



STELLAR PERFORMANCE 2023

Client Feedback Programs: Value, Perception,
and Reality

7th Annual Survey | September 2023

CLIENT FEEDBACK PROGRAMS: VALUE, PERCEPTION, AND REALITY

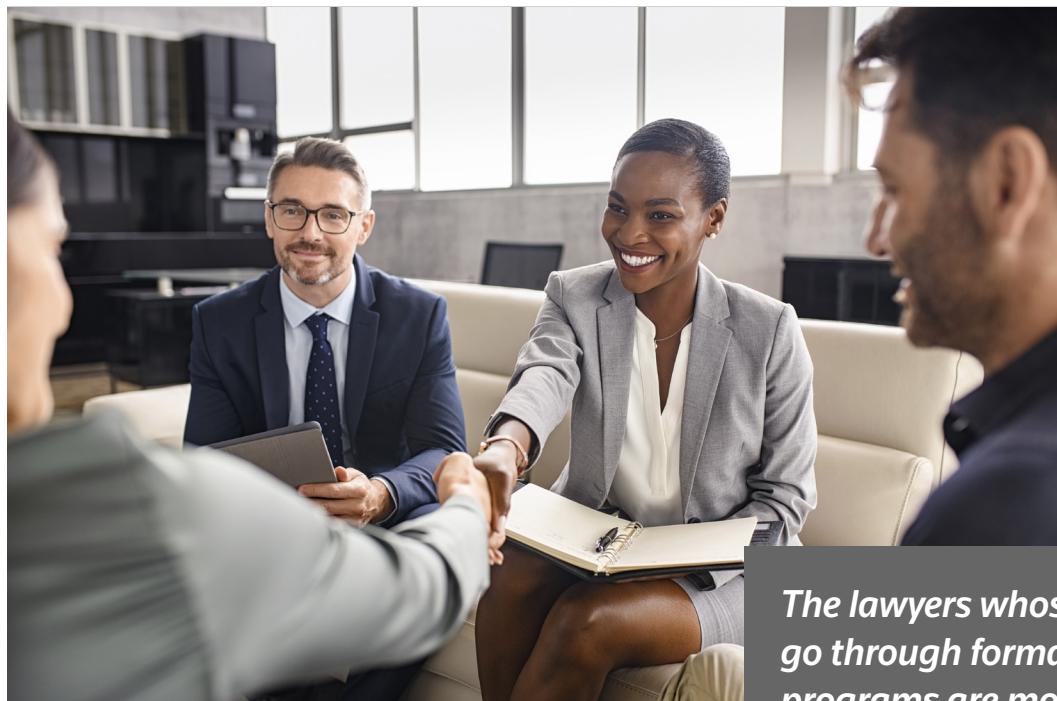
Gaining consistent feedback is key to improving almost any skill — and the practice of law is no exception. While partners and associates may often receive useful feedback from those more senior to them, including firm leadership, only feedback from clients can tell lawyers if they are truly succeeding in serving those clients well.

In this *Stellar Performance Research*, we look at the experiences that Thomson Reuters Stand-out lawyers have had with formal client feedback programs. In one sense, these lawyers have already received an extremely important form of feedback — they've been nominated as stand-out by their clients. Even these lawyers, however, have found that a formal client feedback program provides valuable information that they would otherwise not have been able to access.

Unfortunately, only about 27% of clients have been asked for feedback by their outside law firms with whom they work. Yet, there are important reasons to increase that number. First, we already know that clients who take part in formal feedback programs are more likely (a full nine-percentage points more) to recommend those firms and spend more than twice the portion of their budgets with those firms. Now we have also learned, through recent Stellar Performance research, that the lawyers whose clients go through formal feedback programs are more engaged themselves and more likely to be ambassadors for their firms. In addition, two-thirds of partners find these feedback programs highly valuable, rating them 9 or 10 on a 10-point scale for the ability to get honest, actionable feedback about the strengths and weaknesses of the firm, as well as for opportunities to win more work.

