

Developing essential skills for effective Client Development: The need for and use of Coaching in the legal sector

Author: Seven Suphi

Editor: Elsa Booth

Version: 1

Date: November 2008

TABLE OF CONTENTS

Executive Summary.....	3
The Survey	3
Background Information.....	4
<i>The Coaching Market</i>	4
<i>The Legal Market</i>	5
The Survey Results	5
<i>The Client Perspective</i>	5
<i>What Partners Think</i>	6
<i>What L&D Professionals Think</i>	6
<i>What Coaching Professionals Think</i>	7
<i>How Legal Firms Currently Use Coaching To Improve Their Performance</i>	7
<i>Investment in Partner Development</i>	8
<i>Cost/Value of Coaching</i>	9
<i>Coaching/Mentoring</i>	9
<i>Suppliers of Coaching and Central Coaching Supplier System</i>	10
The Facts	10
<i>Definitions of Coaching, Mentoring and Training</i>	10
<i>Here's How We Can Help</i>	11
Conclusion	13
About LexisNexis.....	13
About Odyssey Solutions	13

Executive Summary

Effective client development has become essential to the success of all top commercial law firms, enabling them to stand out from their competitors in a saturated market that offers an abundance of exceptional legal expertise and talent.

Partners invest consistently and heavily in developing legal competency, yet, by comparison, investment in their own client development and communication skills is still in its infancy, often neglected due to a perceived lack of time and money. This is despite the fact that most clients believe that partners need to improve the way they deliver their advice, and that partners are themselves aware that improving these skills is critical. It is also set against the backdrop that smaller boutique firms are, according to clients of the top 25 law firms, now winning business because of their focus on better communication.

Coaching is an effective technique for quickly developing essential communication, leadership, management and other interpersonal skills. However within the legal profession it is often applied reactively - in a remedial or transitional phase - rather than proactively to significantly boost overall partner performance.

This paper discusses the findings of a survey on partner development within the top commercial law firms in the UK, and suggests new strategies to improve their performance in winning new business and keeping existing clients.

The Survey

The survey was conducted from May to July 2008 by LexisNexis and Odyssey Solutions among the clients of the top 25 firms and partners in those firms, as well as senior and highly respected learning and development personnel (L&D) and coaches actively involved with the top 25.

In analysing the survey results, more weight has been given to clients' views, followed by partners, L&D and coaches. All interviewees gave their views in confidence and any information attributed to named interviewees is with permission.

The interviewees were asked questions that examined:

- the most significant behavioural/character traits that positively and negatively affect partner performance;
- the perceived importance and benefits of improving specific softer skills to enhance partner performance;
- the resources currently invested in developing those skills (subjective scoring 0-10);
- how satisfied those who had received coaching were in the chosen services;
- any other direct or indirect benefits of coaching and their understanding of the difference between coaching, mentoring and training.

Views on the need for an independent central system providing credible and useful information on coaching techniques and suppliers were also sought, along with any additional views interviewees wished to contribute as to what would have a positive substantial impact on partner performance.

Objectivity was achieved by Seven Suphi - an expert in behavioural change with a professional services background and no prior legal market experience - designing and conducting the research. Quality was ensured through careful guidance by many LexisNexis employees, notably Josh Bottomley (Managing Director of LexisNexis UK); Rob Farquharson (Director of LexisNexis Connect and ex-lawyer) and Elsa Booth (Managing Editor of Legal Journals and Magazines and ex-lawyer).

It is important to note that the survey results are based on *opinions* from legal *experts* and so this paper is an objective summary of subjective views. Five individuals in each category were targeted (client, partner, L&D and coaches). As such, it is a snapshot view as opposed to an all encompassing overview of this area.

