

# Strategies

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## Clients: It's That Simple

by Carol Schiro Greenwald

It sounds like mother's milk or apple pie. A wholesome, natural way to focus our work life. Provide extraordinary services for your clients, and they will reward you with more work, until-death-do-us-part loyalty and continual referrals. Sounds simple. Problems arise when you deconstruct the concept of client service into its many component parts and try to make them operational in a law firm environment.

Looking for a road map? One place to begin is with the Baldrige National Quality Award Program criteria for performance excellence [www.quality-nist.gov], which include an important focus on customer-driven excellence:

Customer driven organizations address not only the product and service characteristics that meet basic customer requirements but also those features and characteristics that differentiate products and services from competing organizations. . . . Customer-driven excellence is thus a strategic concept. It is directed toward customer retention and loyalty, market share gain and growth. It demands constant sensitivity to changing and emerging customer and market requirements and to the factors that drive customer satisfaction and loyalty.

At the LMA conference in March 2003, the keynote speakers will identify trends and share best practices learned in their own quest for superior client-driven organizational excellence. We talked to the keynote speakers to glean some key lessons for law firm marketing professionals to ponder in advance of the conference.

### Elements of World-Class Customer Service

Dennis Snow, formerly with Walt Disney World in Orlando and now a customer service consultant with Snow & Associates, Inc., sees customer satisfaction as *the* differentiator. With the legal market increasingly commoditized and the practice of law so complicated, the way clients are treated becomes the one yardstick they can use comfortably to measure and evaluate their experience. He sees it as analogous to the Disney properties "where their job goes beyond creating great thrill rides (you can find those anywhere) and is to deliver the magic." That high level of service that delivers "the magic" drives repeat business.

In our discussion, Snow listed five concepts that are key to exceptional service:

1. **Accountability.** Customer service is only as strong as individual accountability. If it is voluntary, then people do it when they feel like it. If delivering

great service is non-negotiable, then it is taken seriously. "It's not a question of 'can,' but rather a question of 'will.'"

2. **Think Like the Customer.** Both Disney World customers and law firm clients are out of their "comfort zone" whether they are dealing with a merger or the path to the Magic Kingdom. In all cases, Snow said, "You have to see the experience through customers' eyes. Excellent client service helps customers navigate the nuances of the experience by understanding the uncertainties they are dealing with and making them feel comfortable with the complexities of your world."
3. **See Your Whole Product.** It's more than just a well-drawn contract or a Disney ride. It's the total experience from the first greeting to the final bill.
4. **Manage Expectations.** At Disney, one way this is manifest is in the wait lines that set out clearly and accurately where you are, how long you have to wait and what you will find when you get to your destination. The customer's trust and comfort are elevated because their expectations have been managed.
5. **Hire People "Wired to Deliver Service."** Step one is to make great service the hallmark of the firm's culture. Step two is to hire people who

want to make that culture work, train them and hold them accountable.

## Loyal Customers Are a Key Corporate Asset

Leonardo Inghilleri, senior vice president and brand manager of BVLGARI Hotels and Resorts (a joint venture between the contemporary Italian jeweler Bulgari and two-time Baldrige award winner, The Ritz-Carlton Hotel Company), began our discussion by sketching out a continuum of customer relationships from “customers as commodities” through users of our services and important to our business — one of the most important elements in the valuation of a business.

Inghilleri identified three types of customers:

- **Transients** — who use your services for opportunistic reasons;
- **Natural Targets** — who need to, at a minimum, be satisfied; and
- **Loyal Customers** — which is the category that adds tremendous value.

Why are loyal customers worth so much? Because they have three important characteristics that translate into more — and more varied — use of your services. Loyal customers develop a level of trust that makes them:

- Somewhat insensitive to competition;
- Somewhat insensitive to pricing; and
- More experimental and therefore more likely to buy brand extensions.

The Ritz-Carlton has found that loyal customers spend an average of 25 percent more because they are attentive to the whole offering and willing to try a variety of the available opportunities.

Clients need to be satisfied before they can become loyal. Three components make satisfied customers:

- Defect-free products and services;
- Delivered by “nice people”; and
- A process for problem resolution that goes beyond just overcoming the glitch.

To turn satisfaction into loyalty requires understanding and anticipating customer needs all the time. Inghilleri identifies two ways to do this:

1. The harder way is to continuously repeat high-quality service until the customers are so well understood that they become loyal customers. But if one repetition turns bad, the sequence has to build up again from zero. Since for hotels it can take seven to 10 perfect iterations to move a guest from satisfied to loyal, this can be a dicey method to use.
2. The faster, preferred way to “get into a state of customer intimacy” is to collect information about customers based on how they act with you and what they say about what’s important to them. Once you know their preferences, cater to them.

