Creating a Service-Driven Culture: A Strategy for Consistently Meeting Clients' Needs and Building a Strong, Enduring Firm

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Many law firms have client-focused visions, mission statements and value systems that were established by their founders. But how do you ensure your firm lives up to those commitments, years – or even decades – later? Although all firms are unique, one of the most powerful ways to accomplish this goal is to proactively foster and sustain a culture that focuses on service. Firms that adopt this strategy invariably build strong, enduring organizations. In addition, being known for having a service-driven culture can be a tremendous selling point to both clients and lateral recruits.

While this approach may seem obvious, many law firms have not actively worked to create a culture of service, instead focusing on issues such as growth, profits-per-partner and associate salaries as indicators of their standing in the legal world. But times certainly have changed. Clients are looking differently at – and expecting more from – the firms that are fortunate enough to work with them. Today, law firms must place the highest priority on optimally serving clients, rather than focusing inwardly on outdated metrics of success. This strategy can be the key to a successful future.

First, it is important to understand what the term "culture" really means. In simple terms, culture is a collection of shared beliefs, attitudes, practices and customs that make a business organization unique. These are the principles that guide everyday work, as well as relationships with clients and colleagues.

Cultures that are based on delivering extraordinary service provide a strong foundation that can ultimately lead to success for your clients, and, therefore, your firm. There are three key areas to consider when shaping a service-driven culture: 1) meeting and exceeding clients' needs at all times; 2) creating an internal environment that fosters and rewards service excellence; and 3) fulfilling a commitment to the greater community through social responsibility.

Be Passionately Client-Centric

Certainly your firm's accomplishments are not based purely on your attorneys' business knowledge, legal acumen or courtroom performances. Rather, it is the success of your clients that ultimately drives your firm's success, and firms often lose sight of this fact. That is why establishing a service-focused culture is important.
As service providers, your foremost goal should be to offer solutions that help clients solve problems, create opportunities and ultimately grow their businesses. To do this, you must engage in a relentless pursuit of your clients' objectives, equipping them with the tools, strategies and tactics that will help them prosper.

There are a number of ways to be a more client-centric firm:

*Insist that your attorneys become deeply vested in each client's business*

Each attorney should make an ongoing effort to truly understand the client's company and industry, even if doing so requires time after hours and/or off the clock. Firm management must also give attorneys the flexibility to meet this expectation. For example, anyone billing 50 hours a week consistently will simply not be able to devote the time necessary to develop this deep base of knowledge.

*Be a trusted business advisor*

Clients – especially small to midsize companies – often do not have other advisors to turn to for counsel on business issues such as banking, insurance, succession planning, competitive threats, or economic concerns. Providing advice or making referrals in these areas can add tremendous value to your client relationships. Every attorney in your firm should consistently work to fill the role of trusted advisor with every client they serve.

*Be responsive*

In recent qualitative client research, we found that responsiveness is one of the most important traits of a well-regarded law firm. This is especially critical in today's economic environment, where service is at a premium, client needs can be urgent and patience for mediocrity is at an all-time low.

*Be nimble*

The business and legal worlds have undergone tremendous change in recent months and years. Ultimately, those who are the most nimble have emerged as the winners. For some attorneys, this has meant having the freedom to reinvent themselves to meet their clients' present-day needs.

*Redouble your commitment to efficient staffing*

Firms must deliver the best representation possible and control costs. These are never mutually exclusive. We all know that clients do not want a partner working on a matter that one talented associate could handle at a fraction of the cost. But clients also do not want young, inexperienced associates billing time to their matters when the client's needs exceed the associates' capabilities. These days, billing rates for associates and junior partners are often uncomfortably close, in part due to inflated associate salaries which clients are then expected to help defray. Client concerns about costs run deep, so properly deploying associates can be a key to delivering overall satisfaction.
Think twice about fee increases

Many firms did not raise fees in 2009, but that trend is likely to change soon. Altman Weil's 2010 Billing Rates "Flash" Survey found that U.S. law firms project an average rate increase of 3.2 percent in 2010. Larger firms with over 1000 lawyers anticipate a slightly higher average increase, of 4 percent. According to one attorney quoted anonymously in the Altman Weil study, "We don't even try to raise rates every year. The greedy SOBs that do have antagonized the entire industry to those of us who only seek to raise rates when economically necessary, and profits-per-partner isn't economic necessity." So if you are considering a rate increase, be sure to look outside of the firm to understand how your clients are faring.

