Client feedback - the undercooked element of customer experience programs

By Hans Morse

Unlike the fast-moving consumer goods industry (FMCG) that base most of their research and customer satisfaction on quantitative reviews, professional service environments in general need to take a qualitative approach, listening to individual client needs face-to-face, writes Hans Morse.

This is something that just isn't happening as much as it should.

Having worked as a consultant and in director and senior manager roles with all the big four accounting firms, PwC, KPMG, Deloitte and EY, both in Australia and the UK, along with a few legal and engineering firms, I've realized many are reluctant to really understand client satisfaction. This is an opportunity to actually address client service issues and it's a real opportunity being missed.

I have literally conducted hundreds of face-to-face reviews for firms and even today many tend to focus their client service assessments on quantitative feedback, which merely provides statistics that in most cases can be manipulated to give a favorable outcome.

From a qualitative (and quality assurance) point of view, very few organizations have formal review processes in place and many are disbanded due to regular firm restructures, which on average occur every two years.

A formal program, which provides a forum, to act on relationship issues and future planning for individual clients is just not consistent as a result.

Only a few big four accounting firms and law firms based in London are addressing this and taking it very seriously, with some employing a team of reviewers with the sole purpose of providing independent feedback.

Surprisingly though, the second-tier and smaller firms that have established programs in place appear to value the feedback more, posting feedback results on their webpage, with qualitative and quantitative overviews and testimonials.

The important piece is acting on the feedback. My role at some of the firms is to not only conduct the reviews and provide feedback to the teams, but to make recommendations and also action any outstanding matters or concerns the client may have. This includes facilitating new opportunity discussions and engaging the right subject matter experts.

The end result – a client service charter with the client. New opportunities are identified in a subtler approach, without the hard sell.

With current programs, some service teams, particularly highly technical practitioners, lack strong commercial (business development) skills and EQ (emotional intelligence) and this is the area I can really help them with – to ensure they have the skills and/or direction to develop these relationships, based on the feedback.

Some will argue that feedback reviews are not the forum for on-selling, which is true in principle, but my view is that we are doing our clients a disservice by not recommending other advice or solutions. And, it's not just existing long-term clients, it should include post-implementation feedback reviews of major projects.

Again, this can be achieved with the right balance and approach and it has been well received by clients.

In most cases, an account manager usually conducts the firm's reviews, or senior management, and this process does not always allow for open and honest, independent responses, which have clear follow-up actions. Clients are therefore reluctant to criticize working relationships.

It's also in the best interest of the account manager, or in the case of a professional service firm, the lead client partner, to provide a "good assessment" outcome to please executive management or a target number.

I can recall partners who would select clients to be reviewed, based on this premise. Some firms are scared off by the thought of sending someone independent to have a frank discussion with their clients, or even do it themselves, preferring to continue in a reactive approach to client service.

These discussions become embedded in tech talk about the work and not the client service and outcomes itself.

Challenging questions and strong reflective listening are most important. Reviewers need to be very flexible in their questioning technique and really understand body language and neurolinguistic characteristics.

I recall a review I conducted with a chief financial officer of a major audit client, who brought along his CEO unexpectedly. I knew something was wrong when my normal line of questions and the body language displayed by the CEO indicated a problem. I decided I needed to take a more creative line of questioning to elicit a strong, frank response.

When I did, the response from the CEO was to have the audit partner sacked and it threatened the audit work worth millions of dollars per annum. This major concern would have been missed, if not for the review, and this was confirmed by the CEO at a later date, where he indicated that he would have simply given mid-level feedback, not to create waves, but in the background they would have put in place actions to change auditors in the following year.

You can imagine as a publicly listed or ASX top 100 company, the ramifications of sacking an audit partner would have not only the created negative press and brand reputation, but it could have also impacted shareholder value.

The end result was the retention of the audit and they retained the lead partner after all, with a new client service charter in place, or as I call it – "rules of engagement". Many new opportunities were identified or created immediately after using this approach.

Consumers are being hammered by customer feedback surveys and it's getting draining

Consumers are now being hammered by customer feedback surveys. It's getting draining, as quantitative surveys like Net Promoter Score do not solve relationship problems and can be more subjective than qualitative feedback believe it or not.

To articulate this, a survey I conducted based on how people rate performance. By collecting feedback on client's scoring preferences, 90 per cent said they would not give more than an eight out of 10 for a good review, regardless of how the question was framed. So, to me NPS style surveys are pointless and inaccurate if used as a standalone tool.

Firstly, let's take a look at the issues with NPS-style quantitative reviews.

All questions in most cases are ranked between zero and 10, that's a scoring option of 11.

