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**Optimising Value and Quality in the Procurement of
Professional Legal Services: A Corporate Perspective**

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ABSTRACT

Purpose: Organisational clients engage with Professional Legal Service (“PLS”) providers for a variety of business and legal reasons. Value and quality are key elements to creating and enhancing mutually beneficial long term relationships around these services, yet there is very little guidance from the literature to demonstrate what practical actions and means should be employed by service providers and clients alike in order to create and / or improve value and quality in the specific context of PLS. This research identified the general nature of value and quality in the context of PLS and went on to recommend specific actions and means to create and improve value and quality.

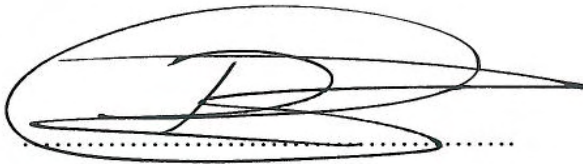
Design / Methodology / Approach: This research was an exploratory study in which practical actions and means to create and / or improve value and quality in the context of PLS were identified. Empirical data were collected by means of an experience survey in the form of semi – structured interviews conducted with practicing attorneys and in – house legal advisors of large corporate organisations. Results were interpreted by means of thematic analysis.

Limitations: The research was limited to law firms of a minimum number of directors / partners and only publicly listed corporates. It is submitted, however, that the findings and recommendations are of broad application in the area of PLS and that size or legal status of stakeholder is immaterial, should such stakeholders wish to implement the ideas and recommendations proposed by this research.

Findings: The research generated and recommended numerous practical actions and means that both the service provider and client can implement that will go to creating and improving value and quality in the delivery and procurement of PLS. In addition to the practical actions and means identified, the key findings indicated *inter alia* that service providers must take proactive steps in understanding the unique needs, business and industry of their clients in order to add value, while making a concerted effort to develop and manage personal relationships with clients so as to differentiate themselves in terms of quality delivery. Recommendations in respect of further areas of research were also proposed, specifically that of causal research, aimed at identifying the most effective and appropriate means of creating and or improving value and quality in the context of PLS.

DECLARATION

I declare that this research project is my own, unaided work. It is submitted in partial fulfillment of the requirements of the degree of Master of Business Administration for the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other university.



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CHAPTER 1:INTRODUCTION TO THE RESEARCH PROBLEM

1.1. DESCRIPTION OF THE PROBLEM AND BACKGROUND

Corporate entities around the world devote a considerable amount of time, resources and effort to managing the procurement of traditional goods and services required for the operational activities of the organisation. While value in the procurement of tangible goods has started to be defined and measured by product marketers, the search for a precise definition of value in the context of services has proved an enduring endeavour for a broad spectrum of researchers (Lapierre, 1997). The phenomenon is even less appreciated in the business – to – business professional services context.

Traditional goods and services include (1) raw materials (2) special and standard production items and (3) maintenance, repair and operating supplies. According to the authors, non – traditional purchases include all items that fall outside of these three categories, and would include items such as (1) capital equipment, (2) services with a high content of personal input, and (3) resale items (Fearon and Bales, 1995). Professional Legal Services (“PLS”), the subject matter of this research, fall into category 2. All too often, these non – traditional purchases fall outside the scope of the established procurement function. Fearon and Bales (1995) suggest that the reason why the procurement of non – traditional goods and services, including PLS, has in the past been left to departments other than the procurement department is that those departments feel that they are different

to traditional goods / services and that the procurement department does not have an adequate understanding of its special needs.

As result, the formal, established procurement procedures and methods that are utilised for extracting value and quality in the procurement of traditional goods and services have been largely ignored in the area of PLS. As such, an opportunity exists to firstly define value and quality in the context of PLS and then to propose appropriate means and actions for the creation and improvement thereof.

1.2. WHAT EVIDENCE IS THERE TO VERIFY THE EXISTENCE OF THE PROBLEM?

Fuller (2006) recently posed a series of questions concerning the procurement of PLS and more particularly, where the responsibility for such procurement lies within corporate organisations. A series of responses shed light on the fact that very few, if any procurement departments are involved in the procurement of such services, and to the extent that they are, they play very much a supportive role to the organisation's General Legal Counsel in the process. In addition, there was no mention of an established procurement methodology being utilised in such procurement. Respondents to Fuller's questions did, however, acknowledge the need for more involvement by their respective procurement departments, yet were uncertain as to what this involvement may entail.

