

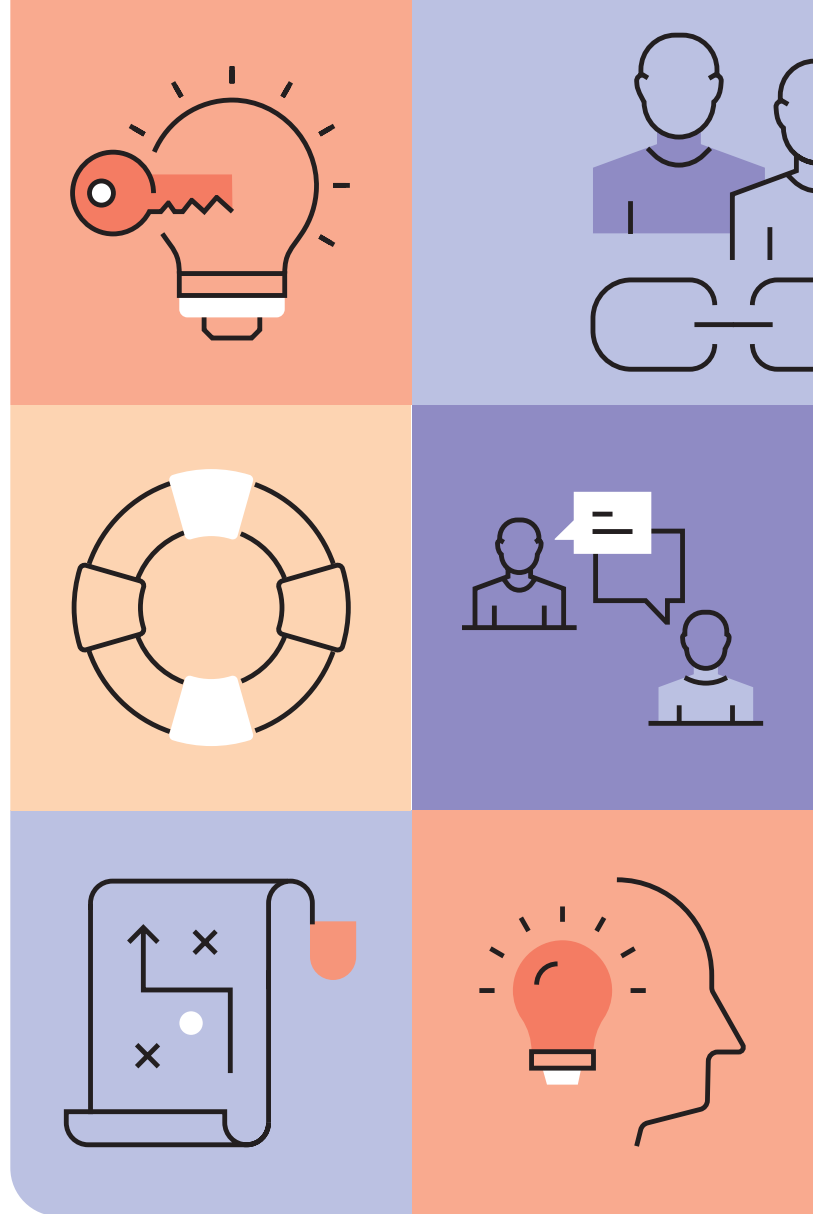
Managing a better professional services firm

Managing a better professional services firm requires that you excel at providing superlative client service. Good technical skills and quality legal advice met the grade in the past but times have changed. The legal services marketplace is now more competitive than ever, and the competitors are not just other lawyers. Clients have become more demanding and questioning about the legal services they receive. Technology has profoundly changed how lawyers do their work and serve clients. And, many common legal services have become commodities – with commodity pricing to match.

To survive in this environment, and to thrive in the future, understand which services clients value (in some cases this will involve educating clients as to the value of the services you can provide), and deliver those services efficiently, effectively and profitably.

