

Client Listening: Why it Pays and How to Do it

SALLY DYSON



Client Listening: Why it Pays and How to Do it

is published by Ark Group



UK/EUROPE/ASIA OFFICE

Ark Conferences Ltd
6-14 Underwood Street
London N1 7JQ
United Kingdom
Tel +44 (0)207 566 5792
Fax +44 (0)20 7324 2373
publishing@ark-group.com

NORTH AMERICA OFFICE

Ark Group Inc
4408 N. Rockwood Drive
Suite 150
Peoria IL 61614
United States
Tel +1 309 495 2853
Fax +1 309 495 2858
publishingna@ark-group.com

AUSTRALIA/NZ OFFICE

Ark Group Australia Pty Ltd
Main Level
83 Walker Street
North Sydney NSW 2060
Australia
Tel +61 1300 550 662
Fax +61 1300 550 663
aga@arkgroupasia.com

Online bookshop

www.ark-group.com/bookshop

UK/Europe/Asia enquiries

Robyn Macé
rmace@ark-group.com

ISBN: 978-1-908640-98-7 (hard copy)

978-1-908640-99-4 (PDF)

Reports Publisher – International

Fiona Tucker
ftucker@ark-group.com

US enquiries

Daniel Smallwood
dsmallwood@ark-group.com

Copyright

The copyright of all material appearing within this publication is reserved by the authors and Ark Conferences 2013. It may not be reproduced, duplicated or copied by any means without the prior written consent of the publisher.

Australia/NZ enquiries

Steve Oesterreich
aga@arkgroupasia.com

ARK2361

Client Listening: Why it Pays and How to Do it

SALLY DYSON



Contents

| | |
|--|-----------|
| Executive summary..... | VII |
| About the author..... | IX |
| Acknowledgements | XI |
| Part One: Client listening explained | |
| Chapter 1: The trend in favour of client listening | 3 |
| What is client listening?..... | 3 |
| Is client listening new?..... | 3 |
| Weaknesses in client listening practised by law firms..... | 6 |
| Other industries pointing the way forward..... | 7 |
| A vision for client listening in law firms | 8 |
| Chapter 2: The benefits of client listening..... | 11 |
| Sustainable competitive advantage..... | 11 |
| Popular rationale | 11 |
| Partner perspectives..... | 11 |
| Supplementary benefits..... | 13 |
| Measuring the return on investment..... | 14 |
| Chapter 3: Positioning client listening in context | 19 |
| Business development | 19 |
| Client relationship management..... | 21 |
| Interplay between CRM and key account management | 23 |
| Chapter 4: Obstacles to engaging with clients..... | 27 |
| Obstacle 1: There is nothing to learn | 27 |
| Rebuttal 1: Champions will demonstrate otherwise | 27 |
| Obstacle 2: Clients will refuse to participate in formal client listening activity..... | 28 |
| Rebuttal 2: Clients enthusiastically embrace client listening..... | 29 |
| Obstacle 3: There is no time for client listening..... | 29 |
| Rebuttal 3: Making time | 30 |
| Obstacle 4: Lawyers are not trained interviewers | 31 |
| Rebuttal 4: Training, mentoring, and expert independent interviewers are available | 31 |

| | |
|--|-----------|
| Obstacle 5: Asking questions brings risk..... | 32 |
| Rebuttal 5: Don't be an ostrich! | 32 |
| Obstacle 6: Asking for feedback is pointless as no action will be taken..... | 33 |
| Rebuttal 6: Take responsibility | 33 |
| Chapter 5: Selecting the best listening method..... | 35 |
| Interplay between client listening and market research | 35 |
| Qualitative versus quantitative research | 36 |
| Data collection methods..... | 37 |
| Choosing interviewers | 40 |
| Chapter 6: An explanation of key techniques and how to handle tricky situations | 45 |
| Preparation..... | 45 |
| Depth interviews | 47 |
| Questionnaires | 50 |
| Multi-jurisdictional programmes | 54 |
| Chapter 7: Ensuring that feedback is useful, user-friendly, and used | 57 |
| Analysing free-form responses..... | 57 |
| Analysing numerical data | 59 |
| Visual representations of feedback results | 60 |
| Reporting | 61 |
| Framing recommendations | 65 |
| Chapter 8: Time to act | 67 |
| Responding to feedback at the client level | 67 |
| Setting firm strategy in the light of feedback comments received | 68 |
| Conclusions | 71 |
| Part Two: Case studies | |
| Case study 1: DLA Piper – International partner perspectives | 75 |
| Case study 2: Ashurst – Responsive client service..... | 83 |
| Case study 3: CMS Cameron McKenna – Applied intelligence | 87 |
| Case study 4: K&L GATES LLP – Beyond client listening..... | 93 |
| Case Study 5: KPMG – Feedback that adds up: Lessons from accountancy..... | 97 |

Part Three: Appendices

| | |
|---|------------|
| Appendix 1: Planner..... | 103 |
| Appendix 2: Comparing methodologies..... | 105 |
| Appendix 3: Invitation | 107 |
| Appendix 4: Discussion guide..... | 109 |

Executive summary

FOR SOME years, law firm leaders have recognised the importance of putting their clients at the heart of their business development strategy. To do so, they must be able to understand and anticipate their clients' needs and wishes. The best way to do this is to solicit feedback and to listen to their clients. Despite the aspirations of law firm leaders and directors of business development, many firms fail to engage in a consistent and meaningful way with their clients. Individual partners may not perceive the need or are unsure of how to proceed.