Based on this apparent gap in procurement practice, the author of this research performed a situation analysis both within his own organisation, a large listed South African corporate, as well as with peers in other organisations. The feedback received suggested that like the example above, no real procurement methods for PLS exist in organisations in South Africa. As a result of this gap, it is submitted that very few, if any organisations (both service providers and clients) in South Africa are actively managing the creation and / or improvement of value and quality in the delivery and procurement of PLS.

1.3. WHAT IS THE RELEVANCE OF THE TOPIC TO BUSINESS IN SOUTH AFRICA?

As already stated, the problem under investigation is not unique to South Africa, and as such, any findings or proposals that flow from the research will be of universal application. Each year in South Africa, corporate organisations spend a vast amount of time and revenue on the procurement of PLS, whether it is for advice in the context of commercial transactions, litigious disputes or industrial relations to name a few circumstances. Yet the evidence suggests that these corporate organisations are either not working on their own or in conjunction with their service providers to develop practical means and actions that if implemented, will create and / or improve value and quality in the delivery and procurement of PLS.

1.4. WHAT ARE THE OBJECTIVES OF THE RESEARCH

The objectives of this research were to identify the general elements and nature of both value and quality in the context of PLS, and based on the general nature and elements thereof, attempted to identify practical actions and means for the creation and / or improvement of both value and quality. The nature of this research was exploratory, attempting to formulate recommendations and ideas around possible value and quality creation and enhancement, taking into account recent literature and the views and recommendations of service providers and purchasers of PLS.

CHAPTER 2:LITERATURE REVIEW

2.1. INTRODUCTION

The purpose of the literature review was to ascertain the current views and opinions on the nature and definitions of both service value and service quality. In addition, not only were the elements and general nature sought in respect of the two concepts, but also the obtaining of suggestions and recommendations for the creation and improvement thereof. A thorough search of the available research offered up the general elements of value and quality in the context of services as well as the broad areas on which to focus when creating and improving value and quality in service delivery and procurement. It did not in any great detail offer up specific recommendations and practical suggestions in the specific context of PLS.

2.2. DEFINITION, NATURE AND SPECIFIC CHARACTERISTICS OF SERVICES

2.2.1. Intangibility

Kotler and Keller (2006, p.402) define services as any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. The authors maintain that a service's production may or may not be tied to a physical product and that services have a set of distinctive characteristics that set them apart from tangible products. In the first instance, they are intangible, in that unlike physical products, services cannot be

seen, tasted, felt, heard or smelled before they are purchased. This has an immense impact on the customer's perception of the quality of service. As a result of this intangibility, service providers must be able to transform intangible services into concrete benefits (Kotler and Keller, 2006).

Carbone and Haeckel (1994) propose that a service provider create a set of concepts called *customer experience engineering*. This proposal involves the service provider first developing a clear picture of what they want the customer's perception of an experience to be and then designing a consistent set of performance and context clues to support that experience.

In attempting to make services more tangible, the natural way of finding the service – oriented equivalent of product features is to ask what customers of services see in a service as a need – satisfying solution when they do not see and perceive any ready made product features (Gronroos, 2001). The answer to this is that they see and perceive the process they are involved in as consumers of the service as well as the outcome of the process. Hence, whereas the consumption of physical products can be described as outcome consumption, the consumption of services can be characterised as process consumption (Gronroos, 2001). The author then poses the question as to how the service concept is transformed to something that provides satisfaction, i.e. how is the satisfaction – providing process perceived by customers of services? The consumer perceives what he or she receives as the outcome of the process in which the resources are used, i.e.

the technical or outcome quality of the process. But he or she also perceives how the process itself functions, i.e. the functional or process quality dimension.

Building on this, Fitzsimmons, Noh and Thies (1998) argue that the degree of tangibility describes the extent to which the service has physically measurable output properties. They maintain that the higher the degree of tangibility, the more well defined and more measurable the output is. They go on to state that while differentiating services on the basis of tangibility does indicate the potential level of difficulty faced by the purchaser, it fails to provide the purchaser with significant information to assist in the service purchase decision.

