

## Client development - a few hints for your consideration

Many law firms claim to have invested considerably in client development.

We have tried to understand better what that investment has been, whether it has been effective and what clients think about it.

Although the answers to those questions differ from firm to firm, we have identified a few trends and want to share with you a few hints.

On the investment front, we see some money has gone into client development activity. Although we are not suggesting that much more money has to be spent on it, we always find it striking how firms seem to be comfortable spending huge amounts of money on recruitment firms for bringing in new talent with supposed books of business. Yet many of these firms consider too much money is wasted on marketing or business development. What at first seems like a paradox, probably only means that law firms want money spent on client development to have an immediate return.

Most client development money seems to have gone into business development and into marketing resources. Sometimes investment was in software for contact management, a few consultants here and there and in some cases some partner sales training sessions. When one looks at the actual money spent by the legal industry on those items in 2009 and 2010, one sees that these budgets have been at the centre of cost cutting efforts. These cuts often feel justified because money spent on marketing and business development does not seem to be generating the expected returns, or at least not quickly enough.

When it may be difficult to justify putting more money into business development, one certainly should not ignore the importance of it.

A number of firms have identified that clients are interested in having a broader relationship with fewer law firms, provided the law firm meets a number of tests. The firms that have invested time and energy in getting to know what their clients with further potential really want from the firm, have been able to grow client relationships significantly.

The firms that have invested hours and partner time in deciding which clients they can serve well and which ones not so well, have been doing remarkably well.

Finally firms have understood that lateral attractive candidates can be seduced by how successful a firm is in really growing the client potential.

When does this investment become effective and how can you measure its impact ?

Simply said it all revolves around listening to your valued clients, acting on their messages and following through.

I know most things are easier said than done. So here are some items on a micro level we think can get you on the road to success. The below tips are equally relevant to a larger law firm as for a smaller organisation. we further elaborate on each tip with how to approach this in a larger organisation and concluded with the impact in a smaller law firm.

Select those clients which you really want to listen to, and hence work for, carefully. Best is to base the choice on a simple set of criteria that reflect client's growth potential, alignment with the vision of the firm, strength of personal relationships and common interests. Making these choices implies that some clients will, well be less listened to. Simple at first sight but strenuous as you try to ensure the choice of clients is balanced for impact across geographies, practice area, sectors and people.

Once you know the clients you want to listen to, then it should be crystal clear in your organisation (as it should be to the client) which persons it are in your organisation that act as the representatives of the interest of the client. This is usually referred to as the client partner or lead partner. Very often this role falls to the partner who is historically the biggest billing partner.

Well think again, because for most clients this is not a one man show, but requires a team that can capture the client's needs across practice areas and geographies and translates them into relevant offerings across all your services. Obviously such a team requires true leadership and whoever is driving this team should be the key contact for the client relationship and all quality and process aspects around it. This client partner should connect well with the client and within your firm.

For this team to focus on client development and meeting client's needs requires discipline which can be achieved by creating a client plan with actions and timing to be reviewed at least quarterly. Obviously such a plan should be built on and adapted to client insight, client feedback and firm capabilities.

Motivating the client team will require more than a pat on the back. Your client development should be underpinned by a fair reward structure reflective of the contributions by various team members of the client teams and recognition by leadership.

Finally client development should be embedded in the day to day operations of your firm. The client team should connect with practice groups and sector leaders to jointly identify opportunities for promoting existing services or for new product development. It should get appropriate support from accounting, knowledge management, risk, IT, facilities and marketing. The team should get clear and visible support from the firm's leadership and governance. In essence it is ensuring the structure of your firm embraces the value of client development and contributes to this.

The above tips are equally relevant in smaller organisations, but the approach needs tailoring to your organisation. So, while less support may be available in a smaller organisation, less coordination is required to apply these principles and results may come quicker. In a small organisation it will take less effort to have insight in the core clients of your firm and to agree on the valuable clients that you all want to further develop by sharing your client insight with your fellow partners . Agreeing the client criteria and can be done as part of regular partner meetings, where knowledge can be shared directly on the agreed target client list. These meetings can also serve to agree focused actions by client, sharing experience and further plan for future successes on a select number of clients. In this setting the performance tracking of client development is best done on a 2 monthly basis.

This may seem as too big an effort and tough to get started, well the way to eat an elephant is by the spoonful. So why not get started by agreeing on the criteria that will help decide which clients you wish to be working for (more) with your organisation. Make those criteria clearly known and when a new client opportunity presents itself, check if you want to take the client on board by applying your criteria. If you do this consistently your client portfolio starts shifting to the set of clients you wish to work for. Next when you decide to prioritise resource assignment, be guided by the same criteria and the progress to your preferred client portfolio will grow naturally. Obviously if the speed at which you wish to transform your organisation is more pressing you need to effectively invest more in turning your organisation around to develop a client focus.

Our experience learns that all of this is in reality a tough job and requires a lot of hard work, discipline, leadership and communication. The challenge therefore is in the effort of developing a client oriented culture. Yes it is mostly about your lawyers and organisation once you've sorted the client questions.

The measurement on how effective you are, can be done in many ways. You may wish to look at the bottom line impact, however the real measurement is with your clients and people. How satisfied is the client with the relationship and with the quality of work done? As for your people does it challenge them and keeps them motivated? If that balance adds up to positive, then both clients and your people will want more of the same recipe. It will drive your bottom line.

Assuming you get all of this done, what do clients say ?

We are often told that they very much dislike law firms who pretend to do a lot about client care and development, but when tested about how they ensure it, what they do and how they deliver on the promise, are rather vague. Most clients are willing to work with law firms to make it work and they will prefer an honest outline of the law firm of what it is doing and how and when it plans to make progress.

Clients also tell us that they really appreciate it when law firms listen more to them. They however are disappointed when this becomes a black box where after their input nothing more is heard or seen.

In a nutshell, clients want to feel all of it is real. It does not need to be perfect, it does not need to be all done and organised, but it needs to be honest and real. It requires communication, feedback and true partnering. Not necessarily a lot of cash....

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