March 2019

Out in front: Transforming client relationships within modern professional services

A report from tml Partners from their recent roundtable debate with marketing & BD leaders in the professional services sector.

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Introduction

tml Partners recently hosted a roundtable session bringing together business development leaders from professional services firms, to discuss the interesting topic of client relationship management. We were joined by Greg Bott, Director of AG Consulting who shared his insights from his doctoral study into the evolving role of a Client Relationship Partner (CRP).

Our attendees included:

Greg Bott, Director of AG Consulting, Addleshaw Goddard
Paul Taylor, Director of BD, AlixPartners
Charlotte Green, Head of UK BD & Marketing, Bird & Bird
Rebecca Ryan, Head of Relationships, Charles Russell Speechlys
James Gow, UK BD & Sales Director, JLL
Francis Mainoo, Head of Sales, Kingston Smith
Joe Faulkner, Head of BD East Anglia, KPMG
Andy Peat, Global Director of BD, Pinsent Masons
Lee Curtis, Global Head of Clients & Sectors, Simmons & Simmons
Mike Beswick, Head of Clients, Taylor Wessing
Charlie Green, Partner, tml Partners
David Price, Head of Professional Services, tml Partners
Simon Bassett, Managing Director, tml Partners

Greg's research primarily focused on the factors that affect the ability of CRPs to secure the commitment of peers when developing key client relationships. To examine this he carried out in-depth interviews with 31 CRPs from 12 City law firms.

Off the back of Greg's research, there are four burning questions that professional services firms can address:

1. How can we secure more predictable, profitable revenue streams from fewer client relationships to drive longer term value?
2. How can we apply tools and process to analyse a client's needs so that we can answer the question – 'so how do you go about understanding me and my organisation'?
3. How can we learn and embed the skills of effective client relationship management across our business?
4. How do we engage and align all key stakeholders in a way that creates exceptional value for all?

The attendees joined in a lively debate which focused on what the challenges were for a partnership environment in managing 'good' client relationships and how they can transform the way in which firms approached the issue. A number of themes came out which are summarised in this report.

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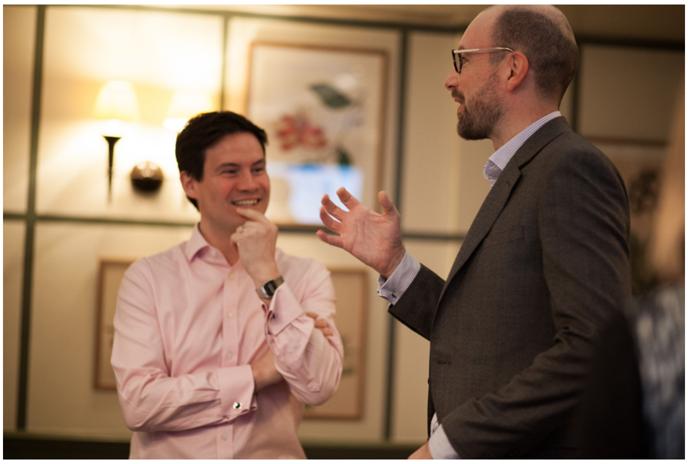
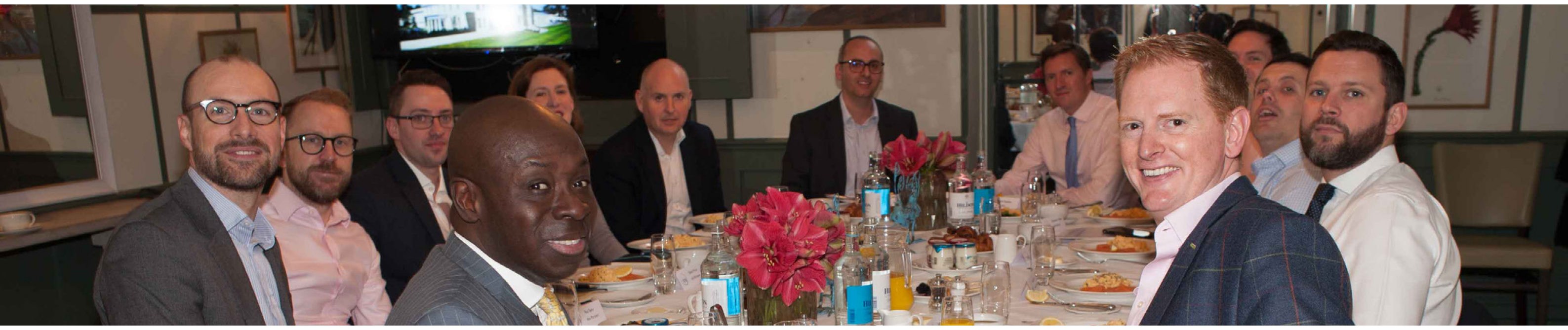
The right person for the job

How are CRPs appointed? Traditionally "relationship partners are on an account because they originated the work, but that doesn't make them the right person for the role" commented Andy Peat of Pinsent Masons. "Junior partners are really hungry, put them in the role and shake things up" continued Lee Curtis from Simmons & Simmons.



