A Service Quality Program

By David Maister

This is a chapter from my book MANAGING THE PROFESSIONAL SERVICE FIRM (Free Press, 1993.)

The importance of client service is well understood by most professionals and most professional firms. Most, if not all, firms acknowledge the critical distinction between technical quality (how good is the work) and service quality (what kind of experience does the client have with the firm?). Similarly, virtually all firms acknowledge the importance of service quality in determining client satisfaction. They have preached it, internally and externally, for years. It is contained in most firms' mission statements and strategy documents.

Yet consistent, outstanding performance in this area is scarce. In a large-scale study I supervised for a major international professional service firm, corporate purchasers of a broad range of professional services (including audit, actuarial, consulting, legal and marketing communications services) were asked, among other things, to rate their experience with professional firms on two key dimensions.

First, we asked them to evaluate their satisfaction with the technical quality of the work done for them. Satisfaction levels were consistently high. Clients, it seems, do not have too much difficulty in finding technically competent people to help them.

We then asked about the clients' level of satisfaction with the way they were dealt with by the professionals involved during the course of the engagement, transaction, matter or deal. Satisfaction levels were low, and complaints numerous.

That this should not be surprising can be tested against your own experience as a purchaser of professional services. Think back to your own use of outside professionals (you've probably used one or more of the following professionals recently: a lawyer, a doctor, an accountant, an actuary, a consultant, interior designer, a public relations counselor). Ask yourself the following questions.

<u>Did the professionals you dealt with:</u>

• *Make it their business to understand what was special and unique about you and your company?*

• *Listen carefully to what you had to say and what you wanted, rather than substitute their own judgment for yours on what needed to be done and how it should be done?*

• *Give good explanations of what they were doing and why?*

• *Let you know in advance what they were going to do?*

• *Help you understand what was going on and help you reach your own conclusion, rather than tell you their conclusion?*

• *Keep you sufficiently informed on progress?*

• *Document their work activities well?*

• *Avoid confusing jargon?*

• *Make sure they were accessible and available when you needed them?*

• *Notify you promptly of changes in scope, and seek your approval?*

• *Keep their promises on deadlines?*

• *Involve you at major points in the engagement?*

• *Make you feel as if you were important to them?*

• *Show an interest in you beyond the specifics of their tasks?*

• *Make an attempt to be helpful to you beyond the specifics of their project?*

My own experiences (and those of the clients I have surveyed) suggest that it is extraordinarily rare to find a professional who is consistently good at these things, and even rarer to find a whole firm that can be relied upon to act in this fashion.

Few of us have trouble citing real examples, not caricatures, of adverse behaviors that we encounter routinely in about dealings with the *other* professionals we use. We have no problem reporting what we hate about having to deal with "those guys".

As it turns out, accountants, consultants, and public relations people complain about the same things when talking about lawyers or actuaries that lawyers and actuaries complain about when referring to accountants, consultants, and public relations people. What "we" hate about having to deal with "those guys" is a very good predictor of what our clients hate about having to deal with us.

What this reveals is that what clients seek from their professionals has nothing to do with "being nice to the client", "shmoozing", "stroking" or "handholding". Rather, what we are talking about is finding ways to make client assignments substantively *more valuable* to clients by changing the way professionals interact with their clients during the project. Client service is not a "frill": How a professional deals with us is an essential determinant of our judgment of value received.

Unfortunately, it has been my experience in discussing this topic with thousands of professionals that large numbers of them believe that client service is about "shmoozing", "stroking" and "handholding".

Many professionals appear to associate client service with activities such as having lunch, taking the client to cultural or sports events, and so on. With such a view, it is not surprising that client service is held in low esteem by many professionals, and results in a low-level of performance in this area.

The importance of good relationship management (in the sense intended here) is borne out by another question in the study referred to above, in which we asked corporate executives about referrals. Only 10 percent of all referrals were found to be cases where technical considerations or "results" were given as the reason for the referral. Fully 90 percent of all the reasons given for referrals were related to the relationship issues discussed above.

Most clients (us) say that if they (we) could find a provider who *reliably* behaved in the ways described above, we would

a) be more likely to return to that provider;

b) be more willing to refer that provider; and

c) be less fee-sensitive about that provider's services.

