

# Client Service: The New Normal in the Legal Industry

May 1, 2013

By:

---

In this day and age, it is critical to retain clients. How does a firm accomplish that in an environment that has traditionally focused on productivity? Firms have attempted to differentiate based on expertise, alternative billing options, and creativity. All are good, but none of them hit the mark. Like it or not, law firms have to become client-centric.

Excellent client service is not just a nice idea anymore. It is a necessity. If firms do not make it a high priority, clients will eventually go elsewhere. Work product and/or poor results are not the predominant reasons clients search for new counsel. More clients leave a firm because of service issues. Good client service entails having a dedicated client-oriented department where clients can rest assured that they will get any questions answered or issues resolved in a timely manner.

Top-tier companies not only offer a customer service department, but also understand that training employees in customer service is essential. For clients to stick with a firm, they have to believe that client service is a core cultural value. The culture at law firms has tended to focus on billings, originations, and results, but rarely on service. This is not surprising considering how attorneys have typically been evaluated for salary and bonuses. Other businesses have recognized that as the service or product they provide becomes more quickly copied (as every practice and product that is successful will be), they must stand out based upon their service. Apple has some pretty unique products, but now others have copied their product models (some, according to recent court decisions, by patent infringement, but be that as it may). Yet if you ask any Apple user what stands out in their mind, they will tell you that if they encounter a problem with an Apple product and get on the phone with the company, a knowledgeable person will spend hours on the phone with you, if necessary, to resolve the problem. If it can't be resolved and is a hardware issue, expect a replacement product in the mail the next day. It blows the customer mind. The same service model is part of the culture in other competitive businesses: Disney and the Ritz Carlton in hospitality; TD Bank in

financial services. So what about law firms? What is the impediment? In a word, lawyers.

Lawyers are trained to provide excellent legal services; however, very few are trained to give excellent client service. It is time for professional service firms to start thinking like big business. If they compete on price alone, they will become commoditized. Firms will always be able to offer the same work product for less, and unless client service is a top priority, law firms will not be able to sustain a competitive advantage. Former Harvard Business School professor David Maister has posited that the lawyer personality and training are, in themselves, impediments to service, but the natural tendencies to risk aversion, distrust, and pickiness (as opposed to commendable attention to detail) can be overcome. He has made a career counseling that in order to become a successful law firm and to maintain a competitive advantage, law firms and their attorneys should exhibit *True Professionalism* and become *The Trusted Advisor* (the titles of two of his several books).

We are in a service industry. Yet many in the profession do not understand that client service is an integral part of the “product” and that clients will pay for superior client service because it is a value-added proposition. One of the best ways for firms to achieve differentiation and retain clients, especially in this economy, is by providing excellent client service. Attorneys, however, do not consider either sales or hand holding to be part of their job description. A fundamental and radical shift in the basic beliefs of the profession as a whole is needed. Successful attorneys are inherently committed to client service. They make themselves available and consistently communicate with their clients.

The differentiation that comes with exemplary client service is not really that difficult to achieve, since great service in law firms starts with little things. Some of this requires only the most basic of training and communicated expectation from the top echelons of the firm. Client service training is an important part of any attorney’s professional development, and firms need to understand that they will see a return on that investment in the form of new matters, more work, and higher billing opportunities.

Attorneys and staff alike must become experts in client service, and this requires continuous training. A big part of what is called for goes back to the teachings of J. Edwards Deming who, while largely ignored by American businesses in the 50s, achieved near sainthood in Japan by teaching companies to transform “Made in Japan” from meaning cheap junk into meaning high-quality products. By the 1980s, American companies began to adopt his methods. They put quality first and foremost, and taught that if you focus only on that, all good things will flow from it. And you can only achieve the quality that you want by measuring it. Later, American companies adopted the Six Sigma method, first introduced at Motorola and popularized by General Electric. All the books on the subject say that those methods of finding areas of waste, inefficiency and error, and correcting those (by involving the workers with direct responsibility in the process of identifying those problems and

finding ways to correct them, using measurement and statistics) say that Six Sigma can apply as well in a service business as in a manufacturing or distribution business. Yet all their examples are from manufacturing and distribution. At our firm, we hired Six Sigma consultants and applied those methods to some of our more process-driven practices to make them work faster and more efficiently and with fewer “touches” and errors. Underlying it all is the notion that to impart great value we have to be committed to great service.