Background Information

The Coaching Market

The coaching market is unregulated and disparate, and understanding which techniques will provide the best results – in terms of time/cost/sustainability - is challenging even for experienced practitioners. The figure below is an essential step towards clarifying the people development market as a whole, of which pure coaching is a subset:

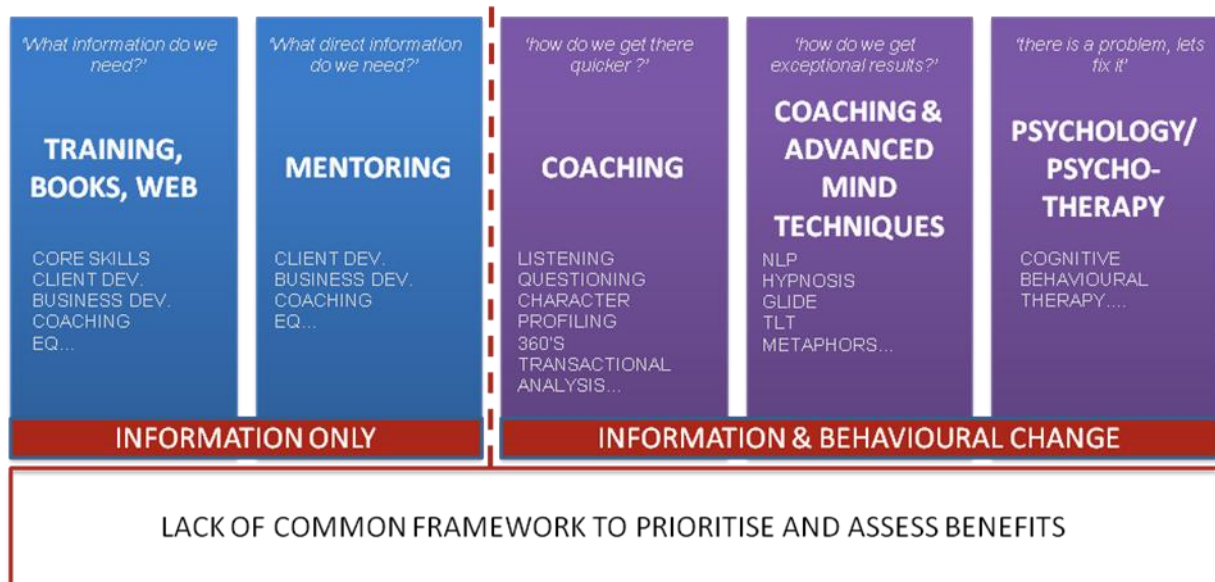


Figure 1: People Development Market

The Legal Market

There are definite signs that the legal market is starting to understand how to take advantage of the productivity gains that coaching can deliver despite a lack of significant implementation by many firms. CMS Cameron McKenna, for example, is offering coaching throughout the firm, from secretaries to partners, with the aim of developing a firm wide coaching culture.

Equally, having a senior legal professional heading learning and development is on the increase, as in the case of Julia Clarke, Global Learning and Development Partner at Clifford Chance, and Suzanne Fine, Global Head of Learning & Development and of Knowledge at Linklaters who previously worked as a barrister and solicitor.

The Survey Results

The Client Perspective

When we interviewed executives in client companies, their key observation was that while partners' strengths are centered on their technical abilities, their weakness is a reticence to step outside of their comfort zone and give commercial advice, combined with a failure to offer a comprehensive cross practice service.

Clients rate top partner strengths as: pure technical skills; experience; the ability to marshal large resources; and brand – the large corporate firms carry weight by virtue of their name alone.

The challenges clients said partners face are: the inability to visualise an issue in its commercial context; greater understanding of project management; differentiation- how to stand out and be selected; billing-focus on the hourly rate.

Clients said they specifically want partners to go beyond legal advice, communicating with them as trusted advisers and using their experience to advise in the context of the deal.

Paul Gibbon, Executive Director from UBS Leveraged Capital Markets said: 'Exceptional legal knowledge is a given - now I want advice from their experience. I need to understand the real risks I am taking so that I can make an informed decision'.

Furthermore clients suggested that lawyers should significantly improve cross-firm communication, with one commenting that working in 'silos' hampers the service provided.

'[They should] stop acting as a cottage industry and produce a joint service...look like they talk to colleagues, other partners, rather than us having to stitch a solution ourselves.'

On a scale of 0-10 where 0 is not at all and 10 is absolutely/totally, clients perceived partners softer skills levels to be in the range of 4 to 5.75. This is an average, with a minority of partners perceived to have an extremely high level of skill, while the majority were felt to have extremely poor skills.

