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“The solicitor disappeared!” The impact of turnover on client relationships and how to handle it better.

Though it shouldn't, it still surprises me when I hear feedback from clients of law firms about a particular issue.

If anything it seems to be becoming more frequent. We hear “war stories” from clients who talk about contacting the person dealing with their issue at a law firm, only to find that person is no longer there.

There has been no communication either from the solicitor or the firm as a whole. At best the client has to then provoke a response by the firm to allocate to another lawyer, and spend some time “re-educating” the new person responsible for their matter.

Imagine you're the client. It's irritating enough to have to spend additional time. Does it feel as though the law firm particularly values the relationship? So it's not surprising that the client then often says that they are either less likely to give the firm work in the future, or that while they will instruct it in other areas, they have lost confidence in one particular practice or team.

One client of a major firm, who had previously used the firm across a variety of corporate commercial as well as private legal issues told me:

“It's about the level of service, the loss of talent, and to a certain extent people retiring. Of course people will retire, but it's the succession planning which is not good enough. They need to think about the service they have been giving. I rang up to speak to the girl that I'd been given the number to ring, she had no idea who I was. I am just going out to tender, I am now going outside, and getting quotes from elsewhere.”

Every time this happens the firm is losing revenue, and at best it is also adding to its cost base in the time taken for the new incumbent fee earner to be brought up to speed. Often, one part of the firm is “blissfully unaware” that another practice is weakening the strength of their relationships. Anyone in the firm who cares about mitigating risk needs to be live to this issue.

In pretty much any other complex service industry this wouldn't happen as frequently. So what are the root causes of this problem and how can firms resolve them?

Staff retention

Lower turnover of staff means lower risk of client loss. Are the firm's reward structures appropriate and fit for purpose for 2019 and the aspirations and work-life balance requirements of performing partners and other staff?

Workload/resource stretch

If unsustainable workload has contributed to the leaver's decision, resources are going to be even more stretched and impact a cross section of the firm or practice's clients. Is the firm resourcing work appropriately, and using processes and technology efficiently? It may be that reallocating work and changing responsibilities can also provide greater job satisfaction and empowerment to others, if managed well.

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Insufficient use of paralegals/other capabilities

If the other legal capabilities of other staff are not being used effectively through the firm, this not only exacerbates the risk of senior solicitors leaving, but reduces the capability of other staff to deliver the technical and client service aspects that are so important to client retention. Effectively empowered and capable staff can secure the client relationship in instances where partners leave. Alternative contacts that the client trusts should be in place.

Phil Gott of Peopleism notes how this links in with accepted behavior, covered later in this article.

“Failing to communicate any staffing changes to a client, and positively inducting new team members into the client relationship, definitely falls into the unacceptable category for any firm that has 'delivering excellent client service' as a core value.”

Process issues (handover in micro terms) Overall management in macro terms

Every time a solicitor with client relationships gives notice, or leaves, a well understood process should “swing into gear” immediately. Allocation of responsibility and communication to affected clients should be priorities, not afterthoughts, if the firm does not want to lose revenue.

Process issues (shared data) – the firm recognizes the risk but can't respond effectively

One of the stumbling blocks can be – even in 2019 – an inability for firms to actually make contact with all affected clients. Data is missing, inaccurate, or inaccessible to those that need it. Firms should make it a clear responsibility for key client contact phone numbers to be accessible via shared systems. This is less a technological or process problem than an issue of culture – see the next point.

Behaviour and assumptions about “my client”

A firm where the culture is “this is my client, not ours” is one where data is less likely to be shared, where other solicitors are less likely to be empowered to work with a client, and where the key relationship solicitor sees clients as their personal asset to “port” with them should they leave.

The impact of this mentality is poorer client service and increased risk.

Both I and Phil Gott work with firms to help build more effective cultures. Phil finds it helpful to have people identify behaviours that are either aspirational, acceptable or unacceptable. I help firms identify what they should measure to create the type of firm and behaviour they want to exist. Any instance where clients are exposed to one member of staff leaving demonstrates this culture is not yet in place.

Where process issues and culture collide – paralysis through fear

Peter Scott of Peter Scott Consulting describes situations when a lawyer gives notice, the firm tells them not to speak to any clients. “This can be driven by fear of losing the client (there may or may not be restrictive covenants or garden leave provisions in place). Sometimes firms threaten the lawyer with dire consequences if he or she does speak to a client, though they may agree on clients the leaver can take away with him or her.”

The firm then *thinks* about how it will manage the situation to break the news to the clients and, indeed how it will replace the leaver with another lawyer who it will introduce to the clients.

But...unfortunately it never does.

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As Peter says

“The firm then can become driven wholly by a perceived need to protect its own interests, rather than the interests of the client. As a result it never gets around to meeting with the clients to explain what is happening, and to introduce them to the new person the firm would like to bring into the relationship. The fear of the leaver taking away the client relationship means that instead of working to ensure the client remains with the firm, the firm will not let the client know what is happening.”

This is actually a symptom that the firm has not secured strong relationships with clients, across a number of different lawyers. In many ways it encapsulates a current silo driven, internally focused mentality. Designing a process to manage this situation better is a sign of external focus.

Lack of transparency and an available “number 2”

One of the outcomes of “my client” thinking, particularly if the firm is complicit in allowing that ethos to continue, is that the client has no alternative contact they have confidence in, when “their contact” leaves. This, evidently can be unsettling for clients and, in such a scenario, demonstrates to them that the firm is not adding value above their individual contact.

By creating a clear expectation that all significant clients (howsoever defined) will have more than one contact, and then operationalizing this, the firm is not only reducing the risk of client loss but strengthening its brand and perception across key clients.

Lack of appreciation of what this means and the impact on the client

One of the things that is easy to forget, as a supplier of any service, is how it feels to be the client you are working with.

Ask any lawyer for an experience of bad customer service and they’ll be able to give you one, in their own shoes as a customer. And yet too often the risk that this is exactly how clients are treated by the firm, with no planning or response when there is a known “bump in the road” like a key solicitor leaving. This is a job for management, to ensure that recognition exists in the firm from top to bottom.

Very few solicitors are “work shy” and the vast majority buy-into the idea of providing excellent customer service. But without challenge, it is easy to assume this is about the technical outcomes of work. But the relationship and “soft” issues are typically critically important for a client and these are areas that often lawyers feel uncomfortable asking about.

Lack of appreciation of the financial penalty

Elsewhere I have written about the five pillars of growth for any firm. Three of these are directly related to the client. But before it is possible to broaden the work done for a client, or increase the value of work done for a client, the first – retaining that client – is mandatory.

Solicitors leaving without handover or transition of the client relationship – which happens because the firm has not effectively planned for this – is easily one of the most frequent reasons given by clients for stopping use of a firm, or using it less often. **If the job of the firm’s management is to secure a healthy future for the firm, this is an effort worth prioritizing.**

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