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Is Your Priorities List Upside Down?

Providing Real Value to Clients

by Joyce K. Smiley

Some of these facts don't make sense: Can you guess which ones?

A: The Association of Corporate Counsel urged law firms to "consider redirecting at least part of the time and money that they are spending on new client marketing, to assess and address existing client concerns," as a result of the annual "Managing Outside Counsel" survey.

B: According to that survey, one-third of the participating in-house counsel cited communication and personality issues as reasons for terminating law firms.

C: In December 2008, "The American Lawyer" reported that its survey of the AmLaw 200 revealed that only 2 percent of the responding firms made the effort in 2008 to meet with their top 20 billing clients to discuss their firms' performance.

D: "The American Lawyer" also surveyed in-house counsel who are members of the networking site Legal OnRamp. "The vast majority of the LOR respondents," wrote Editor-in-Chief Aric Press, "reported that their outside firms don't even bother with client satisfaction surveys."

E: According to LMA's "Marketing the Marketer" survey, in 2008 client feedback was the respondents' lowest priority [see "Marketing Budgets, Initiatives Take Hit in Battered Economy," November/December 2008, p. 4].

The answer: C-E: Legal marketers' obligation to law firms is to determine how firms should best utilize their marketing resources, and that begins with listening to what the market expects. And yet, so few firms are, as the media puts it, bothering to find out if their clients are satisfied enough to continue doing business with them.

A Broken Proposition

The surveys alone are telling us that general counsel are becoming more vocal about the value and excellent service they expect from their law firms. Two years ago, Margaret Seif, vice president and general counsel of Analog Devices Inc., a publicly traded high-tech company based in Norwood, Mass, said she was "amazed at the number of firms that don't ask how they are doing," in a webcast sponsored by Thomson West. Firms that do not ask clients how they are doing "are complacent, too busy or don't want to hear the answers," according to Seif.

Seif's perspective on law firms' client relations efforts remains the same. "It's still amazing to me," she says. "Some firms think that their results speak for themselves, whether it's how they handled a big corporate deal or how they won a major piece of litigation."

After Seif's statements aired on the webcast, she was invited to speak on a panel of in-house counsel for a law firm. However, she said that despite her and the other panelists' concerns about client relations, the firm steered the panel into a marketing discussion.

"The value proposition is broken," Seif says. "We're not pleased with the value of what we're getting, and all they wanted to do was talk about marketing. Marketing is throwing material into the wind." According to Seif, too many firms "don't have any idea what it means to work with the client or develop a bond in the relationship."

So, Analog Devices, like a growing number of companies, is going to undertake its own performance review of its law firms. "We're going to do it internally," she says. "We want to give one or two firms a report on how they're doing. We're not going to wait for them to do it, because they're not going to do it."

Some legal marketers do understand the importance of learning how to better serve their firms' clients. That investment is a high priority in their marketing budgets. *Strategies* spoke to two such firms.

Duane Morris, a Philadelphia-based international law firm, began its Client Satisfaction Interview (CSI) program five years ago. The firm interviews its largest clients and its strategic growth clients.

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CMO Ed Schechter says that Duane Morris implemented in-person interviews over surveys "to get more fertile, in-depth and open discussions with clients." The firm provided training for its client service managers to conduct the interviews.

"CSI is not a sales program. It's a way to ensure a focused conversation that leads to total client satisfaction," Schechter says. "Our primary goal is to build a trusted advisor relationship with our clients. It's not a one-shot meeting. The real value is the commencement process.

"Because you're acting on the feedback and learning more about the client's business and industry concerns, it opens the door for dialogue that enables our partners to provide both business and legal insights. Law firms without a robust client feedback program need to understand that they are losing one of the best ways to build relationships," he says.

Schechter says that Duane Morris's leadership immediately saw CSI as an opportunity to enhance relationships. Like any law firm, however, there were a number of rank-and-file partners who were skeptical. Schechter got CSI off the ground by beginning with a pilot. "Once we got proof of concept it allowed us a currency to continue," he says.

Keeping Clients through Transitions

Elena Taxiarchis, director of marketing at Posternak Blankstein & Lund in Boston, realized that when a founding partner retired, it was critical to find out if his clients were satisfied with the relationships they had with the succeeding partners. It was no coincidence that the retired partner, a classic rainmaker, harbored a number of the firm's largest clients.

One of this partner's clients of more than 30 years had experienced exponential growth, becoming a national company with more than 18,000 employees and $700 million in annualized revenues. This attorney had also been a close business advisor to the chairman.

In 2006 Posternak commissioned an interview with the president and the general counsel, when the firm could see that another firm had been taking over increasingly more legal work. "We were well on our way to losing the client," says Michael Andresino, a partner at Posternak and head of the securities practice group.

A year later, the company was sold to an Australian buyer and Posternak handled one small part of the merger. "We did a great job, and they loved us for it," Andresino says.

"After the sale, they put all their work out to bid in an RFP and chose us for the business work. The interview showed them we still cared, even if they didn't, and we learned specifically what was important to them, which helped us in the RFP a year later."

Taxiarchis continues to have a broad range of Posternak's clients interviewed. "A client interview should not be considered a 'special project,' but rather an ongoing part of the attorney-client relationship."

The marketing department does not have to justify the cost of the client interviews to the firm's management. "The reports, resulting from each client interview, both written and verbal, were not only detailed and useful in terms of providing us the clients' impressions, but also proactive and forward thinking in terms of how we could better service these clients, obtain additional work from them, and more generally think about how we, as a firm, can best provide client service and enhance marketing opportunities," says Lauren Jennings, immediate-past managing partner of Posternak. "Additionally, and no less important, clients universally reacted positively to the interviews and the process in general."

Law firm marketers who correctly answered the quiz at the beginning of this article know how important client feedback is—is it in your 2009 budget? Firms that listen to their clients understand that it is more cost-efficient to satisfy clients and maintain their loyalty than it is to obtain new clients. Get your firm's leadership behind a suitable client feedback program. Begin with a few initial success stories to help gain firm-wide support as you develop a complete program. ■

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