you are in and however you add value to your clients, this will necessitate understanding and meeting their needs and is an essential element to providing **client satisfaction, which is often said to be the only sustainable competitive advantage.**

What other factors can drive client satisfaction? Client research consistently shows that the following are important when clients are deciding whether to instruct a firm or to choose another:

- The right advisor for the right problem. Technical knowledge, skills and experience are not however always assumed to be a given by clients;
- Size and depth of team capability;
- Consistent delivery of results;
- Meeting deadlines and keeping commitments;
- The ability to offer advice quickly and to clearly communicate that advice;
- Keeping clients informed of progress;
- Care and attention;
- Billing as and when expected

All these factors contributing to client satisfaction will depend on the performance of a firm's people and firms will only know whether their people are performing in ways which build client satisfaction

if they **listen** to their clients. Client feedback is then likely to require a firm to ask searching questions, including:

*Is our firm making sufficient investment in its people to develop the skills and behaviours required for our firm to succeed?*

*What do we need to do if some of our partners are not*

- *Forming strong relationships with clients?*
- *Understanding and managing clients' expectations?*
- *Showing good team working skills?*
- *Managing their people well through helpful supervision, feedback, coaching and tackling poor performance?*

*Do we need to agree with partners and others the performance criteria and target levels of performance required if client satisfaction gaps are to be closed?*

*Should we have in place a process of feedback and review to manage performance to build client satisfaction and loyalty?*

*Are all our partners willing to expand their knowledge and develop new skills to help achieve our firm's agreed goals?*

*Are all our partners prepared to change how they work and behave to provide our clients with what they want?*

In today's highly competitive legal markets, any law firm that wants to be successful must ensure that the consistent performance of its people aimed at building high client satisfaction is actively managed. Requiring that a law firm's people are highly trained, skilled and motivated should therefore be priorities.