White Paper

Client Feedback Tool:
Don't Wait 'Till It's Too Late!

Contents:

According to Forbes.com:
There are three reasons to ask for customer feedback:

1. Learn what your customers like and don't like.
2. Make customers feel important and involved.
3. Constantly improve.

Feedback. Response. Answers. We all have a need to be heard … and responded to. Consider:

- **54–70% of clients who register a complaint will do business with the firm again if their complaint is resolved.** If their issue is resolved promptly, retention of the client jumps to 95%. (Source: SMPS Marketing, August 2010)
- **40–80% client satisfaction and client loyalty** springs from the relationship between employee attitudes and client-related variables. (Source: SMPS Marketing, August 2010)
- **1 person will tell 8 to 16 other people** of service- or product-related frustrations given the opportunity. However, if you make a prompt effort to resolve the issue, 85% of those customers are likely to remain customers. (Source: www.sbnonline.com)

While the value of client feedback is generally not debated, with each passing year, it becomes exponentially more and more important. We are seeing evidence of this every day. For example, how many websites do you open where "client survey" popups take center stage on every web page? How many calls from customer survey representatives do we get regularly? How many pieces of mail do we receive begging us to complete surveys?

Yes, today we all know gathering client feedback is critically important. But how do we collect it? What's the most efficient way to gather client feedback – especially when you're a professional services firm? How often do you gather feedback? Most importantly, don't forget the all-important final question: What do you do when you get their feedback? The answers to these and other questions are the subject of this discussion.

Who - The Benefits

Let's examine the people involved in benefitting from client feedback. First, the gathering and acting on client feedback is an important part of the sales process. Prospects want to know that once they "sign on the dotted line," they will continue to be heard and their needs acted on. It will act as a real differentiator … as long as you keep your "listening" promises.

By keeping client expectations in alignment with your actions, you will see the following benefits. An:

- Improvement in client satisfaction
- Increase your profitability
- Enhancing of deliverables
- Strengthening of staff performance

Second, feedback from existing clients is a tremendously important part of keeping them which will save you both the time and money in gaining new ones. Consider this

- Statistically speaking, the cost of acquiring a new customer costs five to ten times more than retaining an existing one. Not only that, but repeat customers spend, on average, 67% more.
- 65% of a company's business comes from existing customers, and it costs five times as much to attract a new customer than to keep an existing one satisfied.

Frankly, there is a plethora of statistics backing this claim: taking care of your customers (i.e. listening and responding to them) will go a long way toward customer retention and increased sales as well as helping you gain those new clients. Now we will talk about how to do that.

What - The Tool

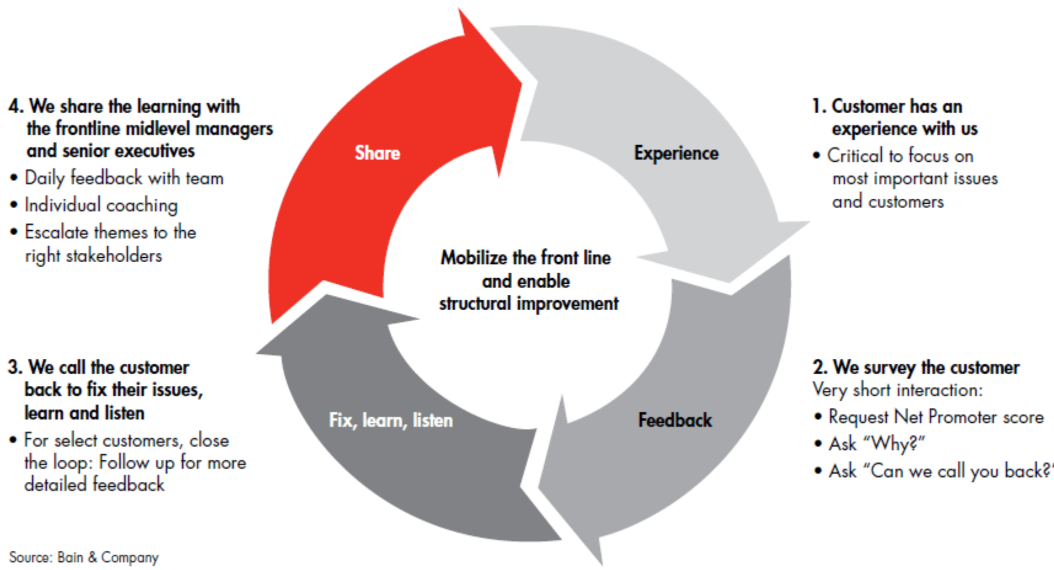
In the midst of an engagement, too many times it happens that the professional services firm waits until the end of the engagement to gather feedback. It's kind of a "now that we're all done, let's talk about how happy you are" scenario. But then they are, just as often, completely surprised when negative comments surface. What's even worse is this sort of situation has sometimes even reached the point of negative legal issues -- all of which could have been avoided had the services firm just used a client feedback tool.

