

**APERIO**  
CSM

## CSM: Making feedback work for your business

Presented by  
David Willson &  
Nicola Slatter

Do you  
**really**  
know  
your  
clients?

Client Satisfaction Measurement  
for Professional Services Firms




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### Today's presentation


- What is CSM & why is it important?
  - Your perspective?
  - It's all about the dollars
- The CSM process: Tips & techniques
  - Top 6 mistakes law firms make
  - The Aperio approach
- Turning feedback into profit
  - Why do law firms struggle with CSM?
  - Walk through analysis
  - Making CSM change happen

Questions & Comments

Client Satisfaction Measurement for Professional Services Firms

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### What is CSM & why is it important?

- What do we mean by CSM?
  - **Satisfaction = client perception of quality**
  - Client vs. customer
  - Tactical vs. strategic
  - Quantitative results = long-term value
  - From planning to policy and practice
- What does CSM mean to you?

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## What is CSM & why is it important?

- What the research says
  - **50%** of AU law firms **do not measure quality of service** delivery for client matters <sup>1</sup>.
  - **1/3** of AU law firms have **no structured client feedback process** <sup>1</sup>.
  - **8%** of firms in AU and UK currently **link client profitability & satisfaction** to partner remuneration <sup>1</sup>.
  - The average law firm **loses 15-20% of its clients** per year <sup>2</sup>.
  - **Retain 5% more (quality) clients** = increase profits by **25-85%** <sup>2</sup>.
  - **Only 6.2%** of clients say another law firm **'couldn't'** replace their primary law firms <sup>3</sup>.



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## What is CSM & why is it important?

- Why is CSM important?
  - **To your clients?**
    - Better service/relationship
    - Increased value
    - Expectation (halo effect)
  - **To you?**
    - A seat at the table
    - Quantifiable returns
  - **To your business?**
    - Happy clients = increased revenues & profitability

- Top 4 revenue-generating benefits of CSM
1. Client retention
  2. Increased client sales & profitability
  3. Client referrals
  4. Strategic business growth

Increased revenue = partner buy-in



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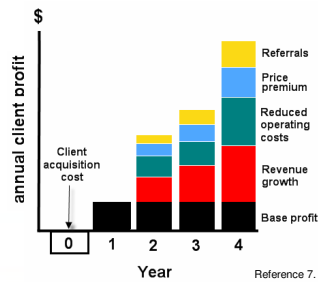
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## What is CSM & why is it important?

- Financial Benefit 1: Client retention
  - **Satisfaction = Loyalty**
  - Cost of new client = 5 x existing client (ACA)
  - 80/20 Rule
    - New work
      - 50% from existing clients
      - 30% from known contacts <sup>4</sup>.
  - **Lifetime value figure**



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## The CSM process: tips & techniques

- Top 6 mistakes firms make
  - An overview
  - The magic numbers
- The Aperio approach
  - What we do
  - Why we do it



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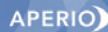
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## The Top 6 mistakes firms make

1. Asking the wrong questions
2. Asking the wrong people
3. Asking too few people
4. Ignoring relativities
5. Failure to provide feedback
6. Failure to take action



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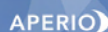
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## The Top 6 mistakes firms make

1. Asking the wrong questions
  - Level of detail
  - Are your clients involved in question development?
  - How long have you been using your question set?
  - **Survey design** <sup>1</sup>.
    - 15-20 max requirements
    - Length (50 max)
    - N/A option
2. Asking the wrong people
3. Asking too few people
4. Ignoring relativities
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- **Random sampling**
  - Does every client have an **equal chance** of being surveyed?
  - Are you seeking feedback **beyond close contacts**?
- Representative of client base
  - e.g. value segments
- Dbase quality erodes by 30% p.a.

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- Without statistical validity you risk inaccurate conclusions & ineffectual changes
- **200** = minimum recommended sample size
- **50** = minimum segment size (for drill-down)
- **>1 contact per firm** is often required/desirable
- **40% response rates**

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- Importance vs. **relative** importance
  - Wider range of responses
- You vs. your competition
- Satisfied vs. delighted
- **8/10** – work to be done
- **Internal comparison** leads to insight

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6. Failure to take action

- **To clients**
  - Thanks for participation
  - Reporting results
- **Advising of implementation of change**
- **To partners & management**
  - Pre & post survey (\$)
- **To staff**
  - Pre & post survey

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## The Top 6 mistakes firms make

1. Asking the wrong questions
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6. Failure to take action

- **Insufficient data** (1-4)
- **Poor quality data** (1-4)
- Limited **reporting options**
- Lack of **in-house analysis expertise**
- No partner or staff **buy-in** (5)

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## The CSM process: tips & techniques

**The magic numbers**

- 15-20 No of key client requirements
- 50 Max no. of survey questions
- 200 Minimum sample size
- 30-50 Minimum segment size
- 40% Approx 1<sup>st</sup> round response rate
- 8/10 Satisfied – no more, no less
- 9% Avg premium paid by satisfied clients