Fitzsimmons et al (1998) refer to Lovelock (1983) who proposed several classifications of services for strategic insights into purchasing, including one in which he considered the direct recipient of the service to be either people or property. Fitzsimmons et al (1998) propose expanding Lovelock's list of service recipients to include the business process itself and argue that in general, service tangibility will decrease as one moves the service focus from purely property to the business process itself. This is an important aspect to keep in mind when dealing with PLS.

2.2.2. Inseparability

Moving on from the characteristic of tangibility, Kotler and Keller (2006) characterise services as inseparable, in the sense that services are typically produced and consumed simultaneously. If it is a person rendering the service, as in the case of PLS, then the provider is in fact part of the service, and because the client is also present as the service is produced, provider – client interaction is a special feature of services marketing (Kotler and Keller, 2006). In fact, the authors argue that particularly in the case of PLS, buyers are very interested in the specific provider, and when clients have a strong provider preference, prices are raised to ration the preferred provider's limited time.

2.2.3. Variability and Perishability

Further to the characteristics of intangibility and inseparability, Kotler and Keller (2006) characterise services as variable. They maintain that services are highly variable because services are very dependant on who provides them and when and where they are provided. The characteristic of variability also has a dramatic impact on quality perception. Finally, the authors characterise services as perishable in the sense that services cannot be stored which has an impact on the balancing of supply and demand.

In summary then, and as far as the specific characteristics of services are concerned, the fact that services are intangible has an immense impact on the perception of service quality, a perception which becomes even harder to gauge as one moves the service focus from purely property to the business process itself. As a result, service providers are encouraged to transform their services into tangible and concrete benefits, evidenced by context clues that support a specific customer experience. Finally, one cannot separate the service from the service provider, and as such, even more so than in the case of the procurement of products, this weighs heavily on customer's decision making process as to where to procure the services. So too does it make a major impact on the client's perception of service quality.

2.3. DEFINITION AND NATURE OF PROFESSIONAL SERVICES

Due to the limited amount of secondary data pertaining specifically to the concepts of value and quality in the context of PLS, the literature review conducted took into account the broader category of Professional Services as a whole, from which relevant theory could be extracted and applied in the context of PLS.

Empson (1999) describes a Professional Services Firm ("PSFs") as a firm that applies specialist technical knowledge to the creation of customized solutions to clients' problems. The author states that the term has traditionally been used to describe firms working within formally regulated professions, such as law, accountancy, and architecture, but is often used more broadly to encompass

firms such as management consultancies, advertising agencies, and investment banks.

To distinguish these organisations from traditional service firms, Empson (1999) states that these firms are generally agreed to be distinctive in three key respects. (1) Resource base - PSFs have relatively limited physical resources; their value derives primarily from their professional workers, specifically the technical knowledge, expertise, and experience which they possess. The management of knowledge and knowledge workers is therefore fundamentally important to PSFs. (2) Organisational form – through the partnership form of governance, professionals in PSFs experience a higher degree of autonomy than they would typically enjoy in conventional bureaucratic structures; those PSFs which have adopted the corporate structure may still attempt to imitate elements of the partnership form. (3) Professional identity - firm members identify themselves as professionals and are united by a shared understanding of the concept of professionalism. This professional identity is often associated with the rhetoric of independence and exemplary ethics but may be redefined within PSFs to focus on exceptional commitment to clients and quality of service.

Haywood – Farmer and Nollet (1994) contend that to be a professional, means to have, to a reasonable degree, several of the following characteristics:

- Specialised knowledge, and / or a high degree of training in intellectual rather than physical skills
- Use of independent judgement and autonomous and independent action
- Performance of work that intimately affects the affairs of others

- Performance of work designed to develop the profession's body of knowledge and skills
- Provision of service that is advisory and problem oriented
- Self motivation; and
- Identification with and adherence to the standards of conduct of the profession

2.4. PRESSURE ON THE LEGAL PROFESSION TO CHANGE

Abraham, Spencer and Monk (1998) suggest that there are strong pressures for change within the legal industry. Besides having to absorb an explosion of new practitioners, the profession faces increasing competition from outside service providers who are targeting traditional areas of law practice. An example of this in South Africa would include labour consultants, who provide their clients with labour related advice, yet are not necessarily permitted due to regulatory reasons to represent their clients as an attorney would.

