

INDEPENDENT LISTENING: UNDERSTANDING THE CLIENT'S PERSPECTIVE

Whether it's a one-off exercise or a regular occurrence, seeking independent feedback from clients will help identify what they truly value, says [Allan Carton](#)





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The challenge of delivering better value to clients has never been more topical. Thankfully it also appears to be recognised at last that the clients are the ones who can define what represents ‘value’ for them – not their lawyers.

This long-overdue recognition is now translating into more initiatives where law firms are taking active steps to listen to clients. Lawyers focused on business clients but failing to hear what these clients are telling them will soon be left behind and likely to become less competitive as others ramp up new initiatives based on a more enlightened understanding of their clients.

CANDID FEEDBACK

Of the several types of initiatives law firms are deploying, three are currently high on the agenda, where candid, reliable feedback from clients can largely tell lawyers what they need to know to see them through successfully.

Because this input comes from the clients who pay the fees, it is probably the most powerful ammunition to challenge established thinking among the legal team, engaging people and adding a momentum that is otherwise difficult to achieve.

Value pricing

Moving away from the billable hour to ‘value pricing’ is a hot topic. Nigel Haddon described is thus in an article for this Journal in February: “Value is the most important aspect of price, price management and pricing policy. Or, to pin it more precisely, the value perceived by the client.”

Let’s focus first on the aspect of this that most lawyers tend to be keen to act on – billing.

Lawyers can only determine reliably what a client or prospect values in pricing a piece of legal work for any given client if they understand that client’s mindset enough to answer important questions in making a pricing decision. However, there is a reluctance to explore attitudes with clients deeply enough; perhaps due to fear among lawyers of getting into a difficult discussion where they might have to respond differently from now. This is hopefully true, good ... and the whole point of the exercise.

Only if lawyers understand the client’s world can they answer questions around a particular client’s billing priorities, perhaps overall and for different types of work. How else can they be sure of what this client or

prospect values most - pricing choice, pricing certainty, price linked to result, fee risk sharing and / or payment choice?

I suspect most lawyers trying to answer these questions now, do well to get as far as sharing making these decisions internally – applying two sets of eyes to make a joint evaluation, which is better than one. However, wider insights on the client and their world are needed to be confident about the answers on pricing priorities. What is currently presented as sound, innovative value pricing is therefore often poorly informed and unreliable, with inadequate insight coming from the clients themselves.

DEVELOPING NEW PROPOSITIONS

Innovation and the development of new propositions is another area, new technology and artificial intelligence (AI) making it possible for lawyers to develop new solutions to improve operations internally and to deliver better services to clients.

A host of easier and effective tools are now available to draft contracts, sign documents electronically, use chatbots to automate, to deliver matter and management information online and much more in addition to the use of workflows that have been around for a long time.

Why would any law firm invest in developing a new service proposition without a clear understanding of what they can provide that the client values? However, this still happens all too often.

Our feedback from business clients of law firms suggests that they take many of these developments for granted as they are doing similar things in their own business. Their expectations are changing and what they value is changing too. What they tend to value is how these tools can be used to address the challenges in their world, not the life of the lawyers. That requires more exploration by lawyers of what can be achieved with these tools and to work more closely and collaboratively.

What a client values in new service propositions can only be established by talking to them about their expectations, inviting them to look at it from their self-interested business perspective. If they started with a clean sheet now, what would they want from their lawyers?

Key account management

New programmes to establish closer working relationships are gathering momentum – most significantly where lawyers work with



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larger business clients and introducers. This recognises that closer engagement enables lawyers and clients to understand and deliver better value to maintain and develop these relationships.

All good, but lawyers and account managers are often poorly informed, with a lack of relationship insights and information available to work with. There is plenty of room to get substantially better returns from these initiatives if at least some of those involved in the discussions with the client are willing and able to dig deeper into the client's world, what matters to them, their challenges, opportunities and plans – and to do that candidly, without commitment. Even better if they understand where technology might play a part.

Lawyers tend to be understandably wary of exposing themselves in these relationships, which results in significant gaps in understanding. These gaps can be filled effectively by adopting some client listening by a third party – running alongside the account management programme – to explore selected clients and opportunities more candidly and from a different perspective.

We also find that what SMEs value is even less well understood as they don't have much of a voice in many of account management programmes that have been running in UK law firms over the last few years. Internal account management time is generally prioritised to the biggest clients, so this is another gap that can be filled.

