

## **Four Steps to Building Great Client Relationships**

**by Dustin A. Cole**

**President, Attorneys Master Class**

Many attorneys believe their next client relationship will be "the luck of the draw" so to speak. To some extent that's true. But it's absolutely possible to build a practice that is virtually free of problem clients and has strong cash flow - if you're willing to refine or redesign your client intake and communications processes.

There are four basic steps firms can take to dramatically increase the quality and consistency of their client relationships and help maintain good cash flow.

### **Step#1: Choose Your Clients Carefully**

If you have attorneys who believe that, on a slow week, the prospect of a little revenue from an "F" client is better than no revenue at all - they need to think again. "F" clients - the ones who their gut is already telling them will be trouble - usually end up costing them and the firm far more in time, overhead, stress, and aggravation than they will ever pay in fees. In fact, the unpaid fees are only part of the issue. Perhaps more important is the time they take, which attorneys could better use for client development or taking better care of "A" clients. "F" clients actually hold the attorney back from taking positive actions to build their practice, and create undue stress on both attorney and staff.

So, when an obvious "F" client is encountered, the attorney should just say "no." Better that they use their time for building their practice than to give it away to a client without scruples. And beware - not every "F" client is obvious. Attorneys should spend more time with every prospective client, asking questions and listening carefully to answers, attitudes, and implications, to identify potential "F" clients.

Let's make an important distinction between the pro bono client and the "F" client. Pro bono work is important, but the wise attorney chooses pro bono work up front rather than discovering halfway through a matter that they're working for free.

In fact, a good client selection process starts before the attorney ever meets with the prospective client. It starts with the initial call to the attorney's office. The attorney's assistant can ask some basic questions that disqualify some prospective clients from making an appointment at all. These might be questions like:

- "What is the matter concerning?" (Is it even in the attorney's practice area?)
- "Have you worked with more than one other attorney on this matter?" (Odds are that, if the caller has consulted with and fired more than one other attorney, either they or the matter spell trouble.)

## **Four Steps To Building Great Client Relationships**

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**Page 2**

- "M. Jones has an initial consultation fee of \$200. Will you be paying by credit card or check?" (Most of those who will balk at a nominal initial retainer will be "shoppers" looking for free advice, and not serious prospects.)
- "Who referred you to our office?" (The assistant should have a list of the attorney's referral sources, and make anyone referred by them a priority.)

### **Step #2: Define the Working Relationship and Set Client Expectations**

Attorneys often jump directly into case details as soon as the client has agreed to work with them. They're off and running, already immersing themselves in the familiar process of developing a case strategy. Unfortunately, they may well have left their client at the starting gate.

"Client communications" is one of the most frequent causes of bar grievances, with good reason. Clients are seldom told what the structure and standards are in terms of communication.

It's vitally important to remember that the vast majority of clients seldom use an attorney, and therefore have no idea how the relationship will work. To them their matter is by far the most important item on the attorney's agenda. Without such an understanding, they will form their own expectations about how the relationship should work. And invariably, it's very different from the attorney's modus operandi.

Therefore it's important that clients be provided with very specific information on how they and the attorney will work together at the very beginning of the relationship, before they form their own expectations. Rather than simply giving them an agreement to sign - or worse, to take home and sign (they'll never read it all) - they should be walked through a detailed and structured process. This includes:

- 1) A verbal guided tour through the agreement.
  - a) What will and will not be included in the representation.
  - b) Terms of the retainer agreement.
- 2) A financial discussion.
  - a) What fees will be charged for what type of work.
  - b) Details on how fees are charged.
    - i) Hourly and partial-hour rates.
    - ii) How phone calls are charged.
    - iii) How e-mails are charged.
    - iv) Types of charges which may appear without client involvement: Research, depositions, strategy meetings, meetings with other lawyers, travel if necessary, copying and materials, other costs, direct and indirect.

## Four Steps To Building Great Client Relationships

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President, Attorneys Master Class

Page 3

- c) How the retainer works.
- d) How billings will be handled.
  - i) How soon after being recorded will hours be billed?
  - ii) Who to call for questions on their bill.
- e) What happens when payment is past due?
  - i) 10 days - first reminder call.
  - ii) 20 days - second reminder call.
  - iii) 30 days - work is suspended or motion to withdraw is sent.

3) How communications are best facilitated.

- a) Best times to call to speak with the attorney.
- b) Hours the attorney will normally not be available to speak with them.
- c) How and when calls will be returned.
- d) Who can help if the attorney is not available?
- e) What times of day and week office meetings are normally scheduled?
- f) What kinds of materials they'll be copied on.
- i) How they'll be informed of what to do with them: For their file, for their response or action.
- g) What to do when the call is an emergency.
- h) Times when it is important to call the attorney.

Of course, all of this should be provided in writing and tucked into a good-looking folder where they can collect everything the attorney's office sends them. The entire walkthrough can be accomplished in 15-30 minutes, and can be done by a paralegal or associate. This small amount of time upfront will reap considerable benefits:

- It will set the "context" of the working relationship and reduce client stress during the process.
- It will save the attorney and staff uncounted hours answering calls.
- It will reduce client frustration around having calls returned.
- It will encourage clients to speak to others in the office.
- It will clarify their financial obligations and the consequences of not meeting them.
- It will provide written "standards" which can be referred to when they express concerns over the working relationship.