There is a paradox here. Service quality is widely acknowledged to be important, yet the typical firm does not perform well in this area. What is the explanation?

The answer is that few firms have any systematic *program* for ensuring and improving the experience the client has with the firm. In most firms, client service is a matter for speeches at annual meetings, and the occasional training program.

It cannot be stressed enough that achieving excellence in client service is not an "educational" issue (i.e. enlightening staff and training them). Almost all client service training programs, taken by themselves, fail to be implemented in the press of daily business. Most firm personnel, if asked, could easily describe most of the activities that would represent good service. We must ask why they don't already do these things.

Look again at the list of behaviors described above. Do any of those items take great skill to perform? Are any of them intellectually challenging? I think the answer is no.

But there are so many items! The bad news about achieving excellence in client service is that it is made up of hundreds of little, trivial actions, not a few grand gestures. It means rethinking every communication and interaction with clients, no matter how mundane. It takes an attention to detail, an *attitude* , that is essential if individuals are to find the self-discipline to handle all of their client-contact activities with empathy.

How to Make it Happen

What many firms have yet to learn is that the issue of improving client service is overwhelmingly a *managerial* one. They, and their professionals, know what good service is, but how do they make it *happen*? What does management have to do to provide the context within which firm personnel will actually execute and implement what they already know they should do?

Achieving excellence in client service is similar to people's desire to give up smoking and lose weight. They know and want the goal, they believe it is worth the effort, they know what to do - BUT - like all human beings, they are very bad at incurring short term discomfort to achieve a long term goal. They (we) are terrific at postponing diets. Do we feel guilty that we're not doing what we know we should? You betcha! Are we likely to change? Not unless we're forced to!

Helping people stick to a diet requires a well-thought-out program, a system. It doesn't work to preach the benefits: I already accept the goal. It doesn't work to just give me more tips: I already know what works. What I need is a program to help me find the discipline that I seem unable to find in myself.

Guilt, alone, I have learned, doesn't change people. But the right degree of embarrassment does. Tell me I have to show up at a weight clinic every week in front of the same people and have my weight announced to all and sundry, and I might find a little more self-discipline during the week.

If firms are to achieve excellence in client service quality, a *system* must be designed - an inescapable, mandatory diet. Not one that the firm leaves to each individual's best intentions. That's like saying "Make your New-Year's resolution and we'll get you on the scales on December 31. See you then!" That's not going to work.

What is required is a monitoring system that, like a diet, is often uncomfortable, will require disciplined changes in daily life-style, and that will *force* each practitioner to live up to goals they already agree to.

A full program to differentiate the firm through client service requires action on five fronts (in this order):

1. *Measurements*
2. *Management*
3. *Tips and Tools*
4. *Training*
5. *Rewards*

We shall discuss each element of the program in turn.

(1) Measures

As a way of measuring client satisfaction, many firms have, particularly in recent years, instituted various means of obtaining feedback from clients, including such approaches as engagement team debriefings, occasional managing partner visits, and so on. However, sensible as these are, I have learned that they are no substitute for a mailed questionnaire to each and every client at the end of every single client project.

A mailed questionnaire, when used as a supplement (not a substitute) for other means of obtaining feedback, has the virtue that it is *systematic*. Its importance is that it not only obtains the feedback but, more importantly, it introduces an *accountability* for client satisfaction into the firm's management systems. By measuring client satisfaction on *every* assignment, and doing so in a way that can be monitored, it *commits* the members of the firm to inescapable implementation of good service.

The test of a feedback system is thus not whether or not it *measures* successfully, but whether or not it induces changes in behavior. There is thus a contrast between feedback as a market research tool and feedback as a management tool. For the former, periodic, selective face to face methods are adequate. For the latter, a program of mandatory questionnaires is necessary.

Face-to-face feedback devices (engagement team debriefings, senior partner visits, third party market research, etc.) *may* generate better information and *may* be more welcomed by the client, but they do not provide a "conscience" mechanism that forces all firm members to feel personally accountable at all times for executing those actions that lead to client satisfaction.