Abraham et al (1998) argue that the economic pressures on the legal services industry are intense. They suggest that increasing efficiencies is one way that law firms can assure survival and that rapidly evolving economic and technological changes demand new attitudes, new policies and open minds to adapt for survival. A further pressure highlighted by Abraham et al (1998) is the pressure coming from clients, or more specifically manufacturing clients, that

have themselves adopted various quality management techniques in their own operations and require its implementation in the operations of their service providers.

Change is not simple or easily accepted within the legal profession. Standing in the way of change is an innate resistance to it. Nearly all organisations resist change particularly if they have been successful in the past (Abraham et al, 1998). The authors also argue that it is the nature of the legal field to evolve very slowly in that legal minds traditionally look to the past for precedents, and past legal management practices that are in existence do not embrace quality programmes such a Total Quality Management.

2.5. MAJOR OBSTACLES TO THE EFFECTIVE MANGEMENT OF LEGAL SERVICES

Clarke (1997) identifies the nature of the obstacles to more efficient and valuable legal services. Although written in the context of litigation claims faced by corporate organisations in the United States, it is submitted that the majority of obstacles apply to the all fields of PLS in general.

The obstacles identified include the following:

- *Business v Legal Concerns*: As an example, a dispute may involve a major supplier of a corporate, with whom a long term relationship is more important than total victory. This will require that an otherwise fungible claim be handled with care and with the participation of persons who have the perspective to see the forest as well as the trees.
- *Constraints on Service Producers*: Rules of the profession regarding conflict of interests, confidentiality and the like, may create major obstacles to the efficient provision of services and to the information flow which is so crucial to efficient service.
- *Third Party Decision Makers*: Effective legal support should attempt to minimise the tendency to use this factor as an excuse for ineffectiveness or insufficiency. A major goal of the legal services manager within the client should be to avoid reliance on judges and arbitrators wherever possible.
- *House Divided Syndrome*: Many companies with significant legal work are often large enough to have departments or divisions which treat the overall corporate interest in resolving legal issues as less important than establishing their own freedom from fault, their overall importance to the company or even the accomplishment of day to day business. The

resulting rivalry can present conflict and unpleasant surprises for managers who do not properly appreciate the need to address intra – corporate politics.

- *Incompatible Economic Incentives*: Most corporates continue to rely heavily on outside legal service providers whose economic incentives are not directly tied to those of the client. This lack of aligned incentives results in tension and ultimately in the mistrust which has fuelled much of the billing practices debate.

The above is not intended as a closed list of obstacles. From the above, however, it is evident that in the case of PSL in particular, there are extraneous factors, not all common in the provision of other professional services that contribute to inhibiting value creation.

Clarke (1997) identifies a variety of recommendations as to how to overcome these obstacles. These include the following recommendations which in effect are aimed more at managing the process rather than improving the service provided in individual cases:

- *Identify The Client*: The tension and inefficiency that result from a lack of clearly delineated roles for the business decision maker, the in house legal counsel and the outside service provider waste untold amounts of money. Responsibility and accountability go hand in hand, and neither of

the parties mentioned should be permitted to defer or delegate decision making within the scope of their responsibility. In particular, outside service providers should not be permitted to assume responsibility for business judgments under the guise of resolving a dispute

- Maintain Quality Control: Individual lawyers within service providers can and will competently handle a finite amount of work. They will and should delegate work to other lawyers within their firm. It is incumbent upon the in house legal advisor to enforce quality within the specific service provider firm by knowing each lawyer working on the client's matter. Service providers should be evaluated on a per lawyer basis, not a per firm basis.
- Graft Common Decision – Trees: Management within the client organisation should identify the factors that affect strategic and tactical decisions in specific types of cases and determine the optimum, cost effective responses to the decision issues that are presented. In house legal counsel and service providers should be required to use those decision trees in their individual cases and should develop non – conforming strategies only when necessary.
- Minimise Self – Interest: The client should encourage service providers to be creative, to problem solve, and to partner with the client. Client management should aim to eliminate the shorter term disincentives to

efficient dispute resolution which hourly billing and lawyer shopping tend to encourage.