### Step #3: Communicate, Communicate, Communicate

Two important principles in communication:

The first principle: every time you communicate with a client (or don't communicate) you are, at the gut level doing only one of two things: increasing trust or decreasing it.

One of the most common client complaints is "I don't know" (or don't understand) what's happening! So make sure that effective (not just "adequate," because who is to decide what's adequate? You or the client?) Here are some ways to do that.

## **Four Steps To Building Great Client Relationships**

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**President, Attorneys Master Class**

**Page 4**

First, make sure that every client gets some type of “update” communication, ideally a phone call, or at least an e-mail or note at least once a month even when nothing is happening. If that’s the case, tell them, and let them know when you expect something will happen. Silence breeds paranoia, and paranoia is a disease of a “D” client.

Next, make sure the client receives copies of all pertinent information. But don’t just send those copies help them understand what those copies are all about. Develop a series of pre-printed clip-on notes or even rubber stamps which say things like “FYI” and “file only,” “no action needed,” “Please read and review for our next meeting,” “Please read and sign where indicated” or “Please read and call to schedule a meeting.” When necessary, dictate a cover letter of explanation.

Communications aids such as this help clients feel less fearful, and keep them participating fully in their matter. A client who starts missing appointments, not paying bills, is signaling that they are fearful, suspicious or out of money.

Second principle: every communication contains two elements: information and service. A client can feel served by a phone call from a helpful team member when the attorney was not going to be able to get back to them timely, even when they didn’t get the information they desired.

So an unreturned call justly upsets a client, not only because they didn’t get the information they wanted, but because they felt ignored, unimportant, underserved.

So, return phone calls promptly according to the standards you laid out in your client education meeting. Delegate it to the appropriate team member as per the standards laid out in the meeting, and if you can’t return the call in the specified period, have a team member call with an apology and an offer to help.

How do you know if your communications efforts are effective and not simply adequate? ASK them. The best firms regularly have an outside person, or someone in the firm not on their legal team, check in with clients to find out how they are perceiving the attorney’s, the attorney’s team, and the entire firm’s efforts on their behalf. Sound far-fetched? Why? After all, it’s the client’s matter, the client’s money, and the client’s life. They’ve just put it all in our hands for safekeeping. We work for them.

Last, the bill. You already know it’s one of the most fear-inducing communications you can send them, so do everything you can to reduce the fear factor. Bill as quickly as possible after doing the work; never let more than 30 days go by, and provide detailed explanations of

## **Four Steps To Building Great Client Relationships**

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**Page 5**

billings. Ideally, you should keep a recorder handy, and instead of slapping a decimal into the computer, dictate the time and what it was spent on.

Instead of simply not billing for certain things, short calls, check-in calls, etc. include them in the bill, along with their cost, then deduct them as a courtesy discount. You already do a lot of things for free for your client. Let them know. We all like nothing better than something free.

From a client's point of view, effective communications makes the difference between the client's perception of working with the attorney, or having the attorney tell the client what to do. And for the attorney, it can make the difference between happy, paying clients, and unpaid bills, complaints, grievances or even malpractice suits.

### **Step #4: Live by Your Own Standards**

If the attorney sets standards for the client, they need to be prepared to live by them, or all of the foregoing was wasted time.

Don't take non-urgent phone calls during hours indicated as "not available" just because you have a moment. The client will decide you should always take them.

Train staff to direct calls to the paralegal or associate for assistance. Return calls promptly as per the standard given the client. Have others return calls you can't get to within the time standard. Copy the client with all promised materials, with instructions on what to do with it (read and file, read and respond, etc.)

Bill within the standard set, follow up on overdue billings per the standard, and take actions as indicated in the standard.

Many an "A" client slips to "D" or "E" or even "F" because of lack of enforcement of the standards that were explained to them. When they fail to pay bills and the attorney continues to work, they learn they don't have to pay. When the attorney takes a week to return their call, they come to believe their problem isn't important to the attorney. When they receive unidentified papers in the mail, they get worried and fearful.

The cumulative result is a good client who starts to act like a poor one. All because no one educated them on the process and the working relationship, and no one in the attorney's office is operating on a standard.

Sound like a lot of work? Then think about the time an attorney spends working for free unintentionally, and the stress caused by an unhappy client - or worse, the grievance filed by

## **Four Steps To Building Great Client Relationships**

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**Page 6**

one. Then, think about an office free of "F" clients and filled with less stressed and more satisfied clients (and staff).

Take steps now to build and implement a more structured client intake and communications system, for the sake of your clients - and your sanity.

*For more information go to [www.attorneysmasterclass.com](http://www.attorneysmasterclass.com) or contact Cole at (407) 830-9810 or via e-mail at [dustin@attorneysmasterclass.com](mailto:dustin@attorneysmasterclass.com).*