Involving specialists in client listening from outside the practice invariably results in establishing a supportive mentoring relationship between them and internal people managing relationships. This enables lawyers

to develop their account management skills, providing the momentum needed to keep account management moving.

INTERNAL VS EXTERNAL

Every firm should be running their own internal initiatives to listen to clients. Internal people will engage in client listening at different levels and with different objectives. Perhaps designated partners have responsibility for managing relations with particular clients. Others in the practice may be designated as client account managers who are either handling legal work or work within business development teams. They will hold periodical review meetings with the client at all levels, from regular reviews that can focus on transactions, satisfaction, workloads, personnel etc. but also extending into much more strategic planning. This is likely to be backed up with client satisfaction surveys, telephone calls and other mechanisms to manage the relationship. All this is increasingly essential.

Bring in an external (neutral) interviewer with an independent role in this situation and this tends to substantially change the dynamic of each interview when compared to a review meeting with a partner in the firm. There is generally an agreement on confidentiality that enables the client to talk more freely. Also, a freedom to explore options and ideas 'without barriers' that is not available in discussions with the lawyers.

It tends to involve face-to-face interviews with the senior management people leading the clients' businesses – CEO, COO, FD, MD or similar. They are conducted by specialist, experienced people from outside the legal practice with an understanding of business and the legal market. They have a



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different skill set and experience to lawyers who would conduct the internal client reviews mentioned earlier.

Interviews can be carried out as part of a programme involving a number of clients either as a set project to support the launch of a particular initiative, or as an ongoing exercise. Having experienced how this works, law firms tend to also arrange independent listening on an ad hoc basis when specific challenges or opportunities arise with a client – as this becomes a routine tool in their relationship management armoury.

The interviewer will be briefed by the law firm on their relationship with the client, work and key personnel. The objectives of the discussion will be agreed between the interviewer and the client in advance along with a set of core questions or areas to be covered. Generally, the interviewer would carry out some market research beyond this with a view to identifying additional opportunities in the relationship to explore.

The focus here is on looking forwards to what the relationship and services should look like in the future asking, “What can we do differently ... to give you more value from our relationship and the services we deliver for you?”. Everything should be up for discussion - no holds barred. The past has got you this far, to establish the relationship, but expectations and possibilities may have changed radically.

This discussion tends to result in taking a step back to explore the personal and business objectives and priorities of the client in their world, plans going forwards, challenges and opportunities – not focusing too heavily on specific legal work. Neither does it look at transactions, which internal people can easily get bogged down in, or satisfaction – which tends to lead people to look backwards.

INDEPENDENT LISTENING

Independent listening varies depending on the objectives agreed for any particular project or initiative. However, generally there is a written report back to the law firm followed by internal meetings to review and agree a response to the information that has been gathered during the discussion.

In most cases it results in a plan of action to develop the relationship or new solutions for this client and perhaps for others in the same sector or with similar challenges. The independent interviewer tends to become a facilitator in developing the solutions and

response to the client, but any follow up and proposals back to the client tends to come direct from the law firm.

Delivery of feedback to the lawyers and working with them to develop the response enables the interviewer to play a significant part in influencing the mindset of the lawyers involved with that client. Steps agreed to be taken from there benefit from their experienced, objective and independent evaluation of the people involved, the business, challenges and opportunities.

PUTTING THE FEEDBACK TO WORK

What each law firm does with the information they get varies substantially. For some, it is a one-off exercise that informs their thinking and contributes to some particular initiative at a given point in time. Perhaps one of the three examples mentioned above.

For others, this may be part of a long term strategy to change mindsets across the practice, helping people to understand what it means to deal with clients that may look the same, but are always different under the surface if people take time to look. Lawyers will learn how a different relationship with clients will result in more profitable business, developing new personal skills as they go.

Some law firms that have already experienced the benefits of ongoing account management are likely to add some independent client listening alongside their internal programme to maintain a different perspective on key relationships, shifting the focus over time to cover different areas of the business.

Others again will use independent client listening when an opportunity or need arises; such as to review the impact of a recent lateral hire or to help to retain a relationship that appears to be at risk.

In the end, the impact on clients is what matters most. My experience is that clients who take part in these interviews like them – a lot! They say they enjoy it because lawyers haven’t made that kind of effort in the past. They like to help influence what the lawyers do and they generally believe they can help. It’s also an opportunity for them to talk about themselves and their business, which most business executives enjoy doing as they tend to be proud of what they are doing or trying to achieve. They appreciate and value that their law firm is investing in their relationship, so they are keen to help identify new opportunities to give them more business. ^{SJ}



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