Clients also said that they want to have partner time at critical points, especially when the other side has a partner present.

According to the clients surveyed, small boutique firms are currently winning business that was historically given to the top firms because of significantly improved communication skills.

Our survey uncovered three reasons why boutique firms are succeeding: understanding client needs and situation; effective cross selling; and giving business critical advice.

Being in tune with the individual business needs of clients is viewed as crucial. As Richard Tapp, Company Secretary from Carillion PLC stated in our survey: 'Top billing goes to those who are innovative, who are able to cross sell more effectively because they understand our needs and help appropriately.'

'Most partners from the top firms have a model of how to deal with a client but are not good at realising that different clients have different demands and want to be dealt with in different ways.'

Finally, clients felt that partners make no effort to talk about billing, commenting that they should at least explore the possibility of breaking away from hourly billing to a 'value based' system of payment.

What Partners Think

Partners rated their top strengths and the traits likely to positively impact upon their performance as: communication; being a people person; brain power (the ability to assimilate information quickly and make effective judgments) and 'commitment and determination to do what it takes'.

Against this they recognised the challenges of limited time, patience with clients, managing people better, and 'winning new business better' by spending more time with clients and understanding their business.

The specific skills perceived to be most important now and in the future were: client development skills; leadership skills; and communication skills. Surprisingly, the score for the level of resources currently invested in developing those skills was correspondingly extremely low. This gave rise to comments that a connection had not previously been made between certain 'priority' areas and the amount actually invested.

One of the most interesting pieces of information was that some partners, throughout their whole career, have *never* received any training on communication skills except in report writing.

What L&D Professionals Think

L&D feedback was largely in accordance with the feedback from partners themselves but in two instances L&D agreed with clients but not partners on areas for partner development.

L&D agreed that 'partner commitment' was a positive character trait, expressing it as a 'genuine desire for the firm to do well' and 'commitment to do what it takes to get the result'.

Where partners had acknowledged that areas to be improved included 'winning new business better', L&D Professionals concurred in saying: 'ability to think outside their silos'; 'cross selling'; 'developing relationships'; 'being an advisor'; 'moving away from *I know it all*' and 'getting away from *its my client*.'

Where partners said they should be 'managing people better', L&D said they should give 'good quality feedback in real time'; 'deal better with underperformance'; 'coach their people effectively' and 'listen – not jump in with a solution'.

There were two areas in which L&D opinion and partner self perception diverged, and it was in these areas that L&D's opinion echoed the views expressed by clients, above.

According to L&D, the challenge partners face is to have 'more commercial skills – specifically delivering in a more profitable way' and 'improving the way they negotiate and price – partners are reticent of having pricing conversations'.

When it comes to assessing the resources invested in developing softer skills, L&D also believed substantially more was being invested than partners did, in some cases by as much as double that of the partners. For example, when asked how much investment was being made in new business development skills now, partners gave the overall score of '3.6' while for L&D it was '7.8'.

One explanation for the extreme disparity is that it reflects the amount of effort being put in to the preparation of development opportunities by L&D, versus the amount of take up by partners. Alternatively, partners may have given figures in the context of the whole business. The reason is unclear yet the disparity is undeniable and substantial.

What Coaching Professionals Think

The coaches opinions were largely aligned with the L&D Professionals.

Interestingly, some coaches thought that partners' high IQ and role were also a challenge because 'they think they know everything and are closed to useful information'.

