

Growing gains

Legal business development is based on good client relationships but lawyers all too frequently waste opportunities to build meaningful connections. Robin Dicks explains the right questions to ask to refine your growth strategy and win more work



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Does your firm enjoy unlimited profitability growth and few resource constraints? No? If not, it is worth considering how you can secure a continued healthy uplift in profit as efficiently as possible.

Retaining as many clients as possible and successfully developing these relationships is the easiest route to growth and improved financial performance. Sales costs and the time taken to generate additional revenue are both reduced.

However, not all law firms are helping themselves secure this result. One underutilised tool in their armoury is the vital feedback from clients which can make selling, business development and marketing efforts more effective. The trick is to ask the right questions, use the right processes, and act on the results as efficiently as possible.

This article covers real-life examples and the types of question you should ask clients to ensure the risk of client loss is minimised and that opportunities to strengthen relationships are acted upon. Firm leaders can ask these questions to strategise more effectively, better resource their firm and generate more revenue from the most vital client relationships.

Five building blocks of growth

If we break through the background noise and focus on growing revenue, there are five key sources:

- improve the ability to extend and grow relationships
- improve ability to gain new clients
- increase the value of client relationships, and
- gain more from referrer relationships
- reduce write-off

Let's take each of these in turn.

1. Improving the ability to win new clients and grow existing relationships

It's important to understand what drives clients to choose between competing firms, as this allows firms to perform better on these factors and win more work from clients.

This allows the firm to:

- win more work – there is a direct return on investment (ROI) from the opportunities uncovered
- focus on clients with upcoming needs and greatest potential, and
- know which issues are most common across its client base. This allows the firm to communicate about the things of greatest relevance in its marketing, and choose marketing investment wisely.

This has a long term as well as an immediate benefit. This insight helps sales performance in many other ways – for example fee-earners know what issues to focus on when developing business. They can then be trained and supported to perform well on those key areas.

2. Increasing the value of client relationships

Clients do not just value technical excellence/advice, and different clients ascribe value to different things. Understanding what clients value reduces their fee sensitivity and helps the firm to understand where they can add value to their services, for the greatest results.

3. Gaining more from referrer relationships

Increasing the volume of introductions from referrers can have a huge impact on profitable business volumes.

As relationships can be based on just one or two individuals, often firms don't understand what might affect the share of business that can be gained across the counterparty firm. Feedback from referrers identifies other potential introducers within the other firm and areas of joint interest. It enables working together. It also identifies issues the other firm is interested in and any gaps in its knowledge of you. These are barriers which reduce the share of work which your firm gains. By knowing these, and dealing with them, the firm boosts its pipeline of work.

4. Reducing write-off

Studies have shown that the client's willingness to pay the full billed amount is strongly correlated with their level of satisfaction. So, knowing what drives satisfaction of clients – individually and in total – means the firm can reduce write-off and improve recovery rates.

Asking the right questions

Often, we see client feedback exercises conducted by firms which ask clients to rate the firm on a huge array of aspects. This is often driven by an understandable interest in tracking service levels on lots of things. However, many of these will be irrelevant or of limited importance to the client. The client may get bored with the exercise, which doesn't put the firm in a good light, and the firm will learn little of real value that it can use to develop or improve the relationship.

The optimal questions to ask will differ based on the firm's specific objectives, type of target client, and strategy. Nonetheless, it's worth thinking about the following:

1. Understanding what is important for the client to stay with you or use you more

Understanding the elements which have the biggest impact on retaining the firm's clients and extending the relationship with them is vital. This enables the firm to focus any investment of time and effort on improving the areas which will lead to more work.

2. The firm's performance

This helps the firm:

- identify key areas where it's strong
- communicate the 'client-verified' nature of this performance
- identify areas that require improvement, firm-wide or by individual practices or partners
- focus on those areas which the firm needs to address to successfully retain and extend relationships, and
- build a more sustainable, loyal client base and reduce volatility in earnings.

3. Questions uncovering specific opportunities or risks

The firm can include questions which allow it to understand if there is a high



probability of events that may require legal help. By analysing answers to key questions about its performance, it can also identify any clients where there is a material risk of losing all or part of their business. This enables the firm to respond and resolve concerns, and reduce the risk of lost revenue.

4 Client knowledge of your services

It's tempting to believe that clients know all about the various specialisms you have and the range of legal needs you can help with. However, that is rarely the case.

Asking carefully constructed questions that get a sense of both the possible significance of certain areas for the client, and knowledge of your services, can help you improve the relevance of your communication to the client. Collating this across your client base means you understand what messages and specialisms to prioritise in your marketing and business development efforts, to get a better return.

It also helps you understand which colleagues and specialisms within your firm could work more effectively for mutual benefit.

5. Communications

If you know the communication preferences of clients, then you can contact them in ways that they will be more receptive to. This will improve the effectiveness of your activity.

Aggregated data is useful. Equally, much of the power lies in the ability to improve individual relationships and contact with individual clients.

6. Use of key measures

One way in which the firm can also secure the most possible benefit from client feedback is to determine a small set of key measures that will drive better performance of the firm over time. Just using billable hours or fees doesn't tell you anything about the prospects of the firm.

Many firms use 'net promoter scores', based on the likelihood that clients would recommend you, as an important indicator of the health of their platform for growth. This may not be the best metric for every firm. But it's important to get a handle on how your firm performs on the things that will drive future success. Alternatives include average satisfaction score, knowledge of services, relationship health, or appetite for future dialogue measures.

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Example questions

Coming out of this, what might be some example questions that firms should consider asking their clients?

The exact questions will depend on the type of firm, aims, key metrics and type of client. For example, the wording will differ between corporate and private clients. The answers to some should be followed up with a supplementary question in some cases. But the following list is a good starting point (with appropriate lists as indicated below):

- What do you feel are the key developments you or your firm will face in the next 12-24 months?
- What does this mean in terms of the key aims you have, and the challenges you face?
- What do you think this might mean in respect of the legal issues you will face in this period?
- What key things determine which firm you choose for advice?
- How would you describe us?
- What are our strengths?
- Where can we improve?
- How do we perform on (set of important factors ensuring “key things” client describes are included)?
- Could you tell me which of these (listed) specialisms you believe we provide?
- How would you like our relationship to develop over the next 12-24 months? What could we do to provide you with the best service and value?

The right processes

Success is not just about 'asking the right questions'. To really drive your firm forward, it's worth thinking about getting the right processes in place to gain and share information and draw together robust and actionable insights. This is what you will use to make better investments. Better practice generates a better return on investment.

There are five key aspects to this, and the more you get them right, the greater payback you get from any effort associated with insight. These five are:

- being clear on your objectives
- defining the best questions to ask – what you gather
- the best processes used to gain this
- the processes and systems used to use, share, collaborate and act, and
- the impact insights will have on decision making.

Final thought

Lawyers are often most comfortable asking questions in their area of technical expertise. Some can get asking questions badly wrong, particularly when trying to win business from prospects. I always remember the story told by an ex-head of in-house legal at the Virgin Group. They described how during a major conference, about a dozen partners from law firms sought them out and engaged in conversation. The tone of most was “how can we get some work from you?”

Only one of the partners of these different firms engaged in a conversation with him about his own interests, what was personally important to him, and what was commercially important for the Virgin Group. Guess who was successful in gaining some work over the next year?

There are pros and cons of using internal resource or independent experts to ask your clients questions. But the ethos of making sure the focus is on what's important to the client is vital.