Many partners, on meeting this system for the first time, say "If we ask about these things, don't we run the risk that we'll make the client aware of something he's unhappy with that he wouldn't have bothered about if we hadn't asked?" (This question comes up frequently.)

It should be reasonably clear that it is in the firm's interest for the client to surface concerns if he or she has them. Only if the client tells the firm where he or she is less than completely satisfied can we respond. Suppose the client has something minor he or she is unhappy about, and further suppose it's due to a misunderstanding. Are we ahead of the game or behind the game if we get him to tell the firm about it? Obviously, we're ahead!

The system must be designed to make it *easy* for the client to surface concerns - hence the virtues of a detailed specific questionnaire and also the virtue of the

mailed questionnaire. (Evidence shows overwhelmingly that more candid comments are made in mailed questionnaires than in face-to-face debriefings).

The act of asking can *never* hurt the firm - except if we fail to respond and deal with his concern. Thus the whole program turns on this issue: are we or are we not prepared to meet and be accountable for these standards? If we are, we should ask. If we are not, then clearly we should not even consider such a feedback system. It should also be noted that the act of asking can be a good service action in its own right, ("Hey, these guys care"), but the act of asking by itself does not necessarily produce higher client satisfaction - it merely creates a productive "let's wait and see" attitude in the clients' mind. What happens after the feedback is provided is the test of the system.

(2) Management's Role

Asking for client feedback and not having the procedures to deal systematically with the responses is obviously a disaster. Consequently, there should be no such thing as a stand-alone client feedback program. Either it is an integral part of a total quality program, or you shouldn't do it at all.

Since the point of the system is to create a conscience mechanism, how the responses are dealt with when they are returned is as critical as asking for the feedback. This should be obvious, but I've seen more than this one example of a poorly designed follow-through system.

The managing partner should examine each response and discuss the individual replies with the engagement partner (or engagement team). This is time consuming, but is there a higher-value use of a managing partner's time?

They agree on which of the following responses the client should receive:

(a) A letter saying thank you for your flattering comments

(b) A visit from the engagement partner to clarify areas where client is less than fully satisfied

(c) A visit from the managing partner

Obviously, each partner and member of the engagement team receives a copy of the responses.

More follow-up is needed to make the system work. The responses should be tabulated and, every six or twelve months, the managing partner should discuss the aggregate results with all the partners (and other staff), *explicitly* comparing group averages between different parts of the practice.

This is necessary because of the need to implement an accountability system which will have a high probability of creating changes in behavior. To create the "right" degree of embarrassment, it is necessary to discuss publicly how different practices are doing, how different offices are doing, how responses vary between different types of engagements.

One does <u>not</u> discuss the results for an individual partner in public - that's too much embarrassment - but group averages work fine. Individual partners must get "embarrassed" in *private*. Once the group averages are public, the head of the practice area visits the individual partner in his/her office and closes the door, saying "Only you and I know these figures, but here's how your personal aggregate scores (i.e. all clients you're

responsible for) compare to our group's average. How can we help?"

Administering the Questionnaire

Who should send out the questionnaire? My experience with these systems (over 40 firms worldwide with a variety of professions) suggests the following procedure. After the engagement partner has forewarned the client (in person) that it is coming, and explained why the firm is doing it, the questionnaire should be sent out over the firm name (with the firm or office managing partner's name attached), not the name of the individual engagement partner. The reason is that this signals to the client *the firm's* commitment to quality, in addition to the individual partner's.

For similar reasons, the return address should be to the firm - either the office or firm managing partner. Experience shows that this promotes candor, reinforces the firm's image and, perhaps most importantly, introduces a conscience mechanism into the loop, so that each client service team realizes that their performance in this area WILL be monitored.

Experience shows that response rates to questionnaires of this kind is very high (75% plus, plus). If a client does not respond, a letter asking again for the feedback, reminding the client of our commitment, is appropriate. If there is still no response, well that's the client's privilege.

Experience also shows overwhelmingly that clients appreciate the opportunity to give feedback and respond positively to the system. Adverse reactions ("This is tacky, like a hotel chain") *do* occur but at a rate of less than 1 percent.

