

Client retention programmes for law firms: part one

With less work around, law firms need to work harder than ever to retain their most important clients. A recent LexisNexis / Marketing Italia event held in Milan, Italy, examined a number of “best practices” that firms should consider implementing. By Richard Parnham

Opening the meeting, Larry Cattle, Managing Director of the Business Development Practice said, as law firms become ever more sophisticated, so expectations about the levels of service expected of them also rise. And, in the current economic climate, ensuring that clients are happy with their service is of critical importance to law firms. “There are some law firms who have decided that they can dispense with marketing,” Mr Cattle said. “I have a very simple view on that – long term, that strategy is simply not going to work.”

But, in recommending that law firms establish a client relationship management (CRM) programme, Mr Cattle, a former business development & marketing director at law firms Bird & Bird and Dewey & LeBoeuf, had one important caveat. When deciding which clients to involve in a CRM programme, law firms must first determine the criteria for selecting which clients to include. “The right action steps will differ, depending for example, on whether the objective is to protect a long-standing client or develop a relatively new one.” Internally, care should also be taken about who within the firm should be involved in any such programme. “If a particular practice group feels it has been left behind, this can be demotivating for them,” he suggested.

In order to develop a more meaningful client relationships, Mr Cattle advocated that firms should adopt an “industry sector” based approach, in addition to their traditional “practice area” activities. While this “matrix” system is already commonplace among the larger international firms, he recommended that all types of commercial law firms should consider adopting it. Not only do clients

appreciate lawyers who “understand their language”, he said, “there are very good commercial reasons for doing so. This understanding gives rise to more efficient and effective legal advice, that is better value for money”

A firm’s marketing activities should also be tailored to its industry expertise, said Mr Cattle – for example, attending industry-specific exhibitions or events. In terms of a firm’s own marketing events, while he said lunches and seminars were “good”, Mr Cattle said that small, highly targeted events were often better. “Rather than holding a traditional seminar, why not hold a client-specific event ?” he asked. “It’s all about spending one-on-one time with your client. A workshop involving a small number of representatives from a single client, together with a good cross section of expert from your own firm, can be very productive.”

In relation to client feedback programmes, Mr Cattle admitted they did not always give rise to “fantastic realisations”, but they were still extremely valuable exercises he said. Not only were clients generally impressed that the firm had taken the time to seek their opinions, a skilled interviewer – ideally an independent third party – could pick up on “subtle” issues, which could be the basis for improvement in the client relationship. In the event that feedback criticised specific individuals, such intelligence must be handled sensitively, he suggested. But where wider lessons could be learned, feedback “should be shared with the entire team”.

Feedback given during pitch presentations – both won and lost – was also often very useful, he added. Perhaps the reason the firm hadn’t won a pitch was because the client felt that one member of the pitch team had dominated proceedings for example, he suggested. Conversely, it is always helpful to know what clients regard as a winning presentation. And, for a firm’s most important clients, Mr Cattle recommended that the firm’s managing partner or chief executive should have a second meeting with the client, shortly after the initial feedback interview. One of the purposes of this second meeting, he suggests, was to show the firm was acting on the clients’ earlier feedback.

Besides formal structured feedback programmes, Mr Cattle also recommended firms make use of two well-established business strategy techniques –SWOT analysis and relationship mapping. A SWOT analysis provides a structure by which a firm can assess its strengths, weaknesses, opportunities and threats. This is a useful mechanism for both identifying where the firm can play to its strengths – but is also a basis for action, where a structural weakness is identified. Relationship mapping is also useful for ensuring that the firm has good relationships with the people who matter most within the client organisation. “A firm may have an excellent relationship with Jo Bloggs, but Jo Bloggs might not be critical to the client relationship in general,” Mr Cattle said. “It’s possible that the finance director is far more important, because he or she is responsible for a great deal of the clients’ deal activity – but the firm does not yet have a strong enough relationship with that person to obtain this work.”

Concluding his presentation, Mr Cattle said that, initially, he thought that client feedback programmes might be jurisdictions-specific, with different national cultures leading to different “best practices”. However, he said he had come to realise that such programmes were, in fact, universal, whether “in a town outside Hong Kong” or “down the road in London.” “Wherever you are in the world, the basics don’t feel any different,” he said, “Relationships are fundamentally the same the world over.” “Above all,” he concluded “never give up on CRM programmes – they are extremely important – keep working at them!”