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Firms, GCs Starting to Talk the Talk

Frank discussions are viewed as one positive result of recession

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Of the Legal Staff

When Flaster Greenberg managing partner Peter Spigel brought in general counsel from six clients to talk to his Cherry Hill, N.J., firm about what it was doing right and where it was missing the mark, he didn't know what he was going to get. Or how the lawyers would react.

But to avoid such conversations because they invite complaints is to deny reality, Spigel says.

"If you don't have communication and they can't tell you what they like and dislike, then you're leaving them one choice and that's to leave," he says.

The concept of talking to clients certainly isn't a new one. Firms have employed internal and outside client interviewers and used other client relationship management tools for some time. But most general counsel and consultants say those firms are still in the minority and there isn't nearly enough of this type of dialogue going on.

The paradigm shift in the business of law coupled with the Association of Corporate Counsel's Value Challenge, however, is starting to generate some much-needed lip service.

"What was fascinating to hear on our part was one of our counsel



Peter Spigel

commented that we were the only law firm to ever ask him anything," Spigel says.

And aside from offering feedback to the attorneys, Spigel says the general counsel were asking questions of one another, making the panel more useful for them.

Lorraine Koc, general counsel of Deb Shoppes, was on the panel and says she commended the firm for taking the initiative.

"The idea of communicating with clients is something that virtually every business does except for law firms," Koc says. "Law firms typically have not taken the steps that even other professionals do."

Koc deals with insurance and other professionals regularly and is often asked to participate in focus groups or surveys. She says many other professionals have client relations built into their job functions rather than having one designated person at the firm to handle it.

And that's where she says she hopes the legal profession is headed because having regular meetings like the one at Flaster Greenberg is not conducive to a general counsel's schedule.

But Koc says there were two things at play that made the firm's panel discussion timely and needed. First, the legal world is still a profession and all of its members have a service component as part of their obligation to the profession. Second, as the industry is at a major point of change, there is an obligation to come together to work through that change. Hopefully, once everyone settles into the "new normal," the longer form meetings won't be necessary and client service will come more naturally, she says.

Reed Smith has held a client panel at every one of its firmwide meetings since at least 2000, Chief Marketing Officer David Egan says. The open forums are a way for the attorneys to ask questions of the clients and for the clients to offer insights into their business needs and concerns, he says.

The firm had a director of general counsel relations position until the beginning of this year. Now it focuses its client relations efforts in large part on surveying clients at the conclusion of large matters and surveying its largest clients regularly, he says. One of the biggest aspects of managing partner Gregory Jordan's

job is meeting with clients everywhere he goes to learn more about their businesses and get feedback on the firm's work, Egan says.

In the seven years Egan has been at Reed Smith, he says, he can't remember a time when the client discussions didn't include things like alternative fee arrangements. The current economic climate has just put more urgency around those topics, he says.

At Flaster Greenberg, the discussion focused around business practices like billing methods, communication, staffing matters, RFPs and fee arrangements. Both Koc and Spigel say that, even though some of the feedback seemed like common sense, it was helpful, particularly for the less-experienced attorneys, to hear directly from clients about what they prefer to see.

Spigel says holding a panel like the one Flaster Greenberg did also sends the message to clients that the firm isn't waiting for them to tell the firm what is or isn't working. And being reactive on these issues can definitely be risky.

Daniel DiLucchio Jr. of Altman Weil recounted a story of one general counsel whose company was going through a difficult time financially. The GC asked his best outside law firm how it might be able to help out the department and what creative arrangements the firm had with other clients. The firm got back to the GC with three pages of suggestions.

While that sounds like a positive step, DiLucchio says, the GC was furious that all these ideas were known to the firm yet he had to ask for them. DiLucchio says the GC took most of the work away from the firm.

The idea of soliciting feedback from clients isn't novel and often firms will

bring in a client or two to their annual retreat, he says. But the construct of Flaster Greenberg's program was unique, he says. The dialogue is sometimes there, but on the whole, very few firms have a true sense of what is going on with their clients, he says.

Altman Weil recently went into one firm to help practice leaders define their value proposition. DiLucchio says the attorneys were given a survey to fill out in advance to help drive the discussion and one of the questions asked how much the attorney's largest client was forced to cut its legal spending this year. He says not one of them knew the answer.

"So what does that tell you," DiLucchio says. "And that ... is reflective of where a lot of firms are. They don't have these discussions. I don't know what they are thinking."

Up until last year, Marti Candiello was Reed Smith's director of general counsel relations. Earlier this year she opened up Client Bridge, through which she goes out on behalf of law firms around the country to conduct detailed interviews with their clients.

For the 25 years that she was in-house at Rohm & Haas and Sunoco Chemicals, Candiello says, she focused on directing her outside counsel about the specific things she was looking for in their work so she didn't get more or less than she needed.

As a client interviewer, Candiello has always seen a focus by GCs on cost control, but now it is more vocal and there is a greater commitment to ensuring talk turns into action, she says. The clients firms knew well a month ago are often operating under different circumstances and are more willing to look around for a good bargain, she says. Soliciting feedback from these clients is a way to show firms are committed to

client service and are receptive to the clients' needs, she says.

Spigel says his firm has grappled for years over whether to have an official client relations program and how to do it. Now the firm intends to hold similar panels with other clients. The next group might be the entrepreneurial business owners, where Spigel says he would expect to get a very different type of feedback.

At the conclusion of a recent piece of litigation, two Flaster Greenberg attorneys were flown on the firm's dime to the West Coast to talk to the client about how it thought the case went and what could have been done better. The response was positive and Spigel says he would expect the firm to focus its client relationship management on more of the one-on-one meetings.

Spigel says reaching out to clients in a proactive way shows a firm cares about their opinions, isn't afraid to hear them and isn't going to wait for the clients to take the first step.