Who in the client organization should get the questionnaire? There is no reason not to send out multiple questionnaires. Indeed, most firms find that there is rarely one client on an engagement. Accordingly, the rule should be that at least one must go out, but after that, the engagement partner and managing partner (or practice leader) schemes each engagement to decide how many are appropriate for this engagement.

There is little, if any, downside for asking multiple people, but it cannot be solely the engagement partner's decision - bitter experience has shown that if allowed to, some people will game the system and only send it to friendly client personnel and avoid unfriendly client executives, which defeats the point of the system. It sounds paternal, but this <u>is</u> an accountability system - given a chance, we'll all find ways to cheat on our diets unless we'll be embarrassed if caught cheating.

Questionnaire Design

Some partners worry about the number of questions, saying"That's too much to ask, there are too many questions". This is a cop-out. Experience worldwide has shown that from the client's point of view, a scaled (1 to 5) questionnaire with 25 questions does not take too long to fill out, and the specificity of the questions both communicates a sincere desire to probe AND provides the client to express mild reservations in some areas while expressing high satisfaction in others.

Some Cautions

Some of my clients have designed the questionnaire so that the client feedback system becomes an opportunity to sell more work. There is grave danger here. It is absolutely true that client feedback systems, if properly applied, do create additional opportunities to sell.

However, the feedback form MUST NOT be used simultaneously for selling.

For the feedback system to work, either in the clients' eyes as a sincere desire to meet quality standards, or in partners' eyes as a serious attempt to create excellence in service behavior, the quality feedback and the selling tasks MUST be separated.

A quality questionnaire that asked "What else would you like to buy from the firm?" will be treated skeptically by clients and would divert partners' emphasis away from the key task, which is to EARN the next engagement by raising the value of THIS one. Selling is, of course, valuable, but it works most effectively when it convincingly *follows* a demonstration of a commitment to service and feedback, and must not be a substitute for it.

Many firms have learned that if the enthusiasm of the professionals for this program is to be achieved, then firm management must be seen to be doing its part. For example, there is often a need for expenditure by the firm to ensure that support systems are in place to sustain a client service effort. A common prime example is the need to spend money on telephones and receptionists to ensure that the phone system is client-friendly. These expenditures are *mandatory* to prove to firm staff that management is committing itself, not only them, to this strategy.

(3) Tips and Tools

Having discussed *measures* and *management*, we now turn to the third element of a service quality program: the development and dissemination of specific, concrete ideas, to be shared among the professionals, for enhancing value to clients during their assignments. This can be done formally or informally. I will describe a more formal method, but the goal is the same in either case: to document and share the best ideas available, so that each professional has a source of help in finding ways to enhance his/her value in conducting the client project.

A good idea that has had much success is to form a small team within each discipline (or service area). Their task is to develop a proprietary client-service methodology : i.e. come up with value-enhancing action ideas that are appropriate to the specific discipline.

This methodology should include activities that will ensure that the way the firm deals with clients during a client assignment is demonstrably more valuable to the client than our competitors' approach. In essence, the firm should be creating a differentiation in the marketplace of "We're different because of the way we *deal* with you".

This can be initiated through a detailed exploration of every stage of a client assignment, identifying *every* opportunity the firm has to enhance value in the client's experience. It should include, *inter alia*, methods for making written communications (including reports) more useful to the client, ways to involve the client more in the process, ways to make meetings more valuable to the client, devices for keeping client informed, etc.

In some firms where there is, more or less, a common pattern for many client assignments, the teams construct a flow-chart of the unfolding of a client assignment, identifying each detailed step where the firm has the opportunity to influence the client's experience with the firm. They examine the flow-chart of client's experience in order to identify

all "moments of truth". For each moment of truth, they try and figure out what we want to have happen: what our methodology for handling this stage of an engagement should be.

Having identified each step, team members interview experienced firm personnel to get their best ideas on how to manage the client's experience (Hot Tips). They accumulate and disseminate the best practice of these top service providers, and integrate these client management practices into written operating methodologies.

The team also generates ideas by reviewing the client feedback forms for common client concerns, and may interview clients as well as leading discussions in their own departments.

