

Mergers with the benefit of hindsight

5 | Value to Clients

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OVERVIEW

One area that stood out in our research was that important client communication issues were not always addressed in the same way or given the same priority as operational issues. Some of course addressed the potential issues well, many others assumed it would be alright. Everyone agreed that excellent client care will help you grow your firm's business and reputation but there was little real planning.

There is a significant difference between informing and communicating with clients and sending an email is not communicating, but it might be a starting point of the message you want to deliver. Giving information is, of course necessary and important but it is a statement.

Marketing your merger to clients needs to take place early in the process so you can inform clients of how the outcome of the merged firm now offers an enhanced value proposition and how you will create competitive advantage and the benefit to them that the new firm will bring. It will follow your strategy for the merger having different/additional capabilities that compliment your current service levels, greater efficiencies that can save them costs, wider geographic reach enabling you to expand your relationship with their firm. To do that it is essential that you invest time integrating teams so lawyers from each side understand the people they are now working with. When lawyers fully understand that, it is easier for them to communicate the messages you would like your clients to be aware of.

Client quotes

“We didn't have a plan on how we informed clients we left it to individuals, that was an error as there was no strength or depth to the message.”

“Communication to clients was face to face. We would be stronger, have better resources and international coverage. Quality and service delivery were a very high priority.”

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POINTS OF INTEREST

- Develop a plan to integrate members from both sides of the combination into as many client relationships as possible.
- Putting clients first is a priority for most firms and is essential for future success. If you say that your clients are at the very heart of your firm, why would you not keep them informed of changes that will benefit them.
- Have you thought what message you will send to clients to ensure that you secure their long-term loyalty? I had a wonderful analogy from one participant who had brought in management consultants to consider how the merger would impact their clients. The consultancy started their presentation with a slide that showed a row of generic baked bean cans. They were told that if they did not do something well, that would be how they would be perceived, nothing different just sitting there with every other firm. That stark image and message sparked debate on what it was the client really wanted.
- Clients definitely want a personal relationship, innovation and technology that enhance the firm’s work with them. Technology should not be a shiny thing that is new but does not get used. Show your client how it will add value and show them the kind of service you will provide to add value.
- It should be an obvious point, communicate with clients well and provide an excellent client experience, and your firm will stand out, that should be a priority with a merger. Sadly, several reports indicate that whilst lawyers believe they are good communicators, clients do not always concur, and our research indicates that many law firms do not communicate with clients in the way the client expects pre or post mergers and acquisitions.

Client quotes

“What message did we want to send to clients? We had differences of opinion for a long time. The devil was in the detail. We needed to evolve to get it right and that was really challenging because there were so many different ideas and opinions that it took a very long time to get detailed agreement.”

“It is a lawyer thing, we do the deal and move on, but how do we leverage it when the merger has been done?”

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POINTS OF INTEREST

- Reputation management cannot be underestimated in a merger. Everything a business says and does has the power to reflect on its brand in a positive or negative way and well managed communication is key to ensure the message is positive.
- Areas of conflict were always high on the agenda early in the merger process, which was to be expected as firms manage conflict issues daily. The gap came when we asked how the vision of the newly merged firm was communicated to clients and what benefit it would bring to them.
- Clients can and do have concerns and if you can answer these concerns before they arise will show how much you value your clients, especially in a bigger entity.
- Clients want personal care and continuity with their legal advisors. It is important to them that there is genuine ownership of that relationship by the partner and their team.
- One of their top priorities will inevitably be fees and will they increase. Will you treat them in the same way, and will they have contact with the same team?
- Investing in technology and innovation in the new firm can only improve client service and will show them that you have been able to strengthen your expertise and offering clients added value.
- Nearly all participants in the research said that they gained clients they would not have had pre-merger and maintained existing clients but with value add.

Client quotes

“We made sure that partners told clients about the merger and because we kept them informed, we had no kick back.”

“Clients could see the breadth and depth we could now offer them.”

“The only concern from clients was pricing, we were able to give them reassurance.”

“Our clients understood that the person doing their work had more support behind them, which the smaller firm couldn’t offer.”

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KEY HINDSIGHT

- Do not underestimate the value of an independent integration team. They will release valuable time for lawyers who are busy trying to do the day job. An independent team will look at what is best for the combined firm and are a powerful tool to help you drive change. They will look at the drivers for the merger. Client feedback is invaluable, particularly post transaction feedback, which commercial firms do as a matter of course but is not always the case in partnerships. An independent group looking at what went well and what went badly is a powerful way to drive change. It could be something as simple as you were technically brilliant, but the project management was dreadful. People need to get over the fear of what a client might say, and an outsider can have an impartial view that will if addressed enhance the client experience.
- Communicating is about asking questions, listening to answers, receiving information, analysing responses, reassessing your position, and moving the discussion forward. In very few cases was this considered.
- Clients want genuine ownership of the relationship by the partner and the team. When firms get bigger, people may think it is just an institutional relationship, but clients still really want personal care, and you must show them that it will continue after the merger.

Client key hindsight

“Communication to clients was face to face. We would be stronger, have better resources and international coverage. Quality and service delivery was a very high priority.”

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Contact us

If Jonson Beaumont Core can help you with any stage of the project plan pre- or post-merger or you would like to discuss the recruitment of new operation directors, please contact us.

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