

How Client Feedback Programs Benefit Law Firms And Clients

By **Elizabeth Duffy**

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Despite an increase in engagement with client feedback programs over the last 15 years, law firms — and their clients — have a way to go before realizing the maximum benefits such programs can deliver. Embarking on a client feedback program is no small effort, so firms need to understand how they and their clients can get the most from this investment.



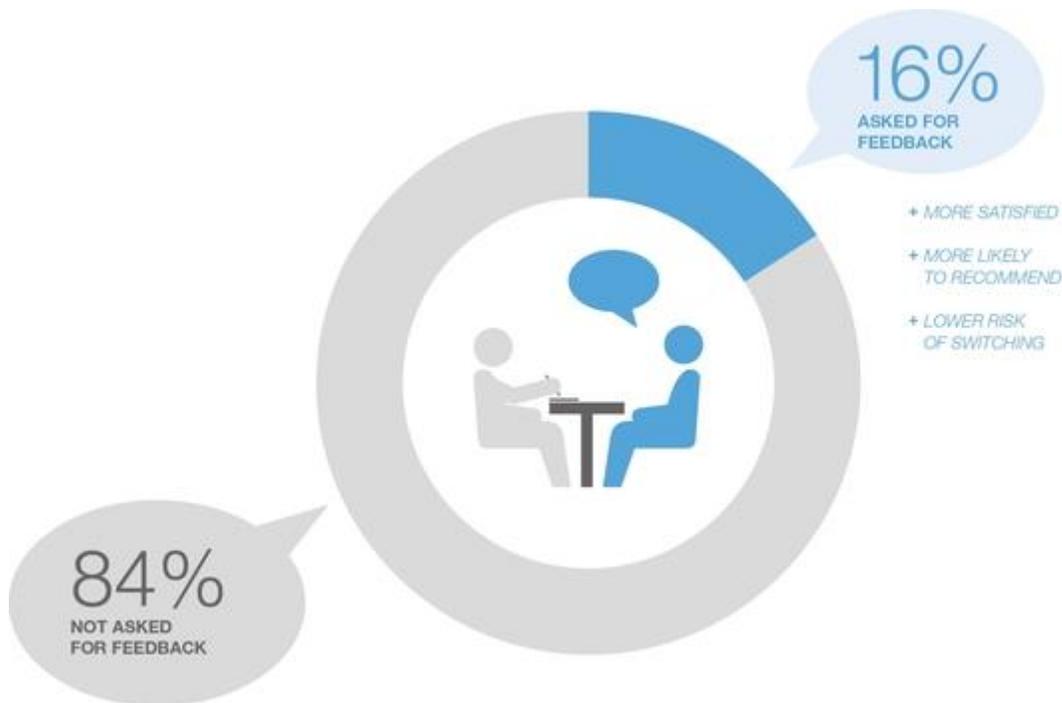
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Why Commit to Client Feedback?

Historically, law firms relied on the strength of the lead partner relationship to determine whether the client's needs were being met and made adjustments accordingly. Contrast this to today, where research from Acritas reveals that approximately three quarters of law firms invest in structured client feedback programs with input from third-party specialists. Although this figure continues to grow, with roughly 12 percent of client feedback programs having been launched in the last 12 months, only 16 percent of clients have been invited to participate in feedback programs in the last 12 months.

The participation gap has bottom-line implications for law firms. It is well-documented that clients who participate in formal feedback programs with their outside counsel are, as a group, more satisfied with the service they are receiving and less likely to switch providers. Though the majority of large firms say they are now gathering some level of formal feedback, most firms are not doing so from nearly enough clients and risk leaving money on the table.