The end product of their labors is often a workbook, containing both good ideas, and a methodology for client service teams to plan their individual client service client assignments.

(4) Training

In many firms, there may be a need for training programs in client-contact skills. These should include training in classic client situations such as "How do you tell a client he is wrong?"; "What do you do if the client doesn't like your ideas?". Accumulated wisdom in the firm on these and other client contact situations should be built into training programs so the firm disseminates its best expertise quickly.

Training programs divide into knowledge-transfer ("here are the elements of good service") and skill-building ("we're going to give you practice at dealing with this client situation"). The former can be delivered as soon as the methodology described above is developed.

Skill building programs will require the identification of classic client situations, the development of role-play scripts, and the design of materials. In some firms, these include a critique of current programs on "how to handle a meeting", "presentation skills", etc. (assuming the firm has these).

It should be stressed that training in face-to-face client skills is a key area: These tend to be taken for granted, but *can* be taught - it's not just a matter of "well, this is my personality and style and I can't change it". Skill-building topics included in some firms' programs include:

• *Learning to persuade , not assert*

• *Helping clients understand what you're doing and saying and why*

• *Empowering clients with reasons, not just conclusions*

• *How to run meetings in ways that add more value to clients*

• *How to report to clients in ways they find more valuable*

• *How to coach client to use what we deliver*

• *Facilitating client's ability to act on what we deliver*

(5) Rewards

The final step in a full service quality program is ensuring that those who excel in this area (as revealed by client satisfaction scores) are rewarded, and those who do not are penalized in some way. Without this (eventual) step people quickly develop the attitude of: "This service quality stuff is all very well, but it's not what the firm really values".

It would clearly be a mistake to use the client satisfaction scores in the partner compensation scheme in the first year of

keeping score - first everyone has to be given a chance to shape up, everyone has to get comfortable that the data is real and valid. However, this must happen sooner or later. It is inevitable that once you start keeping score, the results will influence compensation - and so they should. Is there anything more "professional" than to reward partners for than client satisfaction?

Getting Started on a Feedback Program

For any firm without a client feedback program, the first step must be a controlled pilot program. This is necessary to test some of the claims made in this article, such as:

• *Clients are very willing to participate in such a program, and, if asked, will complete a questionnaire.*

• *You find out things that trouble your clients that you didn't know about, and hence it's worth asking.*

• *Clients do care about most of the items in Figure 1.*

• *They'll tell you about which questions you should include, i.e. which aspects of client service they care about.*

All these propositions (indeed most of this article) can be tested for your firm by doing a pilot study (perhaps of one sub-discipline).

Once you have decided to launch a service quality program, the next step is to invite comments and suggestions from partners on what the questions should be, how they should be phrased, etc.

You should choose a date six months hence (or so) for the first ones to go out, thereby giving everyone a fair chance to get ready and know in advance what they're going to be held accountable for. You should also schedule, right at the beginning, when the first partners' meeting will be held to review the first round of results and the first step of group aggregates.

Other Uses for Feedback Questionnaires

Once the firm has established the principle of using client feedback questionnaires, it will soon be discovered that there is no need to wait for the end of the engagement to share the feedback form with the clients. Indeed there is great power in using it at the following times:

(a) Mid-engagement to track "how well we're doing"

(b) At the beginning of the engagement so we can find out which factors this specific client really cares about and wants the firm to focus on

(c) In proposals, to prove, through the existence of the system, that we are differentiated from our competitors.

Conclusion

For those who consider all of this to be a dramatic change and strenuous effort, I invite them to examine Figure 1 one more time asking themselves the following questions:

(a) *When you are the client, do you care about these issues?*

(b) *What is your experience in finding providers who excel at this behavior?*

(c) *Do any of these questions represent an "unreasonable" client expectation - when you're the client?*

(d) *How confident do you feel that your firm would outperform the competition on these questions?*

(e) *How valuable would it be if your firm were to earn top scores on this stuff consistently?*

(f) *Can you think of another way to ensure consistent execution of these things?*

Yes, the diet is tough. But the health it produces will ensure a long and prosperous professional life.

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