You've got case and matter management systems that free up more resources, metrics that show the legal department operating at top efficiency, and regular satisfaction surveys that always look great, but something's missing.

# Metrics that Matter— Are Your "Satisfied" Clients Loyal Promoters or Passive Users?

BY RONALD F. POL

Your law firms also conduct regular satisfaction surveys. Like your own, these show high levels of client satisfaction, yet this doesn't gel with your experiences, nor with whole-of-market client surveys demonstrating that many organizations consider "any number" of firms could do most of their legal work as well as their lead law firm. Maybe the same problem affects your own, equally good, client satisfaction results.

So, what gives? If clients are "satisfied," why would so many be happy to get their legal advice elsewhere?

## Satisfaction Survey Problems

There's nothing wrong with wanting to measure the quality of customer relationships. It is vital for any leader keen to improve the team's position. The problem is that when you get vendors' latest prepackaged satisfaction survey, it almost invariably comes bundled with the usual problems.

**Too many surveys.** Clients carpet-bombed with surveys might be happier with a simple discount that represents the cost of all these surveys.

**Too many questions.** As survey size increases, fatigue sets in, response rates drop, sample bias climbs and, ironically, respondents become less satisfied with the survey itself, and the product it represents.

**The wrong clients respond.** Surveyors typically seek a "random" sample to ensure "statistical relevance." Yet typically 20 percent of a legal department's or law firm's clients generate up to 80 percent of interactions or revenue. With special arrangements and customer-care programs already in place, many of these clients often won't bother completing a survey, creating an immediate bias. These top clients typically also have different needs and priorities anyway, so the results of "statistically robust" surveys become less relevant.

**Feedback loop disconnect.** Surveyors rigorously ensure the anonymity of survey respondents. So now you know some client groups are dissatisfied, but you can't do anything about it. I once completed a law firm survey in which I gave a poor mark in a couple of important areas, and said yes when asked if I'd like the CEO to call me. He never did, nor was the issue resolved. It seems the lawyers and managers at the operational end of the business continue to do what they have always done, while the marketing team conducts surveys. The firm also never learned that the next million-dollar transaction went to a competitor.

**Survey results don't link to client behavior.** It seems there are few links between satisfaction survey scores and the sort of customer behavior that drives loyalty, profitability, and growth. This suggests that a new model would be useful.

## Measuring the Net Promoter® Score

The real problem with most satisfaction surveys is that they don't differentiate between "promoters" and "passives"—these two types of client may be "satisfied" with your services, yet their behaviors are fundamentally different.

When asked "How likely is it that you would recommend [us] to a friend or colleague?" researchers found that clients can be divided into three categories. "Promoters" are loyal enthusiasts who keep using an organization's products or services, and urge others to do likewise. "Passives" are satisfied but unenthusiastic customers, easily swayed by the competition, and "detractors" are unhappy customers trapped in a bad relationship.

A more effective technique involves asking fewer questions, with a "net promoter" focus. This takes the percentages of promoters and detractors to arrive at a Net Promoter® Score.[1] Having applied this to 18 law firms on the legal department side, initial results are staggering. The deadweight of "detractor" clients is a clear barrier to growth, and turning "passives" into "promoters" suggests real benefits.

This methodology provides a simple yet effective metric that allows management to track promoters and detractors. Producing a clearer picture of an organization's performance from the perspective of its customers also creates the ability to develop strategies that hold staff accountable for generating, and keeping, loyal clients.

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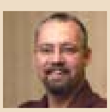
### Note

1. Concept developed by Bain/Reicheld. *See www.netpromoter.com.*



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