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Using proxies to differentiate and build confidence in your law firm

Choosing between law firms is difficult. For many clients, even those with in-depth knowledge of the profession, the decision to appoint a firm is laden with risks. These centre on three factors in the client's mind: that the service being procured is complex; its costs are potentially high; and the consequences of things going wrong may be very significant.

Research indicates that reducing risks and building trust between a firm and its clients are critical. It follows that the types of client relationship development activities which work well are those that directly address these concerns.

So powerful are these drivers that, in many purchase situations, the decision-maker opts for a 'safe' choice rather than taking a chance on a firm that has the potential to deliver a better outcome but carries a significantly higher personal or organisational risk of failure or embarrassment. It is the legal service industry's equivalent of 'nobody ever got fired for buying IBM'.

Good client developers understand this intuitively; by their everyday actions they incrementally address these concerns. They build strong bonds of trust with their clients and give assurances that they are in safe hands. They pitch their services at the level which meets client perceptions of their brand position, seeking to increase their penetration and stretch over time rather than attempting to secure work which the client believes is well beyond them (and therefore a risky and trust eroding choice).

Much of this perception shaping is achieved through the use of proxies aimed at convincing the client of a firm's capabilities and competency. Proxies provide a strong psychological indicator to a potential client of what type and level of service can be expected. They are not a guarantee of any outcome but are key to building client confidence. A proxy is any information or evidence which lowers the purchase decision risk in the mind of the client.

Gaining trust

Proxies are commonly used by firms to differentiate themselves. An obvious example is demonstrable experience that is directly relevant to a client's situation – crucial in a decision-making environment that is fraught with risk and uncertainty. This may be experience in a particular area of law as well as specialist industry knowledge. Since clients may assume technical competence, sector-based credentials can be a powerful persuader.

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Similarly, a reference or third-party testimonial is highly effective. When that source is in the same industry and has faced a very similar issue, such evidence is compelling. A trap that many lawyers fall into is a belief that 'the law is the law' and the sector in which it is applied is irrelevant. This is certainly not the view of the client. Clients believe that their industry is different from others, that issues are specific to it and that a lawyer who demonstrably understands their business and sector has a distinct advantage over one who does not.

"I don't care what you know until I know you care about me", is an old salesman's expression which carries much wisdom. Attitude and commitment send strong messages to clients. They can sense disinterest and aloofness; by the same token, the positive virtues of commitment and enthusiasm are tremendous confidence enhancers.

A strong proxy is the consistency with which the firm manages its client relationships. There are three aspects that

should be considered when developing a client relationship strategy: consistency of approach (which has a strong cultural dimension); service delivery (with a focus on consistency of system and process); and how the overall client experience management can be achieved.

Size or bench strength is often quoted by in-house counsel as a key factor in selection. A firm with good depth of resources, with the ability to mobilise large numbers of lawyers quickly when required, gives clients confidence to entrust them with high-risk matters. For niche firms, this may be reflected in a genuine depth of resource in a very specific area rather than across a wide range.

A further way of building client confidence is through the physical manifestations of the firm's brand. These range from the consistent application of house styles through to the built environment of offices, meeting rooms and other client touchpoints which shape client perception. Each should be actively managed to contribute to the overall impression sought. Cohesion across these areas underpins clients' confidence and trust in the firm.

Research shows high client retention levels are an excellent measure of service quality and a powerful proxy. The business benefits of a stable client base are significant in terms of recurring cashflow and the lifetime value of the relationship. Furthermore, clients with longevity are excellent sources of ongoing referrals. The psychological power of such third-party endorsement is huge.

All firms use proxies, whether consciously or not, in their efforts to differentiate themselves and to convince prospective clients that they are making a good choice. The best firms actively manage this process coherently and consistently in pursuit of their strategic goals. ■■

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