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## MANAGEMENT

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### A Bird In the Hand

Focus on keeping your existing clients happy

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Law firms have been long known to spend more time and effort wooing new clients and business than on instituting systems that focus on their existing clients. The estimated cost of bringing in new clients is five times that of retaining and managing current clients. An article by James L. Heskett, entitled “Focusing on Your Customer” in the *Harvard Business Review* highlights the importance of taking care of your current clients. The article cited that a 5 percent increase in client loyalty could boost business from 25 percent to 85 percent. For law firms to grow, client-focused systems must play an essential role in their marketing strategy.

By having good client systems in place, firms can manage client relationships, stand out from the competition, improve profitability, and reduce the cost of attracting new clients. From a marketing viewpoint, your clients are your most important commodity. They are important sources of referrals; when they are happy with the service they receive they will automatically do plenty of word-of-mouth marketing for the firm. With client-focused systems, commodity work based on price and speed is replaced by high-value work in which clients buy experience, results and personalized service.

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When distilled to its basics, value creation boils down to three things: care, protection and guidance of your clients.

Clients are looking for care. When a client is deciding whether to engage a firm, the client assesses the firm’s track record and attorney credentials in regard to its particular type of problem; but the client also seeks a group of people who genuinely care about them, who will provide support and instill confidence.

Clients are looking for protection; they seek advice from the law firm about combating possible hazards and minefields, and ways to minimize threats both real and unforeseen. They come to the firm for both its wisdom and expertise to help them navigate through these potential problems.

In addition, clients are looking for guidance. They are searching for new ways to conduct business, put different structures in place and develop new capabilities that will save them time and money. The role of the law firm is to come up with new creative solutions, as well as to help clients build on their existing strengths.

If you are starting to review your client-focused systems and procedures in your law firm, at the very basic level make it a priority to ask your best/new clients the following questions.

What characteristics or qualities don’t you like in your [our?] attorneys?

Are you pleased with our service so far?

Can we do anything better? In which area?

What results do you anticipate from the firm on this matter?

What sort of characteristics/qualities are you looking for in the attorney/firm you are seeking to hire?

Have you had any negative experiences with attorneys and law firms?

These questions demonstrate to the client your commitment to providing the best service possible and taking concrete actions where appropriate. More importantly, it lets the client know that you value their opinion and input.

While these questions are a good starting point, there are some areas that continually resurface when clients are asked about performance and value from their law firms. Client dissatisfaction in the following areas will inevitably reduce the value of your firm’s service.

Failure to meet deadlines and setting unrealistic goals will start diminishing your credibility and trust with your client. Clients may not be aware of the attorney’s workload, but they do remember what the attorney committed to do and whether that commitment was met. A wiser policy might be to deliver earlier than you had promised. The attorney will look good when he comes in ahead of schedule. When setting deadlines, give yourself a cushion and allow for the chaos factor, such as unexpected meetings and work taking a lot longer than you expected. If you do miss your deadline commitments, contact your client and keep them informed.

One area that consistently draws complaints from clients is communication, particularly when it comes to returning phone calls. Failing to return calls promptly may not be intentional, but because of their workload and other pressing matters, many lawyers often view this task as a low priority. When circum-

stances make it impossible for you to return a call, have someone in your office — staff, secretary, paralegal or associates — do it. Make it a habit to return all client calls and e-mails within 24 hours. Keeping the lines of communication open is at the heart of all good client-focused systems.

Another frequent complaint is that lawyers tend to be discourteous to their clients. Again, while it is not intentional, lawyers do fall into the trap of thinking it's the expertise they are getting hired for, not their bedside manners. Far too often they are juggling so many things that they are oblivious to acts and behavior perceived by clients as inconsiderate. Clients expect to be cared for. A good rule of thumb is to treat your client's time as if it was your own. Do your best to start client meetings on time and hold your calls during the meeting. If it is absolutely imperative to take a telephone call, take it in another office. Greet clients personally instead of sending staff to meet them. Remember, your job is to make your client feel like royalty no matter how small or large the business it has brought to the firm.

Clients want to know that you connect with them on a human level. Take the time

to get to know them as people, find out what they are interested in. Showing enthusiasm and interest in what they enjoy will go a long way towards building rapport. Break bread with your clients; meet them for coffee or lunch and don't charge them for that time. Bottom line, if you want your clients to believe you care about them, you need to take an active role in learning who they are as human beings.

It is not unusual for experienced lawyers to size up a client's situation quickly, particularly if the attorney has considerable experience in that area of law. In such situations, attorneys tend to focus only on the facts. By focusing on facts, attorneys miss out on an essential component: clients hire you not just for the legal expertise but also to pay attention to their emotions. To improve value to clients, attorneys need to overcome selective listening and become better at not just ascertaining the facts but also being cognizant of their clients' emotions.

Keeping clients informed of the different stages of their case is important, particularly in the area of litigation, where activity happens in fits and bursts.

Clients need to know that their relationship with the attorney is ongoing during the duration of the case.

Finally, clients have a tendency to start complaining about billings, particularly when they don't feel they are receiving value. To overcome this, law firms must provide results with the fewest billable hours possible and inform clients how they can reduce legal fees by taking proactive measures. That means changing the billable hour pressure on attorneys, allowing the firms' attorneys to think in terms of the needs of the client. Of course, when you come up with alternative solutions that reduce fees significantly, it's essential to let the client know how much money was saved.

Being a good law firm with the appropriate skills is only part of the equation of law firm success. Clients expect technical competence. The key to success is the commitment to delivering service of premium value to your clients. When you deliver that service, your marketing dollars will be more cost-effective and it will be easier to stand apart from the competition. ■