2.6. VALUE IN THE CONTEXT OF PROFESSIONAL LEGAL SERVICES

The concept of value may take on different connotations dependant on the context in which it is used. Literature evidences convergence (both conceptual and empirical) in terms of value being a multifaceted and complex construct that should be considered to be a distinct concept to quality and satisfaction (Whittaker, Ledden and Kalafatis, 2007).

According to these authors, value's idiosyncratic behaviour is demonstrated by the fact that value perceptions of the same offering have been found to:

- Vary across different situations
- Vary across time and experience
- Vary depending on the type of offering under consideration
- Be relative to existing competition; and
- Be dependant on customer characteristics

Making the concept of value even harder to understand is the fact that perceived value can be divided up further into six different dimensions, or what Whittaker et al (2007) term the consumption values:

- *Functional value* is related to the perceived performance or utility of the product or service, i.e. an offering's ability to fulfil the function that it

has been created to provide. This dimension is particularly associated with extrinsic attributes.

- *Epistemic value* refers to benefits derived through an offering's ability to arouse curiosity, provide novelty or satisfy a desire for knowledge. The inclusion of this dimension is based on the fact that many professional services are specifically designed to improve the skill and knowledge base of the client organisation.
- *Emotional value* accounts for benefits obtained from an offering's ability to arouse feelings and / or affective states.
- *Social value* represents the benefits derived through interpersonal / group interactions and, together with emotional value, this dimension is considered to account for relational benefits.
- *Image* represents benefits derived from being associated with a business partner that enjoys high market status. This dimension is closely related to the reputation of the service provider and can be considered to act as a risk reducing mechanism.
- *Price / quality value* represents an evaluation of the functional aspects of value relative to the aspects of the consumption experience. More specifically, it accounts for customer's perceptions of the service they receive in exchange for what they give in terms of payment / sacrifice.

Prahalad and Ramaswamy (2004) maintain that the co – creation experience of the consumer becomes the very basis of value. In the conventional value creation process, companies and consumers had distinct roles of production and consumption. Products and services contained value, and markets exchanged

this value, from the producer to the consumer. Value creation occurred outside these markets. As one moves towards co – creation of value, however, this distinction disappears. Increasingly, consumers engage in the processes of both defining and creating value. This research proposes ways in which the client can make positive contributions to the co – creation of value in the delivery of PLS.

2.6.1. Value and the Concept of Holistic Marketing

In considering the role of the service provider in the process of value creation, Kotler and Keller (2006) contextualise value capture for the customer under the concept of holistic marketing. Holistic marketing by the service provider views the process of capturing customer value as integrating the value exploration, value creation, and value delivery activities with the purpose of building long term, mutually satisfying relationships and co – prosperity among key stakeholders. The holistic marketing framework, according to Kotler and Keller (2006), is designed to address three key management questions, namely value exploration (how can a service provider identify new value opportunities?), value creation (how can a service provider efficiently create more promising new value offerings?) and value delivery (how can a service provider use its capabilities and infrastructure to deliver the new value offerings more efficiently?).

Value Exploration

Kotler and Keller (2006) propose that service providers need a well defined strategy for value exploration. Developing such a strategy requires an understanding of the relationships and interactions amongst three spaces, namely the customer's cognitive space, the service provider's competence space and finally, the service provider's collaborator's resource space. The authors explain that the customer's cognitive space reflects existing and latent needs and includes dimensions such as the need for participation, stability, freedom, and change. The service provider's competency space can be described in terms of breadth (broad versus focused scope of business) and depth (physical versus knowledge based capabilities). The collaborator's resource space involves horizontal partnerships, where service providers choose partners based on their ability to exploit related market opportunities, and vertical partnerships, where service providers choose partners based on their ability to serve their value creation (Kotler and Keller, 2006).

Value Creation

Value creation, the second dimension of the holistic marketing approach, identifies the fact that in order to exploit a value opportunity, the service provider requires value creation skills. The service provider must be able to identify new customer needs from the customer's viewpoint, utilise core competencies from its business domain, and select and manage business partners from its collaborative networks. In order to craft new customer benefits, the

service provider must understand what the customer thinks about, wants, does and worries about (Kotler and Keller, 2006).