Client Listening: Why it Pays and How to Do It will help individual lawyers to overcome their fear of engaging with their clients outside the narrow confines of their transactional interaction. This report will further enable practice group, firm, and business development leaders to design, optimise, and implement client listening programmes and to act on the intelligence they receive. Firms that effectively listen to their clients can expect to reap benefits in terms of winning and retaining clients and increasing revenue and profitability (through fewer write-offs and faster payment). They will also be future proofing their firms by embedding client relationships and anticipating client needs.

Part one contains the narrative of this report in eight chapters.

Chapter 1 begins by defining client listening before reporting on the rising adoption of formal client listening processes in the legal sector.

Chapter 2 analyses the benefits of client listening for both firms and their clients, noting the view of Paul Amit, Head of Sector and Client Marketing at DLA Piper, who identifies client listening as 'the single most important marketing activity' that a firm can undertake.

Chapter 3 discusses the role of client listening within a firm's broader client relationship management and business development initiatives.

It is common to encounter pockets of resistance when endeavouring to launch or grow a client listening programme. Typical objections cited by individual lawyers to engaging in client listening are enumerated in Chapter 4, alongside arguments and practical steps that can be employed to surmount such obstacles.

Firms may be aware of a bewildering array of methods for gleaning client feedback. Chapter 5 describes the pros and cons of the principal approaches to securing feedback. This will enable a law firm's leaders to determine the type of client listening activities that will best fit their firm's culture, budget, timetable, and purposes.

Chapter 6 provides a 'how-to' guide for conducting client interviews and designing questionnaires.

Chapter 7, which has been guest written by Tim Nightingale and Graham Archbold of Nisus Consulting, tackles the crucial question of what to do with feedback once it has been obtained in order to ensure that findings are reported, shared, absorbed, and actionable.

The only thing worse than not taking feedback from clients is not acting upon feedback that has been given. Chapter 8 therefore guides the reader through the art of client communication following any listening exercise. It concludes with tried and tested methods for ensuring that listening is converted to action.

Part Two of this report incorporates a wealth of insights in the form of case studies. These have been compiled from detailed conversations with partners and business development professionals at internationally renowned firms.

Case study 1 reflects the perspectives of a selection of partners at DLA Piper in the UK, continental Europe, and the US, who draw on their personal experience of listening to their clients. Case study 2 recounts the role that client listening plays in enabling Ashurst to provide responsive client service. In Case study 3, CMS Cameron McKenna explains how it applies the intelligence that it receives from its client listening programme. K&L Gates describes, in Case study 4, how client listening at the firm is seen as the beginning of a process of deepening client relationships. The fifth and final case study, featuring KPMG, provides lessons for the legal profession from the world of accountancy.

The appendices in Part Three of this report have been designed to assist readers with the design, launch, or fine-tuning of their client listening programmes. Appendix 1 contains an invaluable client listening planner, which walks the reader through the key considerations and decisions to be made prior to launching a client listening programme. Appendix 2 provides a quick reference guide to the various client listening methodologies and the advantages and disadvantages of each. Law firm partners who are new to client listening are often

unsure how to broach the subject with their clients. A template client invitation is therefore set out at Appendix 3. The sample discussion guide in Appendix 4 incorporates the topics most commonly addressed in a client service review while simultaneously providing an example of the type of prompt an interviewer might take into a client listening meeting.

After reading this report, lawyers, firm leaders, and business development practitioners will have a comprehensive understanding of why it pays to listen to clients and will be well equipped to do it.

About the author

SALLY DYSON is the founder and director of Firm Sense Limited, a consultancy specialising in providing client listening services and client relationship management advice to law firms. Sally qualified as a solicitor and practised at Slaughter and May. She then worked as an in-house lawyer for nearly a decade before moving on from the pursuit of law to establish Firm Sense.

Sally combines expertise in client listening with an in-depth understanding of the legal market to advise law firms on aligning organisational practices and individual behaviour with specific client needs in order to improve client retention, win business, and improve profitability.

Sally is an Affiliate Member of and is regulated by the Market Research Society.

In the context of optimising client relationships, Sally has developed particular knowledge on the topic of law firm fees and is the author of an Ark report entitled *Budgeting and Negotiating Fees with Clients: A Lawyer's Guide*.

Sally is also a regular speaker at public conferences and private workshops and is a contributor to professional journals.

Sally can be contacted by email at: sallydyson@firmsense.co.uk. For more information about Sally or Firm Sense please visit <http://www.firmsense.co.uk>.



Acknowledgements

IN PRACTISING what I preach, I have spent the last months very actively listening to the opinions of a wide variety of my clients, lawyers, firm leaders, management gurus, business development professionals, client feedback experts, market research practitioners, and buyers of legal services. My particular thanks to:

- Tim Nightingale and Graham Archbold of Nisus Consulting who generously contributed Chapter 7 on how to analyse and communicate the findings of a client listening exercise;
- All the participants in the case studies found at Part two of this report:
 - Mark O’Connor, Stéphane Lemarchand, Vinny Sanchez, and Stephen Sly of DLA Piper;
 - Logan Mair and Chris Sutcliffe of Ashurst;
 - Dick Tyler and Judith Prime of CMS Cameron McKenna;
 - Tony Griffiths of K&L Gates with Benita Kumar of Jomati Consultants; and
 - Linda O’Hara of KPMG;
 - Together with all their colleagues who were instrumental in the creation of the case studies;
- Derek Jones of Acuigen and Ann Lee Gibson who shared their thoughts and experiences with me;
- My publishers at Ark who have been enthusiastic sponsors of this initiative and particularly to Evie Serventi who commissioned this report and to Soo Darcy who edited it; and
- Last but by no means least, my husband Steven and children Oliver and Edward who have supported and spurred me on through the writing of this report and who have had to amuse and fend for themselves on countless weekends and evenings while this report has been in production.