You may need to change the way you do things, communicate better with your clients, evolve your practice and clientele, improve your marketing, break the habit of the billable hour, and make greater use of technology. Strong leadership and a strategic plan are necessary to bring all these things together at the firm level.

If you are successful, your practice and firm will remain competitive and ultimately will be more profitable. If you are unsuccessful, you will find it more difficult to compete, and ultimately may become less viable and less profitable.

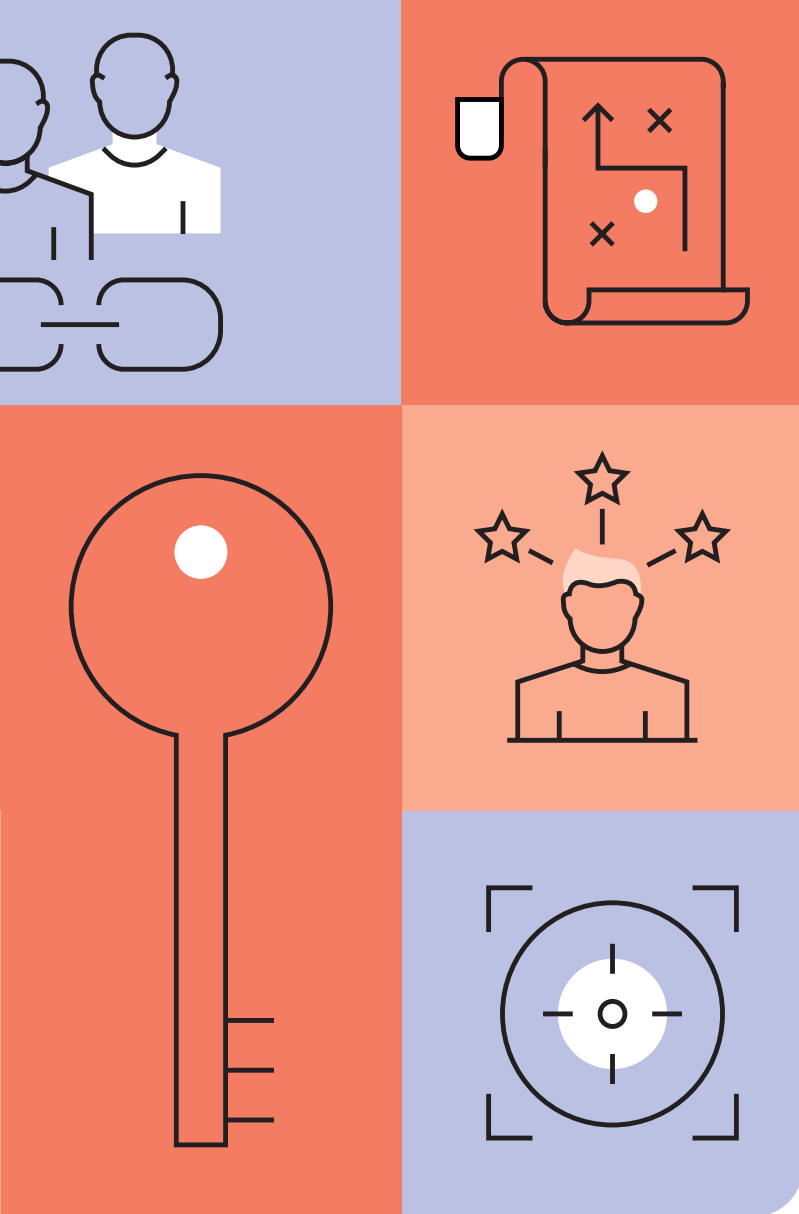


A cornerstone of professional services is clear, effective client communication. Good communication not only ensures clients are satisfied at the conclusion of a matter, but also significantly lowers your risk of a malpractice claim as, by both count and cost, lawyer-client communication issues are one of the most frequent causes of claims.

