

# Improving Client Loyalty Through Exceptional Client Service

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# New Realities - Changing Times



# Position

Never has there been a better time than  
now to get close to your clients

Exceptional Client Service May/Could Be  
Your Most Strategic Differentiator

# Action

## **An Effective Client Loyalty Program**

- Exceptional Client Service
- Can Lead To - Loyal Clients

# Benefits

## Loyal Clients = Equals

- Increased client retention
- Increased client referrals
- Increased spending/matters
- Less fee sensitive clients
- Reduced client development costs

# Benefits

## Loyal Clients = Equals

- Lower client service costs
- Increased revenues
- Higher firm profits

# Benefit

## Loyalty Research

**5% increase in client retention yields  
a 75% increase in client net present  
value**

# What Law Firms Clients Are Telling Us

## Quotes from recent O&A client interviews

- Fortune 1000
- Small Business
- Individuals



# What Law Firm Clients Are Telling Us

## O&A Law Firm Client Interview Quotes

- I hire the lawyer – not the firm.
- We want to work with proactive lawyers that aren't afraid to try cases
- I expect lawyers to get back to me by the next business day.

# What Law Firm Clients Are Telling Us

- Most of our billing problems with law firms are due to excessive use of associates time.
- The primary reason that we terminate our relationship is due to them not reporting to us in a timely fashion and poor communications.

# What Law Firm Clients Are Telling Us

- I don't have a trust factor with the junior level attorneys.
- They need to educate us more on what they do.

# What Law Firm Clients Are Telling Us

- They don't act like lawyers. No matter who you work with they treat you with respect. I am not a lawyer and they respect me.
- Integrity – I have faith in these lawyers and I trust them.

# What Law Firm Clients Are Telling Us

- The attorneys are very personable – not condescending.
- They are approachable, down to earth, easy to talk to – they are just like us.

# What Law Firms Clients Are Telling Us

## Other Studies and Sources

- ACCA Studies
- 2008 Chief Legal Officer Survey
- 2008 Law Department Cost Control Survey
- BTI Consulting Group

# What Law Firm Clients Are Telling Us – Other Studies

<b>46.5%</b>	<b>GC Clients Have Fired Primary Law Firms</b>
<b>80%</b>	<b>GC clients have fired law firms for poor communication and poor service.</b>
<b>35.6</b>	<b>Only GC clients would recommend their primary law firms to other potential clients.</b>
<b>75%</b>	<b>GC say client focus is the major factor that gets law firms short-listed.</b>
<b>67%</b>	<b>Small business and individual clients report they stop using a lawyer because they were treated poorly or indifferently. (Foonberg)</b>
<b>27%</b>	<b>Small business and individual clients change lawyers because their previous lawyers weren't available (Foonberg)</b>

# Loyal Clients





# What is Client Loyalty?

“ I don't know what the firm charges and I am not concerned – the real cost is if we lose – and the law firm has never lost a case for me.”

# Loyal Clients

## Pay Premiums

## Actively refer

# Quality Issues

Quality Issues at the core of client relationships

- **Client Service**
- **Legal Skills/Knowledge**
- **Economics**
- **Management**

# Client Loyalty

## What client service means to clients (Importance)

- Understands my needs – 20.6%
- Understands my business – 20.5%
- Responsive - 19.1%
- Communications – 9.2%
- Anticipate Needs – 8.4%
- Availability – 6.1%

# Client Loyalty

## What client service means to clients (Importance)

- Value motivated – 4.6%
- Best for the client – 3.1%

# Client Loyalty

## **Client Service = Differentiation**

Service is how many clients can tell one lawyer from another

A client service differentiation can be a competitive advantage.

# Client Loyalty

**Satisfaction = Results/Reality /  
Expectations**

Difference between results/reality vs.  
expectations is the service performance

**GAP**

# Client Loyalty

## Loyalty Requires Exceptional Client Service

- Individual Level
- Firm Level/Culture
- Behavioral level and process level



# Client Loyalty

**Would Recommend**

**The Number One Number  
Needed to Grow**

# Client Loyalty Financial Implications



# Components of Successful Programs

- Top down commitment
- Ongoing client and employee feedback
- Training
- Improve Processes – all touch points

# Components of Successful Programs

- Client Service Standards
- Reward/Recognition Programs
- Part of the culture – ongoing measurements

# An Old IBM Saying

What Gets Measured

What Gets Rewarded

Is What Gets Done

# Tips For Implementing a Client Focused Culture

## Exceptional Client Service in Law Firms Article Series

# Where and How To Begin - Firm

## **Start By Conducting a Client Service Self-Evaluation and:**

- Take stock where the firm is currently
- Determine commitment level
- Consider improving client service/implementing programs

# Where and How to Begin – Personal Five Principles of Client/Customer Service

1. Feel good about yourself
2. Practice habits of courtesy
3. Use positive communication
4. Listen and ask questions
5. Perform professionally



# Good Client Service Habits To Develop

1. Greet your clients by name
2. Be on time for appointments
3. Follow-up on your promises
4. Under promise and over deliver
5. Go the extra mile
6. Offer your clients options
7. Express empathy

# Good Client Service Habits To Develop

8. Treat your client as the most important part of your job.
9. Treat your co-workers as clients.
10. Give the client your name and telephone number
11. Smile and use inflection on the telephone.

# Close

- Review
- Conclusion
  - Position
  - Action
  - Benefit
- Question/Answer