"Junior partners are really hungry, put them in the role and shake things up"

This is not the way in which most firms operate. There is a general fear of impinging on autonomy, something which senior partners hold in high regard and as a result CRPs are selected based on their billable hours rather than their ability to be successful within the role. Law firms need to "find the formula which cuts through the politics and gives accounts to people that can run with them" said Andy Peat.



Legitimacy

There is a perception within firms that to lead an account you need to appear 'legitimate' to internal parties, for example through client following or sector knowledge. However, the best CRPs sometimes don't do any billable work on the client. "There are plenty of partners with no billable hours but with hugely profitable relationships" James Gow of JLL commented. There needs to be a shift in priorities. Sales skills are central to the success of a firm but many firms aren't seeing them as a primary concern when thinking about the right person for a CRP role.

Is this "legitimacy with the partnership or with the client" asked James Gow? And this is where many firms are not getting their focus right. Client focus is the key here, and is what will lead to profitable relationships. The views of the partnership are not what should be taken into consideration when deciding who should lead an account – it's all about the client.

"Legitimacy with the partnership or with the client"

Furthermore, non-fee earners can make very successful CRPs, but if you're not a lawyer, the legitimacy problem becomes even more poignant. Again, the client is the focus and the clue is in the title, this is all about the client relationship and who is best to make that thrive.

Training

Firms aren't training CRPs in client relationship management or leadership skills, both are placed behind technical skills on the scale of importance. Of the partners that Greg interviewed, only one could talk about the training that they had received to successfully carry out their role as CRP, and this proactivity was mainly due to their character and interest in the dynamics of client relationships. "Personality is what makes it happen" was Charlotte Green of Bird & Bird's view as to why some people would embrace or actively seek out training.

There seems to be a disconnect within firms – business development managers say the training is available, but the CRPs don't seem to know about it.

"Other sectors use coaching for their senior personnel, and it can be a game changer" said Simon Bassett, Managing Director of tml Partners, but again the concern was that coaching, in the legal industry especially, is self-selecting, "those that are good leaders already will embrace coaching and make themselves even better" said Paul Taylor of Alix Partners.

"Coaching starting at partner level is too late"

It was widely agreed that there needed to be a culture change which saw training from the start of careers, "coaching starting at partner level is too late" highlighted Joe Faulkner from KPMG. If you start the process at trainee level, by the time those trainees reach partner level they will have instilled in them all the skills needed for great leadership and client relationship management.

Leadership

"Leadership is all about making difficult decisions" said Andy Peat, but the priorities of law firm leaders can be influenced, a good example might be those that have one eye on re-election. There is often a feeling of not wanting to rock the boat, so traditional structures are upheld. If law firm leaders don't start to affect change, they will fall behind their competitors that do.

"Leadership is all about making difficult decisions"

There was concern amongst the group that the partnership structure wasn't conducive to creating good leaders. From trainee level, the focus is on working your way up the system to partner. Once you make partner, the focus is on hitting targets and keeping associates busy. "There is no incentive to do anything other than your 'day job'" said Charlotte Green. "Firms need to instil an awareness of the business, its financials and its commercial goals, at trainee level" recommends Rebecca Ryan of CRS) then they will cultivate leaders who will drive the business forward, and in turn be able to shake up traditional structures so that, for example, the right individuals are looking after the firm's key clients.

Business development, finance and HR all have different goals, and are all too often fighting against each other on individual, short term priorities. There is not enough thought as to what needs to be done collectively for long term success. Greg highlights that the most successful senior leadership team he has seen was a team that drove a combined agenda, stayed intact with little turnover within the teams, and got on with one another, and that was a truly powerful team.

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Competencies of a CRP

Firms need to be better at identifying what makes a successful CRP. "Having a clear vision, doing what they say they're going to do, recognising the strengths of others and using others' ideas", these are the attributes needed highlighted by Greg Bott. Change management experience is another key competency going up the agenda for CRPs.

"Having a clear vision, doing what they say they're going to do, recognising the strengths of others and using others' ideas"

"The most affective CRPs are those that promote a good feeling about the client throughout the firm so that people want to work on that account" continued Greg Bott. This begged the question as to why GCs weren't

looking at this when bringing together panels, but it's likely they do have these concerns, but law firms aren't asking them.

Firms need to ask themselves, if that person isn't right, who is, and the answer needs to be based on leadership and development qualities, not billable hours and client following.

The voice of the client

It might be that the client dictates who their CRP is by selecting a firm that has the right person for them. Think about a thriving fintech business, for example – this is an agile, forward thinking and hugely profitable business that is run by a 20- or 30-something CEO. "They need a CRP to fit their business" said Lee Curtis. If firms aren't flexible enough to move a partner to the correct account, they will lose out on business. Hopefully the voice, or perhaps the profile, of the client is what will bring about change much faster.