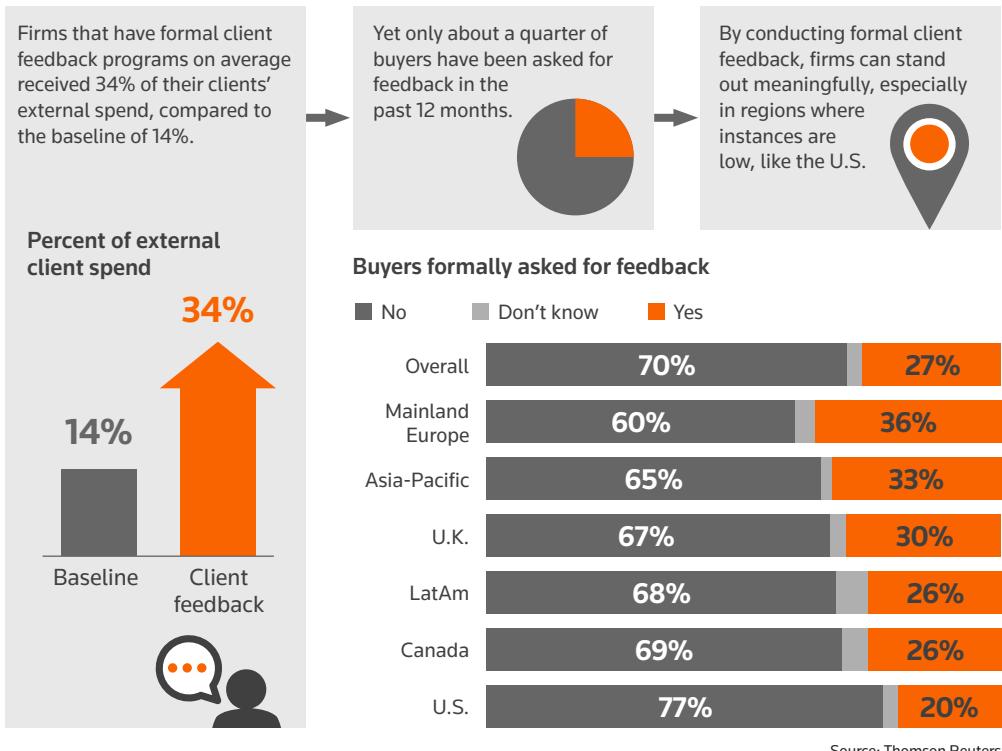
2,400

lawyers responded,
90% of whom
were partners



The lawyers whose clients go through formal feedback programs are more engaged themselves and more likely to be ambassadors for their firms.

Figure 1: **Formal client feedback programs increase share of spend, yet many firms don't use them**



This is further supported by the fact that clients who participate in feedback programs are more satisfied and give a greater share of their legal work — 34%, compared to a baseline of 14% — to those firms. And aggregated feedback gives firms better insight into how they're perceived in the market, helping inform the strategic direction of the firm.

CLIENT FEEDBACK PROGRAMS: THE OPPORTUNITY

Despite the clear benefits, only a minority of clients have been asked to provide feedback to the law firms with whom they work. Globally, only 27% of clients have been asked to participate in a client feedback program, and that level is lowest in the United States, at 20%, according to Sharplegal research, upon which Thomson Reuters' Market Insights platform is based.

In this Stellar Performance research, the lawyer's view is somewhat different, with half of lawyers reporting that their firm has a formal client feedback program. At firms which have a program, two-thirds of stand-out lawyers said they have had a client participate in the program within the last 12 months. The reason for the discrepancy between the client and lawyer view could perhaps be because firms only select specific clients to take part, or that stand-out lawyers are particularly likely to put forward their clients for inclusion in the program. This disconnect between the low number of clients being asked for feedback and the higher number of firms who have client feedback programs means these programs are not reaching enough clients.

Geographically speaking, however, the trends are similar. Lawyers in Australia and the United Kingdom are getting significantly more feedback through client feedback programs than most of their peers internationally, while lawyers in the Americas and Africa are getting remarkably little. In the U.S., for example, only 30% of lawyers said they have had their clients give feedback through a formal client feedback program. However, this sort of feedback seems to be the norm in Australia, where 71% of stand-out lawyers said their clients have participated.