How Legal Firms Currently Use Coaching To Improve Their Performance

The diagram below is a subjective assessment from our survey of the type and volume of different techniques used in the legal market:

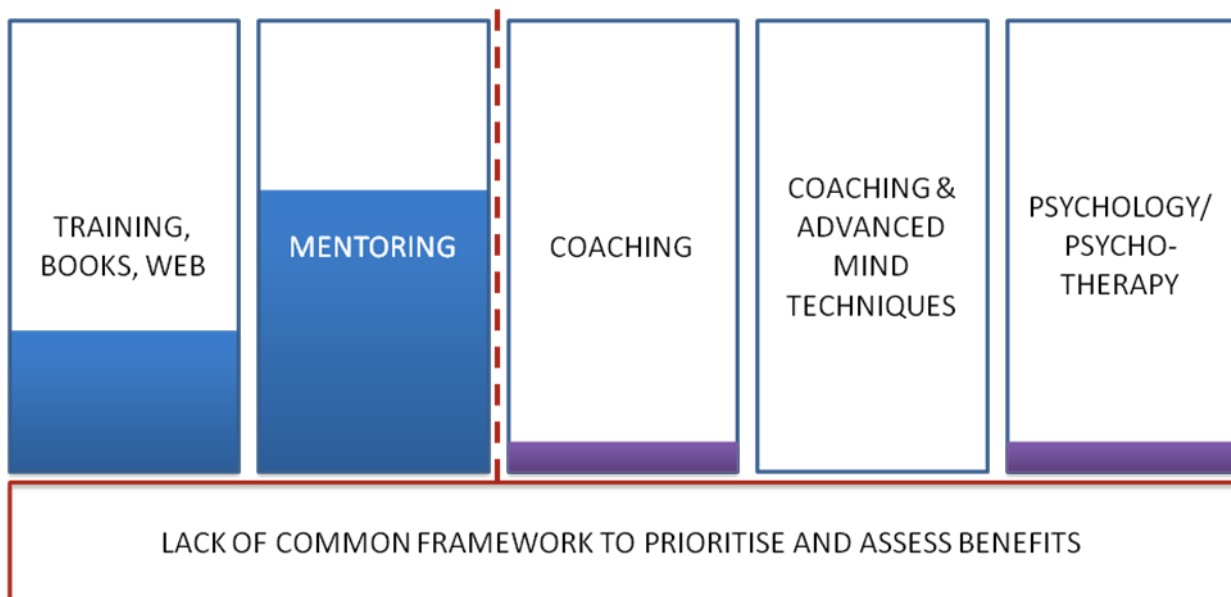


Figure 2: Partner Development in the Legal Market

Partners often mentor more junior partners in preparation for a bid, and occasionally may resort to coaching for this reason. However there is almost no resort to simple yet effective mind techniques including how to create an instant rapport with potential clients or see a situation from their viewpoint.

According to our snapshot view, most of the coaching available to partners is taken up by only a small percentage of new partners, even in firms where it is available to all. There appeared to be an underlying belief that one develops by progressing up the ranks to become partner, that by reaching that destination the journey for development has ended, and that thereafter it is just a journey of execution.

The feedback from partners who do embrace further development through coaching is very positive. According to Nigel Howorth, Partner from Clifford Chance, those that have taken up coaching have generally seen their ability to pitch and win new business increasing, even if they were already successful in that area.

In a further notable endorsement, those who do use coaching tend to re-use the services offered.

Yet while the trend towards coaching is on the increase, many firms have been unable to shake their view of it as a cost rather than an investment. Those firms are largely limited to the reactive – responding to a perceived need such as the transition to partnership – rather than proactively working towards rounded exceptional performances. Firms may be missing a financial return from investing in partners that already have ‘good’ soft skills to make them exceptional.

Investment in Partner Development

The legal market collectively spends most of the funds earmarked for partner development on training rather than coaching, with most coaching focussing on newly appointed partners.

There are signs that client development coaching is on the increase but it is most often being conducted reactively – for example when a client is unhappy or there is a dip in revenue generation – rather than providing skills that become part of every partner’s repertoire alongside his or her legal acumen. There is also evidence of some coaching for greater personal effectiveness taking place.

There are commonly far more courses available to those moving up the ranks than for established partners.

While partners realise that their worth is in offering more than pure technical skills, they do not value softer skills as highly as technical skills and do not invest as much time in their development, even where coaching is available.

Cost/Value of Coaching

This survey found that while there are sometimes central coaching budgets, largely firms do not account for the cost of coaching in a transparent manner. Sometimes it is mixed in with the training budget and, in one example, it was hidden in another budget.