More specific to the business to business services environment, Whittaker et al (2007) propose that value creation is not just about creating value for the customer, but more about value creation as a networking or relationship building process.

Value Delivery

The final dimension in terms of the holistic marketing approach involves value delivery. Delivering value often means substantial investment in infrastructure and capabilities (Kotler and Keller, 2006). The authors point out that the service provider must become proficient at customer relationship management, internal resource management, and business partnership management. Customer relationship management allows the service provider to discover who its customers are, how they behave, and what they need or want. It also enables the service provider to respond appropriately, coherently and quickly to different customer opportunities. To respond effectively, the service provider requires internal resource management to integrate major business processes, and finally it requires business partnership management, that allows the service provider to handle complex relationships with its trading partners to source, process and deliver services.

In summary then, it should be noted that value creation is not the only area of focus when capturing value for clients. Holistic marketing identifies two other areas of importance, namely value exploration and value delivery. Exploration entails the ability of the service provider to identify value opportunities. This is facilitated by the service provider understanding the needs of its clients, understanding its own competencies to bring those opportunities to concrete fruition, and being able to identify and partner with reliable and competent partners. Identifying opportunity is not enough, the service provider must be able to convert that opportunity into value, using the appropriate value creation skills directly focused on the needs of customers as identified from the customer's perspective. Finally, value delivery is a matter of management. The service provider must be able to manage its relationships with its customers, while at the same time managing its own internal resources and its relationships with its partners and own service providers.

2.6.2. Value Creation as a process

Taking an even more customer centric approach to value creation, Hirvonen and Helander (2001) see it as a process, in that every customer has its own value creation process, through which it creates value in its business operations. They argue that the purpose of the customer's value creation process is to enable the customer organisation to achieve its goals and mission. According to this view, the customer always measures value in relation to its own goals and if the service provider is aiming at building a good and long lasting relationship with the customer, it must have a thorough understanding of its customer's mission,

goals, vision and strategy. By understanding the customer's value creation process, the service provider can more thoroughly identify the problems that the customer has concerning its business activities (Hirvonen and Helander, 2001). This approach aligns itself somewhat with that of Kotler and Keller (2006), as their view places an emphasis on understanding the needs of the customer.

Hirvonen and Helander (2001) propose a three phase framework in order to manage customer relationships so that joint value creation can be achieved. According to their three phase model, the service provider first needs to identify the customer's value creation process, before it can aim at supporting it, which is the second phase, and before the service provider can derive its own benefit from it, which is the third phase.

The Identifying Phase

In the identifying phase, the service provider identifies the customer's value creation process in order to understand better the concerns that are related to the customer's business activities. As the service provider understands the customer's value creation process, it is also able to communicate to the customer more effectively the value that it can create through the relationship.

Supporting Phase

In the second phase, the supporting phase, it is essential for the service provider to understand that at least three types of exchange are included in customer relationships, namely an exchange of knowledge, emotions and actions. Especially in professional service relationships, knowledge and emotional

exchanges are of great importance, as the services provided are based on the expertise of the service provider.

The Benefiting Phase

The third phase in the framework is the benefiting phase, in which attention should be given to the fact that the customer relationship should also create value for the service provider, and such value can only be created if the services are based on the service provider's own core competencies. An important point in the third phase of the framework is that the service provider should also evaluate which customer relationships are the most valuable ones and therefore should be protected the most. When evaluating the customer relationship, Hirvonen and Helander (2001) propose that attention should be given to a variety of aspects of value: economic, technical, service and social aspects, as well as to future oriented aspects of value. On the basis of this kind of analysis, customers can be divided into customer relationships that should be protected, changed or developed.

On the basis of the research undertaken by Hirvonen and Helander (2001), they propose a number of essential steps that can assist the provider in creating value for the customer:

- Identify the customer's value creation process
- Analyse the possible concerns in the customer's value creation process
- Identify which concerns it can offer a solution to by using its own core competencies

- Make a clear value proposition; and
- Keep promises and commit itself to the relationship

The customer on the other hand, according to Hirvonen and Helander (2001) can help achieve joint value creation by taking the following steps:

- Identify its own value creation process and make the essential parts of it visible to the service provider
- Communicate openly with the provider; and
- Commit itself to the relationship

From the above, it is clear that the work of Kotler and Keller (2006), and Hirvonen and Helander (2001) reveal similar themes. Central to the point of value capture is the fact that the service provider must understand the needs of the customer. Without a thorough understanding of the business process of the customer, an understanding of its own competencies, and effective management of relationships, the service provider cannot identify, create nor deliver the appropriate level of value to the customer.