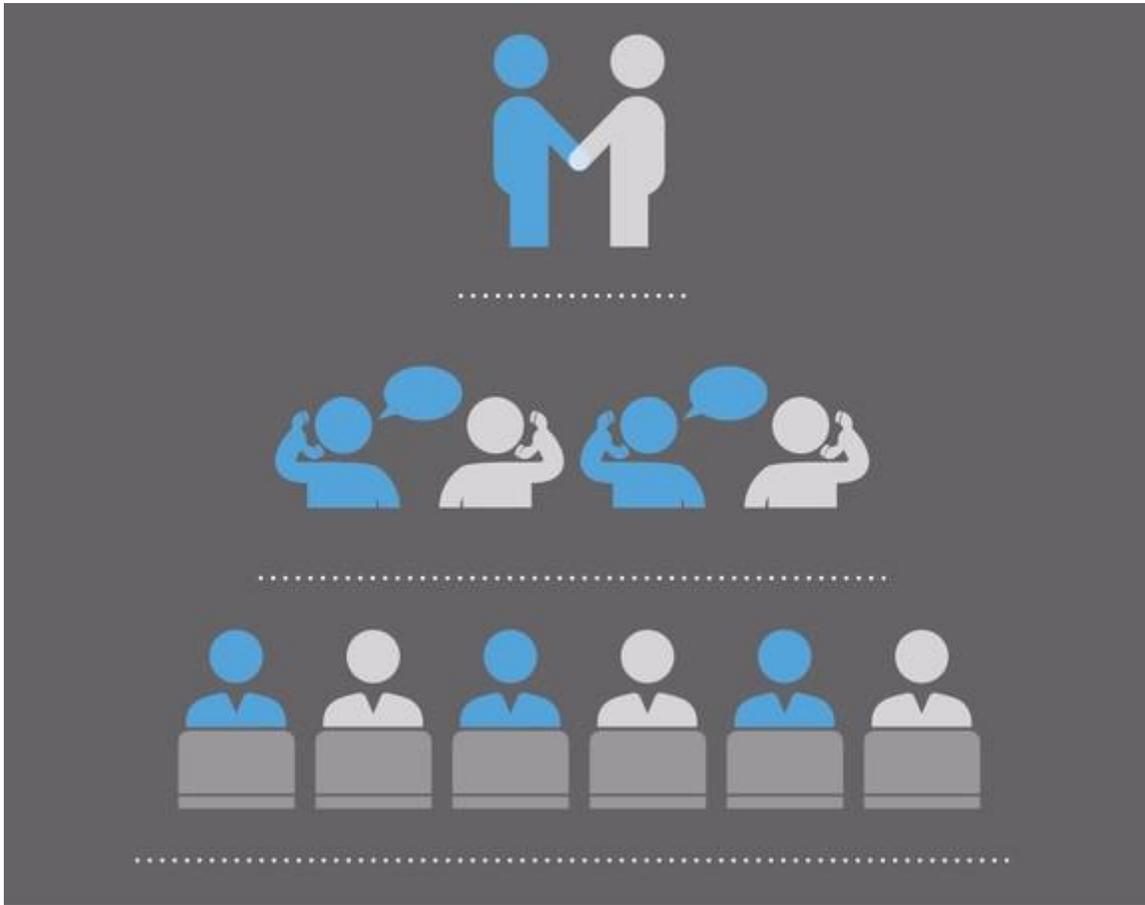
If law firms are to get the most out of their client feedback programs, they must reach out to more client contacts. This could mean extending the program to more clients, or deepening engagement with currently surveyed clients by inviting more internal contacts to participate. This article offers five steps a law firm can take to strengthen the effectiveness of its client feedback program, including recommendations for making the most of the data gathered.



1. Start With an Eye On the Future

Law firms often initially start small with client feedback for a number of reasons. There may be cultural barriers to overcome, reticence or reluctance in some parts of the firm, budgetary constraints, or a desire to grow organically as value is realized and the program is refined. Even when starting out with a "pilot" or test group, firms should focus on building a sustainable program from inception, with provisions in place for expansion over time. It is also good practice for law firms that have been involved in surveying for some time to periodically assess their program's long-term effectiveness and whether the desired outcomes are being achieved.