However, some partners and L&D professionals have linked the benefits of coaching with greater performance on a number of levels, including increased billing, greater retention of staff, increased personal effectiveness, increased motivation and also reduced stress levels.

Indeed some firms, for example CMS Cameron McKenna, believe in the benefits of coaching so strongly that they are offering firm wide coaching with the aim of cultivating a coaching culture.

Coaching/Mentoring

The techniques used within current coaching courses predominantly conform to pure coaching (question and answer) and mentoring.

There is no evidence of advanced mind techniques, such as neuro-linguistic programming (NLP), TLT or hypnosis being used to boost partner performance.

The survey noted that there is an inconsistent understanding of the difference between coaching, mentoring and training, even by some L&D professionals/coaches.

Within the legal market ‘mentoring’ is used in two contexts. The first is an unofficial mentoring process to aid partner performance, although some firms formalise it. The second is ‘client development coaching’ combining mentoring, training and coaching in a 1:1 session.

There are some instances of ‘coaching’ being said to be provided, when what is actually being provided is a combination of mentoring and/or training.

Suppliers of Coaching and Central Coaching Supplier System

Firms are generally limiting their coaching suppliers to a restricted pool of contacts arising from word of mouth and the personal contacts of L&D and partners.

Some firms have set up a procurement process similar to the one they themselves may go through to be awarded a place on a client panel, although unlike most client panels, once a coaching company makes it onto the panel they are not usually subject to further review.

Having a panel of coaches offering different expertise is considered important by all firms. However, for some firms, having internal coaches is equally as important. Partners generally use external coaches.

One suggested solution to broaden the pool of coaches is an online independent resource containing coaching information and suppliers, and there were varying views to this among the groups surveyed.

Partners were largely in favour of this concept, seeing that it could bring possible cost savings as well as giving them more autonomy in choosing a coach – currently they only have L&D for information. One partner did suggest, however, that firms are likely to want to keep great coaches to themselves rather than share them.

L&D professionals were divided in their opinion, with some not seeing the need because they already have a solution. Others saw the benefit of an independent solution, with some even suggesting that partners could themselves be benchmarked against the market in terms of their emotional intelligence.

Coaches were, in the main, open to the idea.

The Facts

Definitions of Coaching, Mentoring and Training

Even though the legal market resorts purely to coaching, mentoring and training there is still a lack of clarity over the difference between them. It is important to understand the distinction as this enables more useful comparisons over their effectiveness.

Area and definition	How is it useful?
<p>Coaching is generally on a short term 1:1 basis and conducted because of a specific set objective. The coachee directs the pace of the session and the coach asks appropriate questions to assist the coachee to achieve the set objective. The coach only needs to be an expert in being a coach, emotional intelligence and one or more specific techniques (including standard questioning and listening skills, NLP, Transactional Analysis, TLT, Hypnosis, Clean Language).</p>	<p>Enhances performance quickly enabling clarity, behavioural change and increased emotional intelligence.</p>
<p>Mentoring is usually on a long term 1:1 basis where the Mentor uses his/her prior experience to guide/advise on an ongoing basis. The Mentor is an expert in the subject and may or may not use coaching techniques to assist with effective communication/impact.</p>	<p>Leveraging the experience of the Mentor who knows the challenges and the short cuts. The fact that it is personalised and given by someone who is respected means the content has a good chance of making an impact.</p>
<p>Training is generally on a 1:many basis where there is content to be learned and the trainer sets the pace of the session. The Trainer is an expert in the subject and coaching techniques may be used to assist with effective communication/impact.</p>	<p>Learning new information in a cost effective and yet timely way. Standard training does not change behaviour, it informs, and unless the information is used what is learnt is generally forgotten.</p>

Here's How We Can Help

The essential elements of effective client development are as simple in their intellectual concept as they are essential in increasing revenue, shown in Figure 3 below. Whilst these elements are well know within the legal sector, co-ordinated and effective execution of them is more difficult.