Lawyers in the U.S., Africa, and Canada are most likely not to have used client feedback programs, even in cases in which those programs exist. In each of these regions, at least one-in-five stand-out lawyers said that their firms have client feedback programs, but that their clients have not been included.

Even so, satisfaction with client feedback programs is extremely high across the board, with the value of the feedback being rated at least an 8.6 on a 10-point scale by lawyers in each region. Additionally, more than 90% of lawyers said they are "highly" or "somewhat" interested in receiving more feedback. For the majority of U.S. law firms in particular, the implementation of a client feedback program has the potential to become a strong differentiator. With a relatively small amount of client feedback activity taking place, those firms that do run these programs have an opportunity to stand out positively among their competitors.

Lawyers in Australia and the United Kingdom are getting significantly more feedback through client feedback programs than most of their peers internationally.

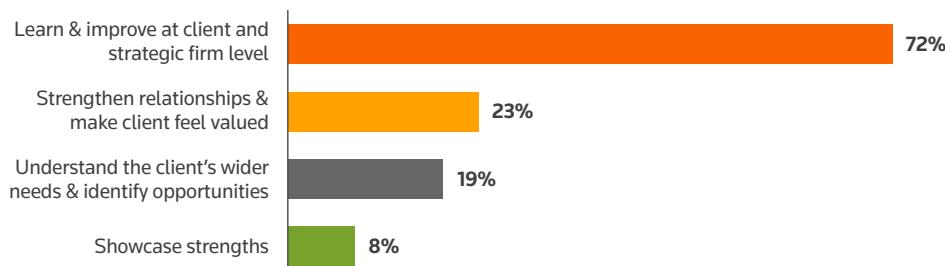
CLIENT FEEDBACK: THE LAWYER'S PERSPECTIVE

Stand-out lawyers are hungry for more feedback, whether or not their firms have formal programs and whether or not their clients have been asked to participate. Of those lawyers currently at firms with existing programs, more than two-thirds said they are highly interested in getting more client feedback. Of those without a formal feedback program, half said they are highly interested in getting more client feedback, and another 42% are "somewhat" interested.

Experience with such programs does seem to make lawyers clearly understand the value of such a process, leaving lawyers wanting even more feedback. Some two-thirds said the feedback they received was "highly valuable" — ranking it a 9 or 10 on a 10-point scale. Another 29% rated it "valuable" (7 or 8 out of 10).

That value plays out across a number of key dimensions.

Figure 2: **Value to lawyers of formal client feedback**



Source: Thomson Reuters

The most commonly cited benefit of formal client feedback programs is simple: they foster improvement both at the client and at the firm level. "In any service business you need to listen to your customers and adapt your services to meet their needs," says one U.S. equity partner.

"Without formal feedback, your only real feedback is whether you are hired on the next deal or not, and then it is too late to adapt to improve." Lawyers said the feedback they receive helps them better understand client needs, improve the client experience, improve their own and the firm's performance, and catch any issues early. These are all important, tangible benefits that can lead to stronger client relationships and result in a greater share of wallet.

Further, lawyers said that the feedback process itself also supports client relationships. That's the second-most cited benefit of a formal feedback program, and one that's hard to duplicate by other means as it fosters an atmosphere of partnership and collaboration. "Clients often say, 'I've never been asked or been given the opportunity to do this before' and are really positive about it," says one U.K. equity partner.

"Clients feel that they are listened to," says another.

Tangible benefits that can lead to stronger client relationships and result in a greater share of wallet.

