



## **VIEWING YOUR FIRM THROUGH THE EYES OF CORPORATE COUNSEL**

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I recently attended a seminar of the Delaware Valley Law Firm Marketing Group. I am rarely disappointed when I attend this group's seminars, and this was no exception. The speaker was Marcie L. Borgal Shunk, principal of The BTI Consulting Group ([www.bticonsulting.com](http://www.bticonsulting.com)). Her session was entitled "A Predator's Paradise." Marcie engaged the audience with an examination of the unprecedented level of competition among law firms for prized corporate clients, the corporate counsel's strategic advantage in the buyer's market, and the opportunities which existed to improve one's market share of available work by understanding what corporate counsel's service and value expectations are.

For the past 20 years, BTI Consulting has delivered compelling, custom client surveys to firms with 6 to 600 partners. BTI also provides syndicated market research about client service, market direction and client satisfaction to more than 200 top law firms. BTI's work spans 13 different professions, helping clients learn best practices from world-class firms in virtually all professional services industries; not just law firms. So they know a lot about what constitutes superior service in the eyes of Corporate Counsel.

Although BTI is well known for their ability to help law firms extract meaningful feedback which often leads to smart strategic initiatives and market gains for the firms which hire them, they are not the only players in the arena. So this article is not about recommending BTI or any other specific service provider. Rather, it is about the process that they, and their competitors, employ to ferret out strategically valuable information. Let me express my appreciation, though, for the generosity of Marcie in sharing her PowerPoint slide on "17 Activities to Develop Superior Client Relationships" for the benefit of PBA members.

It all begins with a simple premise: ask the client what they want. Ask the client if they are getting what they want. Then ask again. And keep asking regularly. And act on the information the firm receives.

I have been a proponent of developing consistent client feedback mechanisms since before BTI was founded. Initially it was a highly frustrating endeavor. With an overabundance of hubris, most law firm partners flatly rejected the notion by

stating that they “knew” what clients wanted and how they felt about the service they were receiving. I still get that answer from partners of client firms or hot line callers, but gratefully, less frequently.

The honest truth, if you ask most law firm marketing consultants, is that those who are loath to ask are often just scared to actually know the answers. As one managing partner recently said, “Well, if we find out the client isn’t happy with something, then we might have to change things. What if we don’t want to?”

Certainly a valid concern. But, if you don’t ask, and the client is unhappy, you will lose the client eventually. That’s because your competitors are just waiting for an opportunity to show they can do better. And who knows, maybe the required change will be positive. Even if the change concerns lowering rates or providing alternative billing methodologies for the client, the long-term effect of the required quality initiatives which will enable the firm to deliver higher value without incurring a loss will be a good thing for the firm. It will enable the firm to be more competitive.

When examining factors which determine which firms stay and which go from corporate counsel’s stable of firms, BTI presented the top 17 activities needed to develop superior client relationships, all from the perspective of corporate counsel. Many of the activities are of high importance in terms of differentiating the firm from its competitors. That differentiation is important to keep one’s seat at the table secure. A few factors are of significant influence in providing sufficient differentiation to impact the financial return on client work, meaning you can charge a premium rate if you’re able to provide expertise or service which other firms cannot. Some of the activities are non-differentiating, but are required just to get the foot in the door. Consider them like the initial ante in the poker game. And finally, some activities are also non-differentiating, but important in terms of getting a real chance to demonstrate what the firm can do.

Two activities are seen as relatively unimportant in terms of differentiation and influencing a hiring decision. Nonetheless, these activities must be clearly demonstrated just to get the foot in the door. They include the ability to demonstrate the use of innovative approaches in meeting client needs, as well as an ability to demonstrate a consistently proactive approach to anticipating client needs. Many of you are already thinking about how you take the time to copy court decisions or news articles and send them off to clients or prospects, letting them know that there will be implications for them which you’d like to discuss. Yes, you’re right on target.



Activities which are relatively important to corporate counsel, but still do not provide much differentiation because so many firms can demonstrate these service capabilities, include an ability to take ownership and resolve problems quickly as they arise, deal with unexpected changes with aplomb, keep the clients well informed, demonstrate finely honed legal skills, produce a “product” which is of high quality, and provide service to the client within budget and time constraints. Again, these activities and service qualities are required just to get a chance to show what you can do, and get a small piece of the available work. These are, as BTI categorizes them, the “price of admission.”