Have real conversations about alternative fee arrangements

Clients want to talk about new approaches to billing – including flat rates and other creative alternatives. As another anonymous respondent put it in the Altman Weil survey, "The future appears to be creating and implementing alternative pricing arrangements which are increasingly demanded by clients.... [They] also separate those who implement them from competitors."

Articulate and Nurture a Service-Based Culture

Ensuring that your internal culture embodies a unified commitment to service begins with a concerted effort to articulate what your culture actually is. Most law firms think of culture as an intangible concept that is difficult to define and, therefore, do not make a practice of articulating it. But firm culture is the cornerstone upon which you create value for clients, attorneys, staff and the community. Therefore, the creation of a written culture statement can be a useful way to communicate and advance your firm's service-oriented goals and values.

For a law firm, the most important element of a culture statement centers on service. It should address the issues outlined in the section above. It should also be a living document that reflects the strong, client-focused work ethic of your attorneys, as well as their high ethical standards – all values that contribute to optimum client service.

In addition, the statement should describe the tenets that guide how your attorneys and staff treat each other, principles that ultimately deliver significant service-related benefits to your clients. For example, does your internal environment promote mutual respect, trust, fairness, selflessness and compassion? If attorneys or staff members feel they experience all of these principles on a daily basis, they are more likely to, in turn, exhibit that same set of values in their interaction with clients, prospects, potential recruits and other constituents. These ideals may sound "soft" to a managing partner concerned with daily operations and profitability but they are integral to the concept of service as a core value.

Depending on your firm's size and growth strategy, you might also consider stressing your commitment to independence in the culture statement. For example, many midsize law firms are not only holding their own during the recession, but they are enjoying a resurgence, both in hiring high-quality laterals and attracting new clients.
This development is also service related at its core. These firms are offering senior-level counsel at highly competitive rates, while avoiding client conflicts and rising rates that too often accompany merger scenarios. Without these distractions, attorneys at independent firms can more easily focus on client needs.

I know an attorney who recently moved his practice from an international megafirm with nearly 1,600 attorneys to a much smaller firm. When asked why he made the move, the attorney said he wanted to continue putting his clients first in an environment where he would be known and valued for what he brought to the table. "I wanted to make sure my clients' work was done in the most efficient way, and there are certain rate pressures that all large law firms have to deal with that weren't in the best interests of my client base," he said.

Yet another important element of a culture statement might be a description of how your firm values diversity. For example, you can express how diverse backgrounds, experiences and perspectives have a positive impact on your client relationships. Also, attorneys who bring real-world business knowledge – experience as an entrepreneur, for example – often deliver outstanding client service. Their level of empathy with clients – not to mention the practical application of their experiences outside the legal industry – makes for high-quality counsel.

Make Social Responsibility Part of Your DNA

The picture of a service-driven firm is not complete without a solid commitment to social responsibility. Among other benefits, a focus on community service and pro bono work helps to reinforce the kinds of attitudes and approaches you want your attorneys and staff to demonstrate towards clients. In fact, I would argue that it is often those who volunteer their time helping others who are likely to serve your clients best.

Our firm recently sent about 40 attorneys, staff and family members to join a contingent of more than 6,000 volunteers for the 17th annual Chicago Cares Serve-a-thon, the city's largest day of community service, benefitting nearly 40 Chicago public schools in inner-city neighborhoods. After a day of painting, building and gardening, the team felt energized and cohesive. "I enjoy my job, but I felt even better about working at the firm after this experience," one volunteer reported. "It gave me a new energy and appreciation for the people around me every day." Aside from the obvious morale-boosting benefits, such efforts clearly help to create a deeply ingrained service culture.

Here to Serve

There are many different ways to define a law firm's vision, mission and values. But if you hope to establish and sustain these all-important principles, what counts most is your firm's day-to-day attitudes and actions. A service-driven culture can help shape the individual and collective behaviors within your firm, and help direct your ongoing work for, and your long-term focus on, the most important element of your business – clients. In the end, articulating and preserving a strong, healthy, service-driven culture helps us all focus on why we are here, which is to serve.
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1 http://www.altmanweil.com/dir_docs/resource/e7983f94-efb6-47b4-9519-1236dd7db45_document.pdf
2 Id. at 12.
3 Id. at 11.