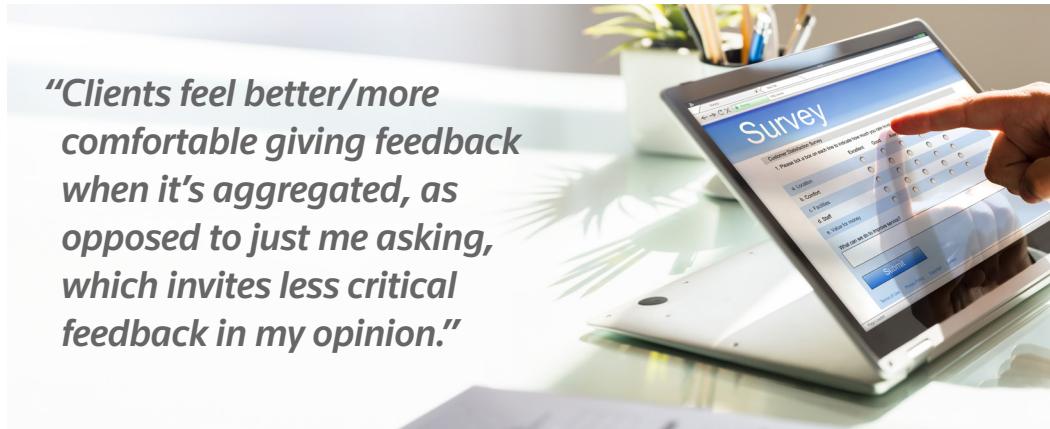
Of course, client feedback programs do provide an opportunity for lawyers to discover more business opportunities. Sometimes specific opportunities come up in the course of the review itself; but more commonly, lawyers said that the reviews enable a better understanding of client needs more generally, as well as insight into their businesses and their expectations.

We've already seen that stand-out lawyers who have not had clients participate in formal feedback programs are less likely to appreciate the benefits of such a program. It's also possible that those who already understand the value of such programs are more likely to be drawn to them, and to ask their clients to participate. However, the research also shows that the specific perceived benefits are very different for those lawyers who've actually experienced them.

Specifically, lawyers who have been through such a program cite the benefits of being able to receive honest and objective feedback at a much higher rate than those who have not. "Clients feel better/more comfortable giving feedback when it's aggregated, as opposed to just me asking, which invites less critical feedback in my opinion," says a U.S. non-equity partner. These lawyers also are more likely to understand that a client feedback program can help strengthen client relationships, and they are more likely to appreciate positive feedback on parts of the relationship that are going well, as well as the ability to gain insight into additional cross-selling capabilities.

Indeed, the positive perception of these programs may rebuff those mental barriers some lawyers may have with receiving feedback, and could go a long way to educating partners about broader benefits of a formal client feedback program.

"Clients feel better/more comfortable giving feedback when it's aggregated, as opposed to just me asking, which invites less critical feedback in my opinion."



BARRIERS TO FORMAL CLIENT FEEDBACK PROGRAMS

Given the advantages of client feedback programs, why aren't they more commonly used by law firms? The barriers to higher usage tend to fall into four categories: *i*) client receptiveness; *ii*) resource constraints; *iii*) program management; and *iv*) interview quality.

Let's look at each of these in turn.

Figure 3: **Partners need to see clients receptive to providing formal feedback**

Barriers to having more clients participate fall under four categories:

■ Client receptiveness ■ Resource constraints ■ Program management ■ Interview quality

Lawyer has had client(s) take part



Lawyer has not had client(s) take part



Source: Thomson Reuters

- **Client receptiveness** — From the lawyer's perspective, the main reason that client feedback programs aren't more common and more expansive is that the clients themselves aren't that interested. In our experience working with law firms, most clients are happy and eager to take part in a well-managed program in which the benefits are clearly articulated. To make it easy for clients to take part, programs could include flexibility in scheduling and the ability to use an online feedback form rather than requiring the client to carve out time for an in-person, in-depth interview (which of course may still be preferable for a firm's most important clients). Follow-up is also important: clients are more likely to want to take the time to give feedback if they believe firms will make changes as a result, and clients who have previously given their feedback to a firm that did not follow up afterwards is unlikely to take part again. In the end, any reluctance on the part of clients, and possible solutions to make the process more attractive, will only be revealed if clients are *actually asked* to participate.

- **Resource constraints** — Lawyers who have not had clients take part in formal feedback programs note that the firm's budget often limits the number of clients that can be included. And nearly one-quarter of lawyers said their clients have not been included due to eligibility criteria, suggesting that feedback programs could be more comprehensive

and inclusive. Again, online feedback forms can be used as a more cost- and time-efficient mechanism to collect feedback and expand feedback programs.

