

## MARKETING MEMO

# Learn from the client

By SALLY J. SCHMIDT

**THERE IS ONE** marketing activity that frequently will provide important information about the needs and perceptions of existing clients, at the same time that it develops additional work from them. It's known as "the client audit." Client audits are based on a very simple premise: you learn by asking.

If client audits are so useful, why don't more firms use them? Resistance from the lawyers is a big reason. Many lawyers dislike letting someone, particularly an outside

## *Client audits can be the firm's most effective marketing tool. But follow-up is essential.*

party, come between them and their clients. Some lawyers fear that clients will reveal that inadequate service was provided or that there is some problem with the relationship. Others may feel that they already know the clients and their needs.

But actual experience with audits tells us there is usually much to learn.

Through its interviews, one midwestern firm learned that a client automobile dealership was actively seeking another law firm to replace them as outside counsel. During the interview, the client representative shared a copy of the "job description" for the new counsel and admitted he already had interviewed several firms as candidates. The interviewer was able to determine that there was still hope for the firm to retain the client.

While lawyers at the firm knew the relationship was somewhat strained, no one had any idea that they were about to be replaced. In order to keep the client, the law firm devised a one-year plan to address his major concerns. The

firm scheduled quarterly meetings to review the status of files in litigation. They scheduled two in-house workshops for the client's managers on employment issues of concern. They reduced the fees on some disputed invoices. And they changed an attorney assignment to ensure better communications and responsiveness. One year later, the dealership was still a client.

### New Business

Another midwestern firm, through the audit process, learned of a new business opportunity with a fairly new client, a very large financial services company. It had been the law firm for employment-related matters exclusively. But when asked by the interviewer whether the company had any present or anticipated legal needs, the in-house counsel responded that the outside lawyer who handled the copyright and trademark work on the company's financial "products" was retiring, and there was no attorney in the wings to replace him. It was a significant amount of legal business, the company's lawyer said. Then he asked, "Does your firm do this type of work?"

The firm's attorneys prepared an immediate response and secured the business.

Not all client concerns are easy to address. Another midwestern law firm discovered a disturbing pattern in its client audits: clients felt that the firm had become impersonal and that they were being taken for granted.

The solution included more personal contact between the lawyers and clients, fewer attorneys involved on each client's matters, and more communication throughout the handling of clients' matters. Making these adjustments will not be easy for the firm, but it has set out a one-year plan to deal with the problems.

### The Caveat: Follow Up

If there is one caveat in the area of client audits, it is that

you must follow up. Asking clients for their opinions and concerns and then failing to act will do more damage than good.

Ideally, the law firm will make the changes necessary to make the clients happy. But even if those changes are impossible, the firm must discuss why it cannot — or chooses not to — make them.

One law firm's audit of a major banking client revealed that loan officers felt the firm's turnaround time on documents was too slow. The attorneys, on the other hand, claimed they had a 24-hour turnaround, and that it was physically impossible to have the documents out faster.

In such a case, perception is more important than reality. If a client has a distorted perception or unrealistic expectation, it must be dealt with through communication.

### Third Party

Client audits generally should be handled by an outside party. An objective third party makes it easier for the clients to be candid. When attorneys ask clients for their feedback, clients often say what they think the lawyers want to hear.

*MARKETING continued on 35*

## Next Issue: How to Conduct an Effective Client Audit

*Sally J. Schmidt, principal of Sally Schmidt Consulting in Eagan, Minnesota, works with law firms in the areas of marketing and planning. She is chair of the ABA's Marketing Administrators Committee and was the first president of the National Association of Law Firm Marketing Administrators (NALFMA).*



*Sally J. Schmidt, principal of Sally Schmidt Consulting in Eagan, Minnesota, works with law firms in the areas of marketing and planning. She is chair of the ABA's Marketing Administrators Committee and was the first president of the National Association of Law Firm Marketing Administrators (NALFMA).*

---

## MARKETING from 30

---

An outside interviewer allows clients to be frank without fear of damaging the relationship they have with their primary contact at the firm. Even with a third party, clients sometimes will request that their comments not be attributed.

If the interviewer is a representative of the law firm, he or she should not be the attorney with the closest relationship with the client. Any marketing effort should begin with the

firm's existing clients. Actually asking clients for their feedback through a client audit can be the single most important marketing activity a law firm undertakes. Not only do existing clients make up the firm's existing revenue base, they represent future opportunities through additional work and referrals.

Through a client audit program, a law firm can learn if its major clients are satisfied and educated about the firm's services. With the results, the firm can take steps to ensure a loyal and satisfied clientele. **11**