This Month

- **Clients**
    - **Our really most valuable asset**
    - **Development and retention**
    - **Potential returns from the priority**
- **You cannot always rely on others to meet essentials – regulation and compliance being one. Responsibility cannot be overlooked – very risky**

A positive attitude cannot be ignored

Many law firms are facing the commercial challenges in the current and future environment.

Strategy plans and commercial operations, the right leaders with the right motivation, profitability, working capital, the best use of the right IT, security and regulation challenges, Pii at the right time and cost, image and social conscience, staff and client retention and development.

Back in July https://professionalchoiceconsultancy.com/articles/July2024.pdf I referred to a very valuable asset which is the Will Bank of the firm (updating Wills and selling LPAs) and the potential new business with half the adult population without a Will. We certainly talked about the benefits from enhanced client communication and targeted action.

Further research and experience from the sector tells me that every firm should have a strategy in place for finding and converting the right prospects, to developing existing clients for broader and repeat business. Every legal department needs a plan and utter commitment by all staff to achieving this and demonstrating the right profile as well as the highest performance doing the job. All clients are demanding much easier and effective communication with their lawyers (42% not at all impressed at the moment). Dissatisfied clients do pass on their feelings about firms to their friends and networks. They can also pass on positive news.

It doesn't however stop there – all staff from every department need to enhance their client communication and empathy whether it is answering the phone, walking past them in the corridor, seeing them in reception, getting the business development communication right, the firm's brand and image from a client benefit perspective to social conscience and community contribution – not only are clients impacted by this but also 65% of younger skilled people within the firm looking to leave.

Empathy is great "I am sure we can help", "let's talk a little bit more about the requirement", "providing a name" when answering the phone. Responding to communications as per SLAs within the firm – assuming they exist – making sure the prospect/client has an expectation that suits.

Across the firm it needs inclusion in strategy, operations, image, staff recruitment and development. In a job specification the profile of communication skills, intellectual skills and motivation needs much more emphasis – these are essential standards for recruitment and have a big impact on effort but also success. It is also a key subject for appraisals and reviews and subsequent staff development programmes after appraisal.

Heads of Legal departments need to be very clear on their related accountabilities – client retention, client development, on boarding performance as well as revenue, GP, cash and compliance.

As an interim measure there is also reference to the DISC personality profiling where we are aware of the personality profiles of some clients and our own staff members. D – Dominance Driver, I - Sociable Influencer, S - Amiable and Tactful, C- Compliance and Analytical. Before he is retrained and developed as part of the system is partner A the right person to be dealing with client B where they both have conflicting personalities.

Advocate Development

It is really useful for any business to make people aware of a potential client life cycle

- A suspect – where we have developed a marketing programme by business type and have selected our target population – who are they and what are we doing about it?
- A prospect – meets the profile and approaching us or we are approaching them – who are they, what is the profile and what is the action?
- A first-time client – either a conversion of an inbound enquiry or some proactive firm activity with direct or networking contact – who, when and why?
- A repeat client – who either updates his Will or buys the next house or you have sold other services too
- A majority client – this is a client who selects the firm as the supplier of choice – private and commercial
- A Loyal client – someone with a strong positive attitude towards the firm and is prepared to provide references
- An advocate – one who goes that much further by making references – private and commercial, family and friends, business networks

The firm needs to be aware by work-type which clients fall into each category and to have a plan to move them forward to the next stage and the right people in the firm allocated the challenge.

It is great to win new business but also great to develop clients that we already have – not only the cheapest route to enhance the market but positive referrals will impact on more new business.

Client Relationships into Business Context

- 50 – 70% of prospect consider reviews and referrals in selection
- 40% of live clients are not happy with communication from their firms and they tell their friends. Unhappy clients have a tendency to tell 20+ people who may share with 10 and then a further 5 etc. Happy people only tend to tell 5 – they could always be encouraged to advise more.
- Conversion of enquiries is key. A 100-person firm as a benchmark with reasonable image and marketing generates about 500 enquiries a month. Where handled not too well maybe a 20% conversion rate. When the right attitude, scripts, empathy and SLAs are in place then that figure for many is 65%. 20% means just 100 new files, 65% means 325 files – per month which at £500 per file equals nearly £2million of additional revenue and nearly £1.2million of additional gross profit over a 12-month period. Well worth a serious consideration by the firm and just think about expanding the work with the new found clients to reference and referrals.

Product Marketing Plan

There should be a product marketing plan in place for every legal department as well as the overall firm. Without out one of these before business development plans and commitments – things can be more costly and less effective. Low hanging fruit for the greatest return is essential – short, medium and long term.

- Products and services offered
- Benefits for the potential and developing clients
- The targeted population
- The route to that market

Firm Brand and Image

This needs to be covered in detail. Potential clients are looking for skills, performance, communication and empathy. So, what is our planned branding and how are we going about it – web sites, networking and what makes us different to our competitors. It is not just about a pretty website

Some previous articles on the above topic

December2022.pdf (professionalchoiceconsultancy.com)

March2023.pdf (professionalchoiceconsultancy.com)

July2023.pdf (professionalchoiceconsultancy.com)

December23v2.pdf (professionalchoiceconsultancy.com)

You cannot always rely on others to meet essentials – regulation and compliance being one. Very Risky

Law Firms are now like many other commercial businesses facing challenges of generating new clients, enhancing income and gross profit through efficiencies, stimulating enough cash. We then have additional challenges brought on by enhanced regulation and compliance and the need for Professional Indemnity Insurance at a growing cost and compliance challenges, the essentials of IT security and availability.

Failure to do fully verified ID and AML checks by some fee earners – not checking the response and getting authorised by management has generated a number of SRA fines.

Lawyers and law firms need to take full personal responsibility for checking regulation and compliance. In August our attention was drawn to scenarios where estate agents who have law firms on their panel seem to be asking the firms not to double check on some of the compliance routines.

We cannot avoid the responsibility

Regulation and compliance are becoming such a significant challenge.

There are many ways of ensuring you are up to date and the MLS Regulatory and Compliance Conference is one of them. Full details can be found HERE. Or why not get your COLP/COFA/MLRO to attend the MLS's bimonthly COLP/COFA/MLRO Forums? To join email enquiries@manchesterlawsociety.org.uk

Bill Kirby is a director of www.professionalchoiceconsultancy.com offering advice to firms on business issue from strategy, planning, business development, the effective use of IT applications and IT hosting for compliance, business continuity and DR. He can be contacted at billkirby@professionalchoiceconsultancy.com and www.linkedin.com/in/bill-kirby-ab01632