We have a three-tiered program, B&P University, which focuses on various skill sets, substantive and procedural. We offer courses, mandatory for our attorneys, in substantive legal areas, leadership skills, client service, and communication. We also invite speakers from nationally recognized client-service-oriented companies, as well as clients, to sit on a panel and discuss service issues. Simulated client phone calls and/or mock client meetings help to enforce the service culture. Going back to business as usual after a training session is not an option, so the training initiatives need to be a year-round initiative. Neither client service nor communication comes naturally to attorneys; yet, if they want to survive and thrive in this economy, they have to be able to do both. There is no magic here. It is constant reiteration by management and constant training on those areas we contend matter that makes for the transformation of the typical law firm culture to a service culture.

Client service should be viewed as an exceptional investment rather than a non-billable activity because it is valuable, and it will generate a high return. Firms tend to measure success in terms of productivity and compensate based on hours billed and collected. The reason for this is likely due to the perception that client service is not measurable. Leadership has to develop a system to measure an attorney’s contribution to the firm based on constant client feedback, and hold the attorneys accountable based on that feedback. With the implementation of our proactive outreach and client surveys, we have shown that client service can be measured and made an important factor in compensation decisions. Along with computerized analysis of incoming requests, we annually reach out to at least 20 clients served by each attorney. We ask the clients to rate the attorneys on a scale of 1 (worst) to 10 (best) on various traits such as responsiveness, accessibility, and timeliness to find out how we, as a firm, are doing for that client.

Probably the biggest acculturation is the client survey on service and letting lawyers know we expect a score of 8 or higher to qualify for bonus. We have been averaging scores of 9. Not bad for lawyers. This did not happen overnight. It had to become an essential part of our culture. If the firm’s management makes client service a priority, and if the top brass believe in it to their core, then it becomes an important reality. There is only one way to make the initiative a success: decision-makers have to define it, model the behavior, and reward it.

Everyone in the firm must be on the same page, and must understand and

accept the core value of client service. Attorneys can be so focused on billing and originating that they tend to overlook the impact of alienating clients. Clients often say the quality they appreciate most in a lawyer is that he or she “understands my business” and “listens” to me. Along those lines, the number-one complaint clients have about their attorneys is a perceived lack of communication or responsiveness and a feeling of being out of the loop.

Our client service staff is trained in communication, know more about the firm than most other people in it, follow up with clients to make sure they were satisfied with the resolution, and communicate professionally and pleasantly. If a client calls up presenting with a billing issue, more often than not, the bill is not the real concern. Importantly, our staff is trained to ask questions which would lead to the underlying issue, and once resolved, clients are understandably more amenable to paying their bills. Providing a safe place for clients to call if they have an issue provides the firm an opportunity to fix concerns before they evolve into big problems. In addition to stopping potential problems in their tracks, developing client loyalty and retention, expanding client relations, and aiding in evaluating employee performance, being client-centric also curtails receivable problems, helps to dismiss professional complaints, and lowers malpractice premiums.

Some attorneys may resent having to spend any non-billable time on a client, disregarding the theory that if they cultivate the relationship, they will inevitably make more money. The truth is that without clients, we would not have jobs. The old adage “the client is always right” may sound pedestrian; however, in this economy, it is paramount. The client’s perception is our reality. To remain viable and compete in the industry, firms must grasp the connection to client service, and appreciate the value added. We are never too old to learn new tricks.

The bottom line is that clients need to feel special and important, and communication is the key to achieving that. Firms will retain clients if lawyers accept that interaction with clients is the most important aspect of the relationship, even more important than the work product or winning the case, and if they model their behavior accordingly. Let’s not call it “hand-holding” for the cynics out there. Let’s call it “making more money.”