Many client feedback programs begin with key client interviews carried out in person and extend to other channels, reaching wider segments of the client base over time. Best practice dictates that all clients should be invited to provide feedback, at a level of firm investment appropriate to the client's spend and with an approach that is appropriate to the nature of the relationship. Most comprehensive or larger-scale programs use a combination of telephone interviews and web surveys alongside in-person interviewing, as a cost-effective and efficient way to gather feedback from greater numbers of clients. When doing this, it is important that the original key client interviews follow a semi-structured guide and incorporate elements of closed questioning to gather measurable data on predetermined key performance indicators (KPIs). This ensures a degree of consistency and comparability, which can be folded into other methodologies as the program rolls out, and builds a rich and actionable dataset from the outset.



Delivering a positive participant experience for the client is also paramount to a program's long-term success. The ongoing nature of many client relationships means that there will be a need to return to the same clients periodically (for example on an annual basis or after the close of significant matters) but clients will not be receptive to this if they do not find value from participation in the first place. First and foremost, these interviews must be client-centric in their design and execution. Consider that general counsel actively work with 16 different service providers on average at any one time, and are frequently asked to answer surveys and provide feedback. With this in mind, a law firm should make sure that its survey or interview experience stands out for the right reasons.

An engaging, well-balanced questionnaire executed by a professional interviewer or delivered via an interactive survey software solution can be an enjoyable and rewarding experience and leave a lasting positive impression. It is also essential that a firm's broader communications make it clear to their clients why this process is valuable and a worthwhile investment of their time. An invitation to take part should focus on how the process will ultimately benefit the client, whether it is through better-tailored individual service or firmwide improvements, or both. Firms should make it easy for clients to get involved and to understand what is expected of them.

After the feedback interview or survey is complete, firms need to thank clients for their willingness to participate and for their contribution, and they should share what has been learned and the firm's next steps as a result. Lastly, firms must close the loop by taking those promised actions. Client feedback is a two-step process — collecting the feedback comes first but has no real value without the action it inspires. Failing to respond or take proactive steps after promising change will undermine and undo any previously established goodwill or rapport the firm has with the client.

2. Measure the Right Things

The questionnaire design process is crucial to the success of any client feedback program and worth substantial investment. A concise set of metrics that reflect internal objectives and resonate with clients supported by well-chosen open questions is preferable to an exhaustive list of questions that, at best, will generate huge volumes of data but few actionable insights and, at worst, will alienate clients.

Align the program's objectives with the firm's values, strategy and existing KPIs, keeping these at the forefront throughout the design process. Focusing solely on client satisfaction and how satisfaction levels can be improved is a missed opportunity. Law firms are better served when they gather feedback on the specific service delivery attributes that correlate most closely with overall satisfaction, including perceived efficiency, meeting expectations, effective communications and quality of work. Another common measure is likelihood to recommend, which is strongly influenced by the strength of the client relationship, and can be asked about either alongside or in lieu of overall satisfaction.

When creating individual questions, a good starting point is often the end-point: What do you want to be able to do with the results? For example, a high-level objective of increasing share-of-wallet among mid-level clients can be addressed in multiple ways, so firms should solicit the types of feedback that reflect the types of actions they are realistically in a position to take in response. A firm may want to identify pockets of best practice in relationship management and service delivery that can be applied across practice areas. Alternatively, firms could seek to pinpoint specific opportunities to enhance individual client experiences, cross-sell services and inform more effective client touch points. To be meaningful, the questions asked must be capable of delivering insights a firm will actually use to move toward its goals.

3. Benchmark to Add Depth

The value of benchmarking, whether conducted internally or externally against specific competitor sets and the wider market, is increasingly recognized in the legal industry. Benchmarks provide contextual reference points and anchor findings to norms that can be interpreted. Internal benchmarking and time series data rely on a consistent question set being asked in the same way. Cultural differences in research participation — particularly for firms with an international client base — must be taken into account and findings statistically normalized to ensure comparability. For example, the way in which respondents use rating scales varies by region. Respondents from the U.S. and Latin America tend toward the upper end of the scale, scoring higher than the global average, while Asia-Pacific and Middle East respondents make more use of the entire scale, resulting in a lower score compared to the global average. It is important to normalize for this before interpreting.