You may feel these activities are a “slam dunk,” but you would be mistaken. From experience I can tell you that clients consistently complain about the fact that most law firms have no concept about how important it is for corporate counsel to create a budget for legal work and stay within it. They describe the majority of firms as unconcerned with helping them hold the bottom line on the budget. Overruns are commonplace, and rarely even elicit an apology on the part of the partner handling the work.

If you ask the Disciplinary Board, or attorneys who defend attorneys in disciplinary proceedings or malpractice actions, you’ll find out that many lawyers fall into trouble simply due to failure to communicate with clients and keep them adequately informed. Probably the largest number of complaints arise out of failures to keep the client informed or be sufficiently responsive in communications.

Has your firm taken a hard look at the “product” which goes out? I can’t tell you how many times, when working with private clients, I come across work product which looks very unprofessional. Bad proofreading, ugly formatting, typos, misaddressed communications, sloppy bills, copy jobs which are of poor quality or where different size pages may have bottoms cut off . . . no matter how superior the legal work within, the quality is lacking in the client’s eyes. I can’t speak to the actual quality of the legal work, that’s for the client to decide. And decide they will. Remember, that they usually have multiple law firms working for them, so they will attempt to compare quality to the best of their ability.

Moving on to activities which are of high importance in terms of differentiating a firm from its competitors, BTI identifies five activities. Several of these are strategically advantageous for large firms, including being able to demonstrate a breadth of services, being able to bring together national resources, and having a regional or national reputation. This is where the concept of the “one stop shop” comes into play. Corporate counsel often prefer to work with firms which have the ability to handle just about all their needs. Exceptions are boutique firms



in areas of law which require a significant expertise. These firms will be able to demonstrate depth in a focused area, instead of breadth, and often offer a more affordable solution as well.

Reputation is an important factor for corporate counsel. The outcome of work assigned to outside law firms can have a significant impact on their employer, as well as on their own success or failure within their company. They want a sure bet most of the time. There is assurance in going with a brand name, in that a real brand creates an expectation of a certain level of quality, consistency, and/or performance. If their future livelihood is riding on the success or failure of outside counsel, they want to make sure they select with the utmost care.

Another important activity is a firm's demonstrated ability to advise on business issues. If you've ever attended one of my marketing seminars, you've heard me explain that today's corporate counsel isn't satisfied with hiring a technician who handles transactions. They want an attorney and law firm who acts as their partner, who is vested in making them successful. They expect proactive thinking.

Equally important in importance is a continual flow of unprompted communication. What this means is that you must consistently demonstrate that you are proactively thinking about risks and opportunities for the client, and take the initiative to contact the client with strategic recommendations. There is a risk on your part in that you are spending time – investing time – for which you may not see an immediate economic reward.

At the highest level of importance, both in terms of getting the lion's share of work from corporate counsel, and in the ability to differentiate your firm sufficiently to garner superior financial rewards, is a clearly demonstrated understanding of the client's business, and the marketplace in which they operate. Without this understanding, you cannot sufficiently anticipate risks, opportunities, and help the client be more successful than they would otherwise be without your expert counsel.

Three more activities are identified at this highest level of importance and differentiation. They include a strongly demonstrated client focus, and a commitment to help the client. What better way to demonstrate client focus than to invest time, resources and energy into trying to determine exactly what the client wants, and whether you are delivering it? And then making course corrections based on feedback?



Strategic innovation may be required to demonstrate the commitment to help. Some of the more impressive initiatives I have come across include things like “loaning” attorneys to the client for extended periods, providing clients with no charge site visits on a regular basis to gain a better understanding of their operations, providing 24x7 access to case-related information, developing risk management protocols, developing alternative billing strategies to help hold their legal budget in check, and so forth.

Lastly, as I’ve said so many times, it comes down to providing value for the dollar. Not from your perspective, but from the client’s. It’s not about hours times hourly rate. It’s about value delivered, compared to cost. If the perceived value does not equal or exceed the cost, everything else previously discussed is of no consequence.

In the past decade, we have seen an increasing trend on the part of corporate counsel to downsize the number of outside firms they utilize, and consolidate their work with those who remain, on more favorable terms. They are taking advantage of a buyer’s market to raise the bar on defining superior service. The fallout isn’t over. The consolidation efforts will continue for many more years. And for every firm which gets eliminated from a corporate counsel’s preferred list, there will be potentially one more firm vying for your prized clients.

So, have you asked your top clients how you’re doing? Maybe this is a good time to do so!

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