



In the post COVID-19 legal market, performance will be driven by client needs

Poor performance and bad behaviour, even in more normal times, damages law firms where allowed to continue unchecked. Your best people begin to feel undervalued and if that happens, they are likely to walk.

As firms try to recover from the shock of COVID-19 and rebuild their businesses, performance and behaviour by a firm's people become paramount. In today's ever more competitive legal markets, any law firm that is determined to be successful must ensure that its people consistently perform well as measured by high external and internal client satisfaction. But what will *'performing well'* mean?

Performance will need to be driven by clients' needs, which means that law firms must listen more to their clients - it is becoming less and less relevant how lawyers see themselves. This is particularly important given the current difficulty of winning new clients. This means that genuinely understanding the clients' business; winning more share of existing clients' legal spend; and therefore collaborating across the law firm to service clients is increasingly vital for success. The key questions that law firms should be asking about their key clients are: -

- What will they want?
- What are their unmet needs?
- How will they want to be looked after?
- What issues are they going to have post COVID- 19?

The objective for a law firm in seeking such client (and referrer) feedback will be to indicate the nature and required levels of its future performance to successfully compete by:

- Ascertaining how the firm is perceived by clients, referrers and the marketplace;
- Calibrating its strengths and weaknesses against market needs and the competitors
- Understanding client awareness of current services and how these may need to change
- Identifying any clear requested improvements or capability gaps

Client-perception surveys should be of crucial importance as firms try to recover from this crisis.

Unfortunately for many firms in the past they have not been – and the main reason is that client partners and leadership often do not like hearing difficult messages. If that has been true in the past of your firm, then our advice is to listen, meet challenging messages head on, and act upon them. If you do not, then you are likely to be in dangerous territory as we enter the new post COVID-19 world.

The consistent delivery of high-quality advice to clients, delivered in the manner clients will demand, will place ever increasing pressures on law firms to ensure all partners perform to the highest standards. To ignore what clients say about a firm's performance cannot be an option in the future. Indeed, some of the best leadership meetings we have facilitated is when the 'voice of the client' is brought into the leadership meeting. Law firms also need to manage the multiple points of client/firm contact- described by one firm as "a thousand points of light". It is no use having a brilliant individual partner if the processes or other parts of the firm let you down.

Client and your future talent also need you to manage the performance of people in line with client needs and this will be addressed in the next bulletin.

This will include: -

- Agreeing with partners performance criteria and the levels of performance required of them;
- Putting in place a process of feedback and appraisal to manage performance;
- Ensuring that all partners are prepared to be managed;
- Putting in place sanctions on those who refuse to comply; and
- Fairly aligning performance with reward in a way that motivates rather than alienates.

The requirement to fairly match reward to performance will be critical and in next week's bulletin we will examine how this can be managed and in particular, how performance can be objectively measured.

If you would to explore any of these issues further, please contact Paul Browne or Peter Scott.