- **Program management** — Partners who have participated in feedback programs are more likely than others to say that the time required of them is a barrier, suggesting that programs need to have an emphasis on efficiency. Indeed, a program can be designed to require only a light lift from partners, around client communication and follow up, leaving the design, interviews and reporting to a dedicated team. It's also important that feedback doesn't just vanish into a black hole — partners need to know there is an established program for acting upon the feedback received. While relatively few law firms make client feedback and satisfaction an element in partner compensation, this sort of incentive may also push firms to collect client feedback more methodically and reap greater reward.
- **Interview quality** — Regardless of the tenor of the actual feedback, partners want to ensure that their clients have a positive experience with the feedback process. That means ensuring that appropriate questions that deliver genuine value are asked by a trained interviewer.



IMPLEMENTING AND IMPROVING AN EFFECTIVE CLIENT FEEDBACK PROGRAM

Lawyers whose clients have participated in formal feedback programs are quick to tout the benefits. And almost all lawyers, whether or not their firm has a program, said they would appreciate *more* feedback. How then, can firm leadership establish these programs and broaden their use?

If no formal client feedback program is in place, leadership's first step is to begin educating the partnership as to a program's benefits and to secure the appropriate investment.

If a program is in place, it needs to be used regularly and widely — and not just for the top fee-earning clients. The benefits need to be clear to clients as well as to lawyers, which means that firms need to develop messaging that clearly articulates the client benefits. And if partners are yet to be convinced of the value of the program, leadership should make sure partners understand the advantages, making it as easy as possible for them to participate. Reexamine the efficiency of program management and ask partners how the program could make the best use of their time.

In some cases, budgets and other resources may need to be expanded to include more clients in the program. In that case, it's also worth considering additional methodologies, such as online surveys, in order to supplement deep-dive interviews. Firms should also look at which methods may be most cost-effective.

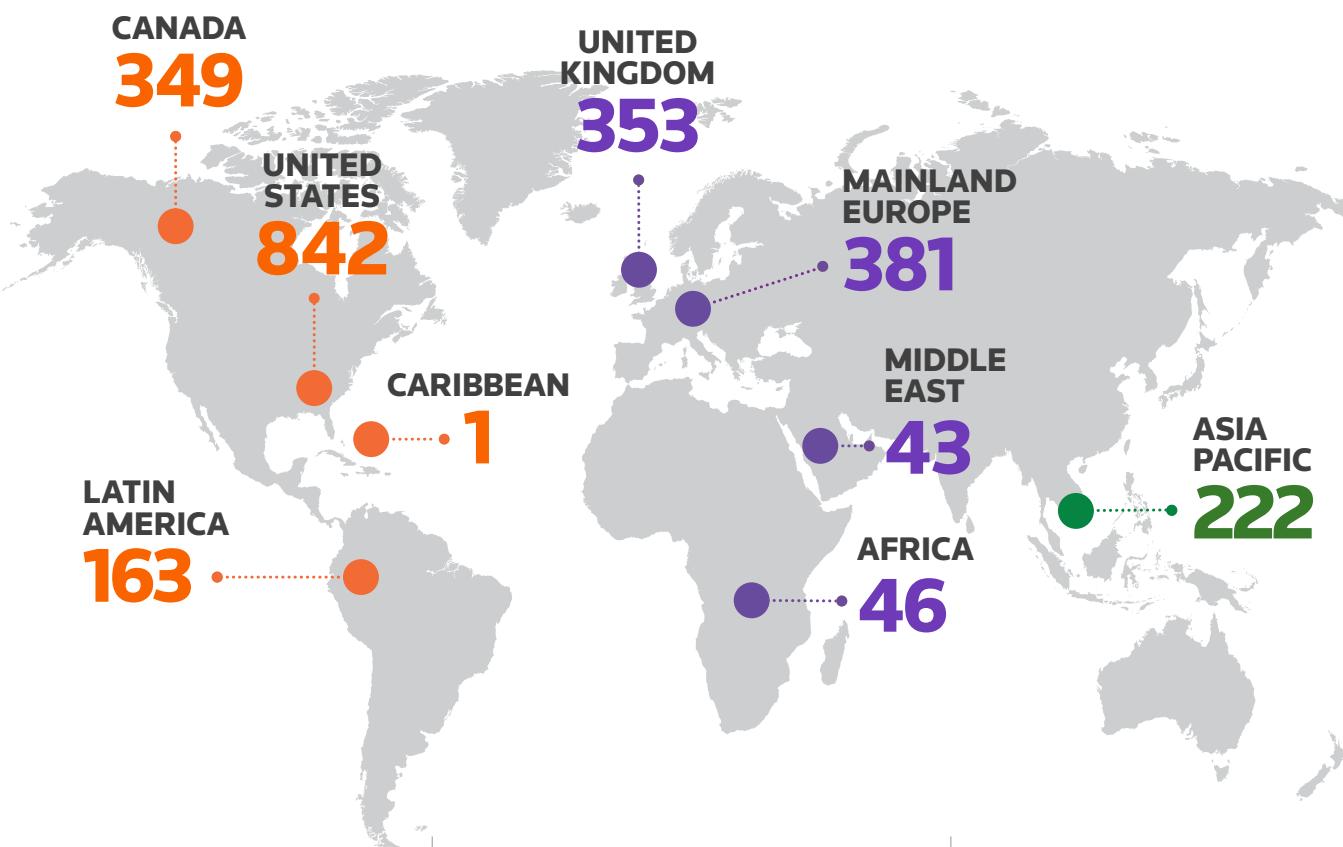
Both partners and clients will be more willing to take part if they can see that the firm is prepared to make changes as a result of the feedback received. There needs to be a process in place to consolidate the feedback, share it with partners, and show clients that their input has made a difference. Client feedback is an element of relatively few partner compensation programs, but previous Stellar Performance research has shown that most partners — understanding that client satisfaction is one of their goals — would welcome its addition.