But what is a client feedback tool, and why is it important for professional services firms? Since services firms don't have the concrete metrics of product production and inventory numbers to help them understand how their clients and prospects view them, what do they do? Full Sail Partners, Inc. answers this in their piece, "How My Life Teaching Moment Helped with Client Conflict Resolution."

Managing expectations with a client requires being proactive vs. reactive. Once a client is frustrated with multiple things that have built up over time, it takes a lot more work to resolve the issue and sometimes is too late. For professional services firms that need to manage clients, a great tool to help with this is the Client Feedback Tool, [because] the only way you can really know what a client is thinking is to ask. This tool allows a firm to ***check-in with their clients using two minute surveys throughout the project***. When you do this, you uncover things your firm has done that your clients love (so you can continue to do more of the same) as well as things that your client would like you to change if only slightly. This doesn't remove the need for picking up the phone and calling, ***but it is great for letting you know there is an issue before***

it gets unmanageable. And, it is very comfortable for clients to let you know things you might not think to ask on the phone and that they might feel were perhaps not worth mentioning on a project call. However, knowing allows you to adjust your service delivery and make you even more valuable to them.

you won't be surprised." Yes, certainly, you may be surprised by any negative feedback you receive but by asking for feedback sooner rather than later, you have **MINIMIZED THE NEGATIVE IMPACT** and that's what's key. By eliciting comments throughout the engagement using the Client Feedback Tool, you



Source: Bain & Company

The important point to note here is the WHEN of the feedback gathering – notice that this tool gathers feedback DURING the engagement to, as we stated before, handle the issue before it get too big to manage.

When - No Surprises!

When you gather feedback regularly during the engagement, it means no surprises. "But wait?" you say, "Just because you've gathered it, doesn't mean

1. **Started a conversation**. People just want to be heard: from the one person who didn't want your team impacting their work to the other person who may have wanted your firm involved, but is unhappy with how things are progressing. Furthermore, even within clients, issues can be revealed.

2. "**Allowed your firm to understand how to fine-tune your performance for maximum benefit**.

"Gathering and acting on feedback from your customers is at the very foundation of your firm's success"

> This process builds client awareness of the designer's true value, resulting in client loyalty and long-term firm prosperity."

The Client Feedback Tool gives you the knowledge you need to more successfully manage your project. By gathering and addressing their comments, it will allow your professional services firm to address a strategy to handle things that have arisen.

It's important to note, though, if you can't take action on the feedback, don't ask the question. This is really the vital point here. Nothing is more frustrating, from a client perspective, than having offered their valuable time to give feedback but to no avail, i.e. with no response or action taken. Not all clients expect immediate change (although many would certainly like that) but the first step is to acknowledge your client's concerns and discuss a plan to implement some action.

How - Implementing the Client Feedback Tool

Now that you fully understand the benefits of gathering and responding to comments that your tool has revealed, let's discuss how to put your tool together so that it is seamlessly part of your process.

First, you should engage the consulting services of an experienced firm who will go through a series of discovery questions designed A) to help you understand your purpose in using a tool as well as B) help you focus the implementation of your client feedback tool with the goal of incorporating it to your existing processes. Some of the many questions you will discuss with your consultant include:

1. What makes you specifically interested in a client feedback tool? Has there been any specific event that prompted your interest?
2. What would you like to learn from your client feedback? What do you think you may be missing from not having adequate client feedback?
3. What percentage of your clients are long term repeat clients?
4. Do you feel you've lost an inordinate number of clients? If so, do you know why?
5. How many of your clients are referenceable? If you don't know, why?

Then, the steps to implementing the survey tool include:

1. **Building the team** – those who are part of creating surveys and continuing in the feedback process.
2. **Customizing the tool** – the critical part of your tool's success is ensuring it meets your goals, i.e. why is feedback critical to your firm's success.

BUILD
CUSTOMIZE
TRAIN
REVIEW

3. **Training** your staff to ensure they take full advantage of this tool.

4. **Reviewing** and **Refining** – once the tool is active, there is an ongoing review of the process, the survey(s), individuals involved, and quality of the responses.

All of this information illustrates the meticulous, almost scientific precision, which goes into setting up and maintaining this process.

Final Words

Gathering and acting on feedback from your customers is at the very foundation of your firm’s success. You expend valuable energy honing your services to your clients, so why not make absolutely sure that what you’re offering is what they’re needing. Using a client feedback tool to gather your clients’ value of those services is the cornerstone to ensuring that. And be prepared – both to hear the “good, the bad and the ugly” as well as to respond immediately. Your firm’s very life depends on it.
the customer experience to be as positive, interactive, and available as possible giving everyone an inviting “come back for more” experience.

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Full Sail Partners provides client-focused technology services and solutions for more than 1,000 professional services firms nationwide. As Premier Partners for Deltek and the Client Feedback Tool, Full Sail Partners helps project-based firms fully integrate their business processes by connecting their front end and backend systems. We seek to help organizations identify the critical resources needed to create a faster, more efficient, and cohesive business infrastructure.

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