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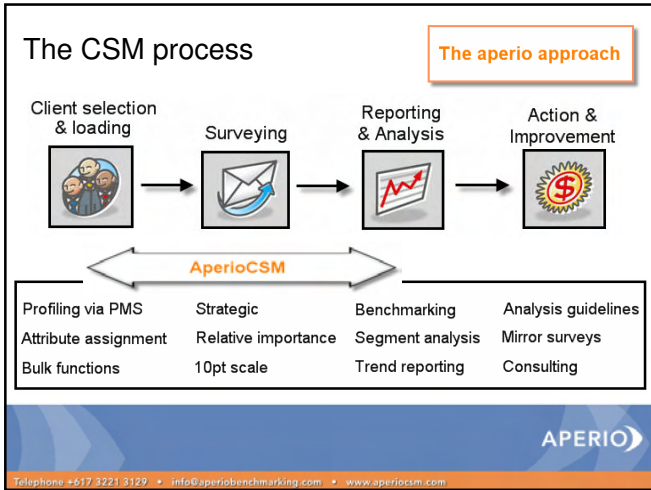
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### Turning feedback into profit

- Why do law firms struggle with CSM?
- Walk-through analysis –
  - what do you see?
  - what would you do?
- Making CSM change happen - Our 10 tips

Group Discussion

Client Satisfaction Measurement for Professional Services Firms

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### Why do law firms struggle with CSM?

- A one-sided approach?
 

<p style="text-align: center; font-weight: bold; color: orange;">Continuous surveys</p> <ul style="list-style-type: none"> <li>• <b>Event-driven</b> (e.g. open/close matter)</li> <li>• <b>Tactical</b>/operational in focus</li> <li>• Frequent</li> <li>• Not confidential (usually)</li> <li>• More volatile/extreme responses</li> <li>• Action <b>reactive</b></li> <li>• CRM</li> </ul>	<p style="text-align: center; font-weight: bold; color: orange;">Baseline surveys</p> <ul style="list-style-type: none"> <li>• Relationship/<b>overall satisfaction</b></li> <li>• <b>Strategic</b> in focus</li> <li>• Periodic</li> <li>• Confidential (usually)</li> <li>• More measured responses</li> <li>• Action <b>proactive</b></li> <li>• CSM</li> </ul>
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## Why do law firms struggle with CSM?

- Confusion over the meaning of gaps
  - **Service gap**
    - Importance vs. satisfaction
    - Benchmarking
  - **Perception gap**
    - Perception is **client reality**
    - Change client attitudes
    - Highlight and emphasise 'improvements'
  - **Understanding gap**
    - Role of **mirror survey**
    - Scores > client in key areas = complacency or training need
    - Scores < client in key areas = possible poor morale



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## Why do law firms struggle with CSM?

Because law firms are generally bad at making decisions, and even worse at implementing them.

...with the obvious exception, of course, of the firms represented here today.



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## Walk-through analysis

Example

The facts

The report

What stands out?

Your strategy options



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## Walk-through analysis

Example

### Firm strategy options

- Pull out of Biotech
- Or, listen to your clients & give them what they want

### Possible action options

- Speak to best performers – Biotech and general firm
- Source internal & external industry expertise
- Client focus groups
- Enhancements to CRM
- Educate staff & clients
- Acknowledge/reward junior staff
- Talk to Partners about how they manage work

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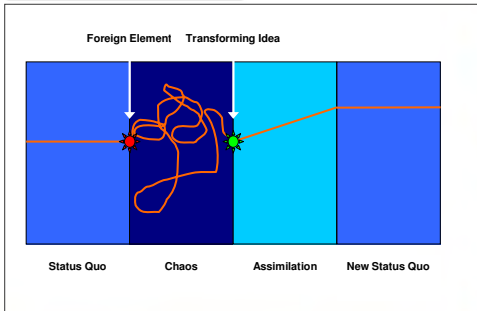
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## Turning feedback into profit

The Satir Change Model



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## Making CSM change happen

Aperio's Top 10 Tips

1. Know the business before you start
2. Be clear – know what needs changing & why
3. Have courage
4. Expect it to be hard  
Expect hold-ups & false starts
5. Take small bites
6. Get senior staff buy-in (talk business outcomes & \$ returns)
7. Get junior staff buy-in
8. Over-communicate
9. Welcome resistance
10. Always finish (and *be seen* to finish) what you start

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## Conclusion

- What is CSM & why is it important?

### Top 4 revenue-generating benefits of CSM

1. Client retention
2. Increased client sales & profitability
3. Client referrals
4. Strategic business growth

- The CSM process: Tips & techniques
  - Top 6 mistakes law firms make
  - The Aperio approach
- Turning feedback into profit
  - Why do law firms struggle with CSM?
  - Making CSM change happen



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Questions?



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## CONTACT US

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