Call or meet with client if news is bad

Because it allows almost instantaneous exchanges of information, e-mail has become the primary mode of communication between lawyers and clients. Although appropriate for many lawyer-client communications, it is not suitable for delivering all types of information.

In the hierarchy of effective communication, e-mail ranks last. At the top are face-to-face meetings, which allow you to respond to the gestures and facial expressions of participants, as well as hear the inflections in their voice. Phone conversations eliminate the visual connection but enable you to hear (and interpret) the emotion and inflection in the speaker's voice.



Making clients wait in reception: Do you remember how you felt the last time your dentist made you wait? Don't make your client feel the same way. Get off the phone if a client is waiting for a scheduled appointment. If you are in the middle of something when a client arrives, make sure you are notified in some way that a client is waiting.

Long periods of apparent inactivity on a matter: Clients always want to feel their matter is moving towards a resolution. In some areas of law, such as litigation, there can be long periods of inactivity. Don't assume clients will understand why there is a delay. Make sure they are kept informed of the status of a matter, and when they can expect it to move forward. Send copies of all incoming and outgoing correspondence to the client.

Not delivering on promises of performance: Don't make promises that you cannot keep. Be realistic in your assessment of what you can accomplish and when. When it comes to deadlines, you can guarantee a happy client if you under-promise and over-deliver.

Not delivering on a promised outcome: Be careful not to promise an unlikely or impossible outcome or resolution on a matter. Extra caution is warranted here as clients will hear what they want to hear when it comes to a promised outcome. To protect yourself, clearly document your advice to clients on what the expected outcome will be.

Sending clients a very large bill without warning or explanation: This scenario calls for an in-person meeting and explanation. Better yet, avoid it altogether with a strict retainer policy that requires a sufficient retainer at the start of a matter, regular or milestone billing, and a retainer replenishment at each step along the way.

If you make a mistake or fall down on the level of service you provide to a client, acknowledge it to them, sincerely apologize, and make sure it doesn't happen again.

Post-matter client services survey

A post-matter client survey is one of the best ways to collect information about what clients thought about the services you provided to them. Make sure your survey is structured to help you identify specific areas for improvement. Ideally, it should include some open-ended questions.

For major or top-billing clients, consider sending a managing partner or other senior person to meet with clients on an annual basis to review and assess how the relationship is going, how matters are being handled, and what changes or improvements should be made.

When there is significant news on a matter, especially if it is bad news, take the time to call the client, or to meet personally. You will be able to communicate more fully, and better deal with any questions and concerns that the client may have.

Know what upsets clients – and stop doing it

Like you, clients will get upset if they are treated badly or are faced with surprises. Do you understand actions that upset or annoy your clients?

Not returning phone calls/emails: This is one of the most common complaints about lawyers. To avoid this problem, set and control client expectations from the very start of the relationship. Establish a reasonable policy on how quickly calls and emails will be returned (e.g. 24 hours, end of the next business day, or whatever is appropriate for your area of law or clients), inform the client of the policy, and abide by it. Set up a mechanism for staff to reply within the established timeframe if you are not available.

How to turn down a potential client

Turning away a client who you cannot represent or are not interested in representing can be awkward. Consider these ways to turn down a potential client, even before an appointment has been made:

“My calendar is full and I cannot give your case the prompt attention it requires.”

“A conflict of interest prevents me from taking your case (and the nature of the conflict is confidential).”

“My experience is limited in this area of law and I can’t properly represent you in an area that is unfamiliar to me. Let’s get you to another lawyer who is better able to represent you.”

The nicer you are in turning down a retainer, and the more potential resources you can provide where appropriate (such as the numbers of the lawyer referral service, other lawyers that could take on the matter, or social services), the less “rejected” the potential client will feel.

Although a client has the right to end a solicitor-client relationship at will, the lawyer does not have the same freedom. Every effort should be made to comply with Rule 3.7 of the Rules of Professional Conduct which sets out when and under what circumstances a lawyer may, or shall, terminate such a relationship and what a lawyer’s obligations are upon discharge and/or withdrawal. ■

This is an updated excerpt from the Managing Better Professional Services Booklet originally written by Dan Pinnington in 2006 and published by PracticePRO.