In the past, external benchmarking proved to be a challenge for the legal industry. Through the years, there have been various attempts made to collect and share performance metrics across a number of practice management areas, but each failed due to inconsistency of measurement and the commercially sensitive nature of the data. Fortunately this has changed for the better. Today, law firms have several sources from which to draw upon, including Acritas' SharpLegal program, which independently collects data from 2,000 law firm clients every year so that firms can evaluate their client feedback against unbiased benchmarks.

4. Strive for Independence and Objectivity

Client feedback should be clearly positioned as a research exercise, independent of client relationship management. A client feedback interview should not replace a periodic client-partner meeting; the two should work in tandem, but they are very separate exercises with distinct goals. Credible research outcomes require an objective approach, which generally means that the interviews must be carried out by a third party. Trained interviewers who are comprehensively briefed by the firm are in the best position to elicit an optimal contribution from each participant. They also have the correct equipment, software and protocols to record the findings accurately and consistently.



In fact, though 35 percent of firms would consider using the lead partner to gather formal client feedback, it is neither necessary nor desirable for lead relationship partners to have direct involvement in this part of the process. This approach has negative implications for the objectivity of the findings and credibility of program outcomes, and should be avoided.

Acritas' research reveals that there are many instances where other internal staff are actively involved in interviewing clients alongside professional interviewers. Firms that want to go this route must take steps to ensure these individuals undergo professional interviewing training so that they can skillfully manage negative feedback, avoid biased or leading questions, and use appropriate probing questions to unearth richer and more useful insights for to the firm.

5. Use Feedback to Help Institutionalize Client Relationships

Our research also reveals that when they leave, lateral partners are successful in taking 27 percent of their existing book of business to their new firm. Law firms can successfully defend against losing key clients in this way by institutionalizing client relationships, and a client feedback program can help do this. Research also shows that when the client works with the firm on a multi-practice, multi-office basis and the firm works with multiple contacts in the client organization, it is likely that the majority of work will stay with the firm when a partner leaves.

Feedback gathered formally is an investment by the firm in the client and demonstrates to them that the relationship is valued commercially rather than personally. The formal feedback process is separate from feedback gathered informally by lead partners, which should be happening already on an ongoing basis as a natural part of good relationship management. For key client accounts, firms should strive to interview multiple contacts to capture the views of full decision-making units, influencers and wider service users. Client roles change over time and today's middle managers are tomorrow's budget-holders, so it is worth knowing what they think.

An independently executed client feedback program also enables firms to explore untapped opportunities with existing contacts and map out wider business development routes across the client organizations, investigating areas outside the expertise of lead partners. Acritas research shows that when clients are happy overall, they are often more than willing to assist their law firms in growing institutional relationships, but do not necessarily think to do so unprompted. A client feedback interview presents an opportunity to ask them to do so.

Greater Buy-In = Greater Benefits

Across the legal market, there is a drive for continual improvement and optimization of return on investment. Since a well-embedded client feedback process is not a source of competitive advantage by itself, firms must do all they can to collect, convert and apply data gathered from the process into commercially valuable intelligence. This means bringing together multidisciplinary teams from across the firm from the outset — supplementing with external specialists where required — and consulting as widely as possible throughout the process.

Law firms tend to regard client feedback as a marketing or communications responsibility, but even if these departments oversee the program's operational management, these initiatives have the greatest impact on the firm's revenue stream when backed by senior-level sponsors from across the firm. With senior-level ownership of the program embedded into its rollout, law firms can establish and grow client feedback programs capable of delivering long-term benefits to the bottom line.

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