



# Précis Paper

## Client Feedback

A discussion about the importance of listening and responding to client feedback, how to obtain good feedback and tips on how client feedback can be fundamentally better managed in law firms.

### Discussion Includes

- Ways clients provide feedback
- Negative feedback
- Areas of improvement for law firms
- How to prioritise feedback
- Distinguish important feedback from unimportant feedback
- Methodologies
- Differences between firms
- Takeaways for practitioners
- After clients have supplied feedback
- Quantitative questions
- Loyalty

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## Client Feedback

1. In this edition of BenchTV, Sue-Ella Prodonovich (Prodonovich Advisory - Sydney) and Vishal Venkatesh (BenchTV - Sydney) discuss the importance of listening and responding to client feedback, how to obtain good feedback and tips on how client feedback can be fundamentally better managed in law firms.

### Ways clients provide feedback

2. There are a number of ways that clients give feedback. Lawyers can miss the opportunity of gathering it, not only formally in interviews, but in informal situations where they gain insights and feedback from clients. These are called listening posts.
3. For example, one way of getting feedback from clients is in the first engagement between lawyer and client, by asking them for feedback on how they found the firm and what it was that brought them to the firm.

### Negative feedback

4. Negative feedback can assist lawyers to move forward and understand why the reason for the negative feedback. It is important to find out if there is a rational decision for the feedback or whether it is a reflection on the way or style in which the lawyer works.

### Areas of improvement for law firms

5. Law firms tend to worry about the clients they are going to get feedback from and plan the client feedback process for months, rather than just starting.
6. It is important for law firms to reframe it as part of the culture of doing business. It should be part of the client service process and it does not need to be an outsourced or structured process.
7. The two main areas of improvement for law firms are
  - a. to not make the client feedback process too complicated and
  - b. to ensure that feedback is being taken and provided the entire client experience

### How to prioritise feedback

8. When firms or practitioners have client feedback, one of the most important things to do is to put the feedback in context. This is because the goal is not to make the wrong clients happy, so it is important to look at the client data base.
9. One way of doing this is to compare the feedback, such as a rating score of satisfaction or net promoter score with the profitability or margins of those clients.
10. It is advisable to get feedback from the clients that the lawyer works well with first to get feedback about what the firm is doing right. There is a lot of insight to be gained from good client relationships as they will want to provide help.

### Distinguishing important feedback from unimportant feedback

11. The first step is to filter feedback by the clients who are strategically important to the practice.
12. Feedback can usually be categorised into different areas such as service standards, timeliness, responsiveness, accessibility and billing. It is important to ask a client what they see as most important and ask them about how the firm succeeded or did not succeed on those points.

### Methodologies

13. For feedback in which a firm wishes to give a good client assurance that they are important, face to face feedback is recommended.
14. Telephone interviews are also useful to be able to gauge tone and nuances of conversation and online feedback is useful for busy clients.
15. Larger firms have methodical surveys and inhouse resources which run client listening programs as a matter of course. These firms have the client feedback process structured internally and use analytical tools to collect and analyse the data into their practice management systems.
16. Smaller or boutique firms may be doing it more regularly on a personalised basis as part of their conversations.

### Differences between firms

17. Client feedback processes started with corporate commercial firms who required annuity or legacy relationships from clients to keep the firm going.
18. There has also been a lot of activity in obtaining client feedback in personal injury and family law matters where client feedback can be seen in client advocacy of the firm rather than repeat business.

### Takeaways for Practitioners

19. Client feedback is an ongoing process where lawyers learn from the clients experiences they wish to replicate and repeat
20. It does not need to be overengineered. Firms should start with one client and bring client feedback into the firms processes rather than thinking about it as an outsourced or administrative job.
21. It is also important for firms to think about the two different types of feedback one is feedback about the relationship and the other is feedback about the transaction.
22. For example, transactional firms might design feedback or get it at the end of each transaction, however if there are big client relationships might necessitate an annual face-to-face meeting with the client and look at their strategy and expectations.

### After clients have supplied feedback

23. The first step once client feedback is received is to thank the client for the feedback.
24. In principle, client feedback should be shared however there are times when feedback should be kept privileged and between to the persons it concerns.

### Quantitative questions

25. There are three general categories of quantitative questions that can be included in feedback
  - a. The net promoter score indicates the likelihood that a client will recommend a firm and is highly correlated to future fees;
  - b. The client effort score is about how easy the practitioner or firm is to work with and is also highly correlated to future fees;
  - c. The client satisfaction score is on a scale how satisfied is the client about the firm. Client satisfaction is not as highly correlated to future fees.
26. Larger firms will be able to correlate with their practice management systems or with inhouse and purchased data analysis and look at the correlation between the types of clients, types of relationships, fees and repeat purchase.
27. Boutique and mid-sized firms tend to look at financials on one hand and the correlation between past purchase behaviour and future purchase behavior.

## Loyalty

28. Clients of law firms do not need to like a lawyer to be loyal. They will typically respect legal advice as long as they don't feel like they are being taken advantage of. Client loyalty is measured by recommendations and/or referrals.

## BIOGRAPHY

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Sue-Ella Prodonovich is one of Australia's leading specialists in business development for the professional services and business-to-business sectors. Her clients include some of the country's – and the world's- best law, accounting, IT, engineering and architecture firms.

Sue-Ella has more than 20 years senior level experience winning work and growing businesses in these complex industries. Over that time, she has given countless professionals the tools they need to attract and retain clients and build more profitable, more sustainable and more enjoyable practices.