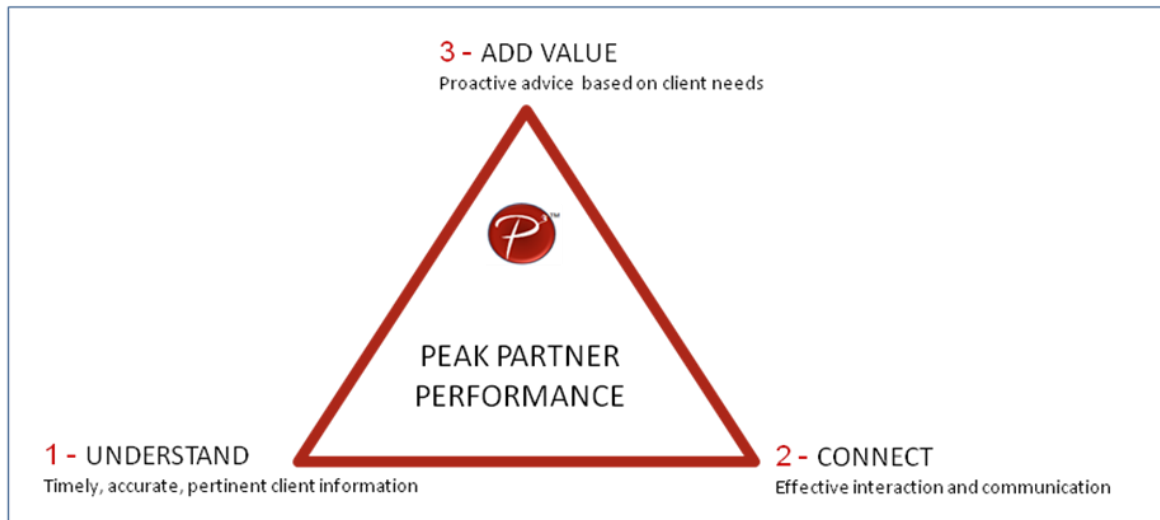


Figure 3: Effective Client Development

1 - Understand your clients and prospective clients as well as - if not better than - they know themselves:

- Research what they do as a business and how they source legal knowledge;
- assess their business needs/risks and any gaps that you might be able to fill;
- anticipate their needs;
- *understand* the characters of key people so that there is absolute clarity of how and when to contact them.

2 – Connect with your clients and prospective clients:

- Adapt your behaviour and interaction style/frequency as appropriate;
- be aware of character preferences and how best to adapt behaviour to effectively leverage the interaction.

3- Add Value by going beyond legal advice:

- proactively marry together gaps with solutions;
- differentiate yourself from the competition by providing advice from past experience, enabling clients and prospective clients to read the road ahead more effectively than they would otherwise.

LexisNexis are providers of market leading, timely, accurate and comprehensive information (Nexis) and of market leading client relationship management (CRM) software solutions (InterAction). Odyssey Solutions are innovators in behavioural change and excellence. Together they offer the base of the pyramid in figure 3 which when placed in conjunction with Partners, who are the legal experts with a wealth of experience to draw on, can start to deliver this co-ordinated and effective execution.

Conclusion

Despite partners' awareness of the growing need for better communication and client skills in order to compete in the current legal market, they are still neglecting to develop these skills. Firms that are being proactive are winning business as a result and therefore effective client development is now essential for firms to remain competitive and achieve their strategic goals.

LexisNexis has combined with Odyssey Solutions to draw on a market leading information service together with expertise in behavioural change and offer Peak Partner Performance, designed to catapult partner communication to the next level.

About LexisNexis

With a 200 year heritage, LexisNexis is the leading provider of authoritative information and proven business solutions, helping knowledge-driven professionals achieve excellence by driving business growth, improving productivity and actively managing risk.

About Odyssey Solutions

Odyssey Solutions are innovators in utilising advanced mind techniques to achieve quantifiable, sustainable, transformational behavioural change for individuals, teams and organisations.

LexisNexis

Name: Rob Farquharson
Email: robert.farquharson@lexisnexis.co.uk
Phone: +44 (0)20 7400 2565
Web: www.lexisnexis.co.uk

Odyssey Solutions

Name: Seven Suphi
Email: sevensuphi@odyssey-solutions.com
Phone: +44 (0)20 8468 7171
Web: www.odyssey-solutions.com