Strategic planning

Law firms of any size don’t change easily or quickly. But change is essential for development and growth, and not only in the area of improving client services. A strategic plan can focus and direct the members of a firm towards common goals and improvements. It will set out concrete goals and steps for improvement.

Creating and executing a strategic plan requires structure and deliberate action. The Lawyer’s Guide to Strategic Planning¹ outlines five principal questions to consider, at both the overall organizational level and within each practice group or department:

- 1. Who are we?** Generally, look inward at the organizational level and analyze the current resources available, such as office space, technology, staff, practice areas, financial performance, and other areas of internal operations. Staff of all levels should participate so that they are engaged and committed to the plan.
- 2. Who’s out there?** Get a handle on the marketplace, including current and potential clients, and competitors such as other law firms and emerging substitute legal service providers. The strategic planning process should help identify a unique competitive position of the firm, which in turn can be used to position the firm as different from, and better than, rival firms.
- 3. Who do we want to be?** Integral to the process is the development of a vision of what the firm wants to look like at some point in the future. What will the firm look like in seven or 10 years? Ask yourself what the future of the firm should be, and establish a mission statement, a vision statement, and written goals.
- 4. How do we get there?** Create action plans that detail the tactics or steps that the firm members will take to reach the stated goals. Each action plan must be assigned to someone in the firm who is assigned responsibility for implementing that plan. Part of the process is determining if the firm has the necessary personnel to achieve its goals.
- 5. How are we going to execute our plan to get there?** As part of its overall plan, the firm needs to have a way to periodically check its progress so that it can make a shift or strategic move if and when circumstances warrant. Strategic planning is not static: it is a fluid, never-ending process that requires an ongoing commitment to the process from all members of a firm.

Strategic plans aren’t just for firms. A personal strategic plan will help you focus on your long-term personal goals; the structure and deliberate action imposed by a formal plan can help you attain those goals. You can create a personal strategic plan by asking yourself personalized versions of the preceding five questions.

¹ Thomas C. Grella and Michael L. Hudkins (published 2004 by the ABA Law Practice Management Section)

Communication tips

The #1 cause of claims in almost every area of practice is communication breakdown. Implement the following actions to help avoid communication problems in your practice

Start client management at the first meeting

Use the initial client meeting to set clear client expectations.

Meet with the client face-to-face (in person or by online means if necessary) to discuss the client's legal issue, understand the client's needs, and set the parameters for the relationship.

This is the time to find out all the information you will need to effectively act.

If you end up not acting for a prospective client, confirm it in writing.

Set the scope in writing

Have written retainer agreements with clients. This ensures that you and your client agree on the cost of your services and helps to manage client expectations.

It is important that you clearly express what is and what is not included in your services. Helping clients avoid surprises can lower your claims exposure.

Keep your client informed

Keep clients up-to-date on the status of their matters.

Explain obligations and deadlines that will arise.

Ensure your client understands the implications of signing key documents (such as contracts and settlement agreements) and the potential ramifications of all decisions (such as guilty pleas and custodial sentences on employment or immigration status).

An unhappy client who feels neglected or ignored may try to challenge your actions later.

Document instructions, advice, and steps taken

Take detailed notes and confirm client conversations in writing to minimize misunderstandings, manage client expectations and stay on course.

Clients only have one lawyer, but lawyers have many clients. The details of the case are therefore memorable for the client. Unless you have detailed notes, the client's recollection is more credible.

Confirm receipt of correspondence

When sending correspondence to your client or third parties, especially foreign agents, ask them to confirm receipt of that correspondence. If you don't receive confirmation within a reasonable time, follow up to ensure the correspondence was received.

Be clear when the retainer is over

A final reporting letter detailing what you did and the advice you gave can be a great help if a claim occurs, which may arise long after you've forgotten the details of a particular file.