The future

How will client relationships be transformed? It's about "institutionalising the client relationship" said Charlotte Green. "Get the whole firm wrapped around the client". This is a culture change in lots of ways, not only in terms of strategic focus, but also in terms of structure. This breaks down traditional processes but results in an integrated vision, which truly benefits the client, and therefore the firm. Charlie Green, Partner of tml Partners highlighted the need for the revenue structure to change in line with this more collaborative way of working. "There should be a focus on business development best practice and non-billables in remuneration packages, not simply chargeable time", otherwise CRPs are not incentivised to make any changes within their organisations.

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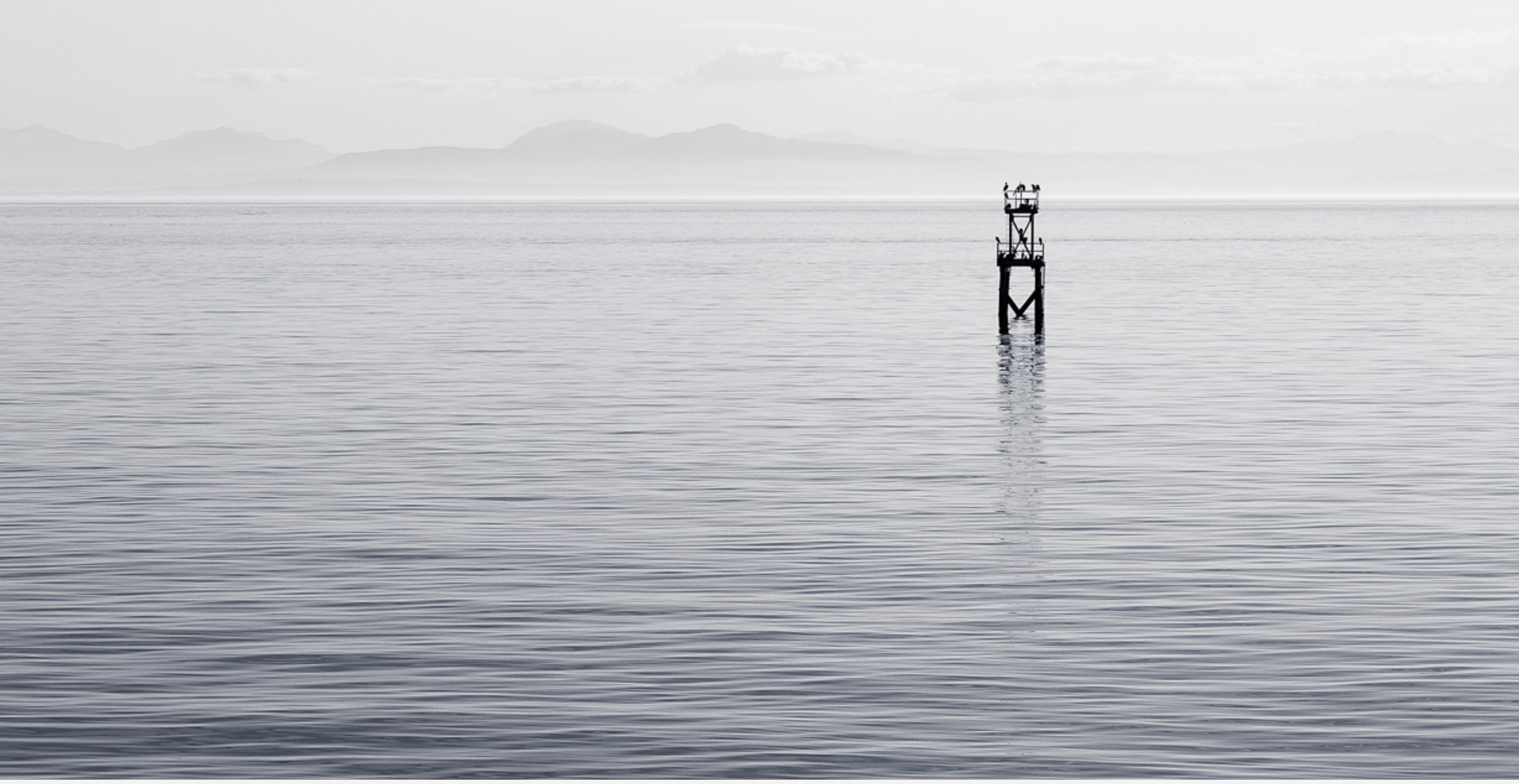

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Finding the right marketing talent is far from obvious and ineffective hiring is high risk. tml Partners mitigate this risk with a truly dynamic perspective on hiring the best marketing talent. We're trusted and connected networkers in the senior marketing community and spend a lot of time understanding the motivations and building meaningful relationships with the best, hard to find, passive talent.

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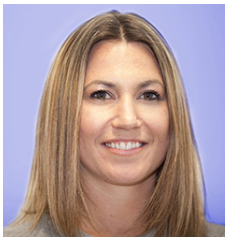

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