Extraordinary service then becomes the act of anticipating customer needs every time. Thus, employees must learn both their function and their purpose. Their function may be to clean rooms in a hotel or draft a contract in a law firm; the purpose is to develop and maintain loyal customers. In Ritz-Carlton hotels, employees are trained in their function, but more importantly, they are instilled with the desire to take the extra step to provide the highest level of service. Their work environment promotes a service-oriented culture, and everyone is reminded daily about the corporation’s core values and why they do what they have to do. They have a daily “moment of reflection to focus on the purpose of the enterprise.”

## Assessing Customer Value

Frances Flood, president, CEO and chairman of the board of ClearOne Communications, Inc., a multimedia conferencing company, highlighted the importance of the links between valued customers and bottom-line improvements. She focused on the importance of understanding the cost of client acquisition and the value of services sold. She suggested that we focus

on the lifetime value of a client, thinking of “depth of client” services rather than aiming for market penetration that is “a mile wide and an inch deep.”

Understanding costs requires the acquisition of baseline data in order to measure progress. Flood suggests teaming with one or two key partners who understand what marketing wants to do, then get a full financial picture of their client base, including work in progress (WIP) covering two to five years. Analyze the client data to uncover trends. What’s changed in the way you deliver services? What do clients want now as compared to two or five years ago? Use the research conclusions to develop new strategies to sell additional services to the client. Be sure to tie the results to changes in the revenue value of each client. Build credibility one by one in terms of partners and their clients.

## Using Information Technology to Make Client Connections

Mike Stankus, managing partner and founder of Akina, a consulting and training company that helps services companies make their sales efforts more productive, sees IT as a facilitator — an enabler — supporting sales and marketing efforts. In designing an IT framework, the key is to clearly understand:

- What is possible — what can IT do within our firm and our culture?
- How can IT help people do a better job?
- How do we set proper expectations concerning what IT programs can and cannot do?

Stankus said the path to successful implementation and integration of IT projects is to actively involve key stakeholders from the start. Begin to manage expectations by establishing the key business objectives:

- Acquiring new clients
- Servicing existing clients better
- Improving certain work processes

Then identify what technology is needed to meet the objectives. Present management with a gap analysis of the difference between now and the envisioned goals.

Use technology to present the firm and its attorneys in desired ways. Use education to link the objective, the appropriate technology and stakeholders' buy-in.

### **KM: Moving Information to the Right People at the Right Time**

Knowledge management (KM) provides a basis for teamwork and sharing in terms of clients, practice groups or industry specialties. Darron Padilla, webmaster-knowledge analyst at Chevron Texaco, identified the crux of the issue: "Service firms' clients purchase knowledge and experience. It's their core business." He also identified five key components of a successful KM process:

1. Identify the key information that needs to be captured in order to make better strategic decisions (such as sales triggers, clients' perceptions of the process, etc.).
2. Capture the knowledge and information in win-loss reviews, client satisfaction surveys, end of engagement lessons-learned summaries, etc.
3. Use "communities of practice" where the captured information will be distilled by subject matter experts and repackaged where it will have the most immediate impact.
4. Facilitate the process by assigning KM analysts to the service teams, assigning charge codes for the activities and administration associated with a robust KM process.

5. Make accountability stand out as the most important piece of the KM process. Manage accountability through the "performance management process" (PMP) for both individual employees and their departments/organizations.

The accumulated knowledge and information is distributed and managed through the firm's KM system and is used to:

- Improve business and client-service processes by providing historical data and lessons learned from client-service reviews.
- Increase sales by providing evidence, in a redacted form, for sales proposals regarding experience in specific services and industries.
- Increase client-satisfaction levels by using the KM process to develop better client-specific solutions and service packages.

### **Making Sales Successful in the Professional Firm Culture**

Bill Strait, national sales director at Deloitte & Touche, LLP, has successfully integrated a professional sales force into a major accounting firm by applying the time-tested principles of sales organizations to a professional services firm.

He identified three important aspects of his success:

1. The internal selling process is as important as the external one. Have a clear vision of what the program and process will look like, and sell it early to the partnership. Develop a detailed reporting system to keep partners continuously informed.
2. Create a specific methodology to determine opportunities for the sales force to pursue.

3. Hire and train experienced sales professionals. Bring in the partners for their service expertise, but continue to keep the salesperson involved from the beginning of the sale to the close.

Strait said that most people want to be actively sold. They don't mind the approach and attention at all. So from his perspective, the addition of a sales force is "complementary, not conflicting."

### **Gaining the Confidence to Spearhead These Changes**

Dr. Jack Singer, president and CEO of Psychologically Speaking, said that to get control of thinking patterns that lead to negative attitudes, we have to catch ourselves when we slip into bad thinking habits. It's important to develop the habit of good attitudes because they are reflected in our demeanor, and the changes can lead to positive results. "To be respected, we need to begin by respecting ourselves," he said.

Dr. Singer offers a recipe for this mind change, which, if practiced for 21 days, can teach us to control our attitudes regardless of the obstacles. The recipe includes "a dose of optimism, several tablespoons of fun and laughter and a huge infusion of conquering your internal critic."

Bring this approach to the conference, and you will go home with the keys to move your firm toward "Clients. It's That Simple."



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