Law firms should also remember that while client feedback programs offer lawyers many opportunities to learn about, improve, and expand their client services, not all feedback is either negative or positive. As one French non-equity partner put it: "Having confirmation of client satisfaction is a powerful motivator." That in itself may persuade at least some partners to get on board.

Almost all lawyers, whether or not their firm has a program, said they would appreciate more feedback.

METHODOLOGY

This report discusses the findings of a self-completed web survey, distributed to lawyers who were nominated as “stand-out” in our ongoing, random-sampled Sharplegal survey of law firm clients. This year, 2,400 lawyers responded, 90% of whom were law firm partners. We would like to thank every one of those exceptional lawyers for taking the time to support our study and share their perspective on what law firms need to be doing to enable them to work at their best and continue to deliver exceptional client service.



2,153
PARTNERS

OF WHICH

1,801
ARE EQUITY
PARTNERS

25%
ARE FEMALE

(2% prefer not to state)

73%
ARE MALE

12%

WOULD CONSIDER
THEMSELVES PART
OF AN ETHNIC
MINORITY GROUP

13%
ARE UNDER
40 YEARS OLD

11%
ARE OVER
60 YEARS OLD

2,400
STAND-OUT LAWYERS,
FROM OVER
60
COUNTRIES
RESPONDED

WANT TO ACCELERATE THE SUCCESS OF YOUR CLIENT FEEDBACK PROGRAM?

Law firm clients spend twice as much with firms that ask them for formal feedback than with those who don't, according to the latest insights from the Thomson Reuters Institute. A client feedback program designed and managed by Thomson Reuters is a proven way of increasing consideration for work.

As independent market research experts, Thomson Reuters Advisory team are renowned for uncovering valuable insights that will help you develop loyal and profitable relationships.

To learn more about how our Advisory team can help your firm make data-driven decisions that will help ensure successful firm growth, profitably and exceeding client expectations, book a free consultation with:

- **Jen Dezso**
Jen.Dezso@thomsonreuters.com

Thomson Reuters Institute

The **Thomson Reuters Institute** engages professionals from the legal, corporate, tax & accounting, and government communities to host conversation and debate, analyze trends, and provide the insights and guidance needed to help shape the way forward in an evolving and increasingly complex environment.

Thomson Reuters

Thomson Reuters is a leading provider of business information services. Our products include highly specialized information-enabled software and tools for legal, tax, accounting and compliance professionals combined with the world's most global news service – Reuters. For more information on Thomson Reuters, visit tr.com and for the latest world news, reuters.com.