Psychologically, most people will not give a score of more than 8 as proven above. Now this is where it gets tricky – with NPS a score of seven or eight for example is regarded as "passives". Somewhat satisfied but could easily switch to a competitor's offering if given the opportunity.

They probably wouldn’t spread any negative word of mouth but are not enthusiastic enough about your products or services to actually promote them, or so they say.

Now detractors on the other hand gave a score lower or equal to six. They are not particularly thrilled with the product or service. With all likelihood, they won’t apparently purchase again from the company, or could potentially damage the company’s reputation through negative word of mouth.

Well, this is not correct and here is the opportunity for remedial action, or a missed opportunity. If you also look at the typical question around “How likely are you to recommend product A to a friend” isn’t it more important to know if you did in fact recommend to a friend and who is that friend? Perhaps not so appropriate or attainable with consumer goods, but you get the idea. After all, isn’t word of mouth and referral the primary source of new business? It is in professional services. At the end of the day the how and why are more important feedback.

I purchased a new car recently from a dealership and as I was leaving the showroom the sales consultant advised me the manufacturer would be in touch to review his and the dealership's service. He said to me “Please give me a nine or 10 score, as anything below that is regarded as bad”. He was very right! And how kind was he to suggest this to me, or push it, I should say?

Consumers will also note that if they show some signs of satisfaction for a service/support call for example, they may then be asked to complete a short survey at the end of the call. This is obviously loaded to provide positive feedback for the service agent and as you can see, those who may provide negative feedback or no comment at all, may not be included in such surveys, so the system is positively skewed.

Quantitative reviews have their purpose and can be strong KPIs for boards through the simple use of Net Promoter Score methodology tacked on the end
of a review, but there are better methods and as one CEO for the big four accounting firms and I agreed to apply as a simple scoring method – simply ask two important questions: 1. Would you recommend our firm? Yes or no and 2. Are you likely to use us again? Yes or no and let’s act on this accordingly.

There are obviously many other questions that are and need to be asked during a feedback review and a little more articulate than those offered from quantitative reviews.

Independent surveys conducted by marketing organizations can also be ineffective, particularly in professional services and the B2B corporate arena, as clients are reluctant to “open up” to a third party with little knowledge and understanding of the account, or ongoing involvement to action and resolve issues.

Furthermore, most marketing consultants have very little training or experience in conflict resolution, negotiation and business development at a senior sales/account management level. As a result, they are unable to identify defection signals or qualify new opportunities effectively.

Client service reviews are a fantastic forum for identifying new opportunities, competitor intelligence and understanding potential client defection signs before it is too late.

A good example of resolving an issue and continuing to provide services was a face-to-face review I conducted with another chief financial officer when I was with one of the big four account/consulting firms.

After completing a major consulting project for them, I asked the CFO if he would use the firm again. He replied, “probably not” and when probed went on to say this was as a result of not being happy with the project manager running the engagement.

I went on to ask about up-and-coming projects and if I was able to find the right project manager for the next project, would he be willing to use us. His answer was, yes. As a result of this we did win the next piece of work and again the CFO said when asked, “If I didn’t perform this face-to-face review, what would have happened”, and the answer was obvious. “Our firm wouldn’t have got a look in on the project, which was a six-figure sum”.

At the end of the day, you can’t improve customer experience, (CX, the buzz word at the moment) if you don’t ask the hard questions. It’s important to have client retention strategies or ensuring quality assurance processes are in place, particularly with more and more pressure on boards and their shareholders wanting to understand non-financial reporting and a temperature check, if you like, of their client’s likelihood to continue as a customer.

There is a need to understand their client’s level of satisfaction and current reporting and traditional account management processes can provide very little insight into customer relationships and the future revenue patterns at a micro level.

Key benefits of independent qualitative reviews

- Provides an open and honest perspective from the client on the quality of service and the relationship.
- Provides a forum for conflict resolution and identifies possible client defection signals.
- Identifies new opportunities and continued revenue patterns.
- Cost-effective approach due to reduced overheads.
- Reduces the need for some lengthy, unproductive account management processes.
- Identifies client team training and individual coaching intervention needs.
- Allows account and sales teams to concentrate on client service needs.
- Provides intelligence on competitor activity.

As a side note, in most cases, given I have been a reviewer with many firms, I’m surprised how many CFOs and CEOs I have interviewed are keen to follow me to my new employer, or take my advice and recommendations for service providers I work with as a consultant. I guess clients really value the effort to improve client service!

Hans Morse is Australia's most experienced professional services business development coach and trainers, previously working with EY, KPMG, PwC, Deloitte and a number of law firms in full time and consulting roles. Having worked in Australia and the United Kingdom, he also has specialist expertise in conducting qualitative insight reviews. Working with leaders and teams to improve sales enablement, by enhancing their commercials skills, resulting in improved client relationships and increased revenue generation.