2.6.3. Value and the Different Relationship Levels

Lapierre (1997) proposes that in professional business to business services, the value created by the exchange during the transaction represents one level of value, a specific dimension that is represented by a set of means or actions carried out by the professional service organisation. He also argues that there is a second level to value, namely value in use. Because of this two dimensional approach to value, Lapierre (1997) contends that value must therefore be

conceptualised with reference to time periods. The definition of value changes during the service creation process which can be divided into three specific time periods. In the first instance, the customer recognises that he has a problem and has some needs for which he expects a solution. The author states that this is the starting point of any transaction.

Service value can therefore be improved by focusing on the customer's problem. Good service value is formed when the service provider knows the buyer's needs and develops and adjusts the problem solution so that it meets these needs. In order to find a solution to the problem identified, the organisational customer looks for means or actions which are represented by the practices of professional services in support of organisational customers and refers to the value exchange made during the transaction (Lapierre, 1997). This view correlates with the writings of Kotler and Keller (2006), as well as Hirvonen and Helander (2001), in relation to identifying the customers needs upfront.

Lapierre (1997) proposes that this first level of value does not represent the end of the value creation process. This first level of value is best defined by quality and relational criteria, namely technical quality, image and relational variables, while the second level is defined by financial, social, operational and strategic criteria.

Lapierre (1997) concludes that a high level of value cannot be ensured without taking into account value components during the transaction as well as value dimensions after the transaction. Specifically, service providers must be aware that any of the value dimensions during the exchange process offer the

possibility of improving the value provided to their customers. For some, technical quality will be more important while for others, the relational ones will be mandatory. Service providers must be conscious that this, however, is not a sufficient condition, because organisational customers also perceive value with regards to another set of value dimensions, as they bought the services to improve their own performance. On this point, Whittaker et al (2007) propose that in order to engender perceptions of value, providers of business services should consider their actions in terms of four main customer perceptions:

- Outcome directed perceptions (i.e. value related to the very purpose of the business service on offer and the resultant service knowledge)
- Relationship building perceptions (i.e. value related to inter – personal interactions and development of trust)
- Atmosphere related perceptions (i.e. value related to feelings and risk reduction safeguards generated through association with a specific service provider)
- Sacrifices related perceptions (i.e. whether the experience merited the financial and other associated costs incurred as part of the services experience).

Mapping their offering against the above and identifying specific actions designed to account for these facets of value are obvious ways in which providers of business services can enhance customer perceptions of value.

Thus, as far as value in the context of professional services is concerned, service providers must take into account the whole value creation process and pay special attention to the different levels of value as well as the various value perceptions customers may have.

2.7. QUALITY IN THE CONTEXT OF PROFESSIONAL LEGAL SERVICES

Service quality is an overall evaluation of an entity's excellence or superiority. This judgement or evaluation is similar to attitude and related to, but not equivalent to, satisfaction (Parasuraman, Zeithaml and Berry, 1988).

The above definition frames service quality as a long term attitude whereas satisfaction is viewed as a transitory judgement that is made on the basis of a specific service encounter. Thomas, Darroch and Galvin (2001) agree when they state that satisfaction, perception of quality and the quality of any interaction are a reflection of the service encounter, or the moment of truth as it is often known.

According to Gronroos (1990), this concept represents a single opportunity to excel in providing quality service. In this context, Thomas et al (2001) emphasise that quality needs to be managed at all possible points of contact with clients. Feldman (1997) even goes so far as to suggest that the survival of a law firm is based on the service that lawyers extend to clients the moment they come through the firm's door.

Customers of services form service expectations around quality from many sources. Customers compare the perceived or judged service with the level of service they expected (Kotler and Keller, 2006). If the perceived service falls below the expected service, then customers are disappointed. If the perceived service meets or exceeds their expectations, they are apt to use the provider again. Ojasalo (2001) refers to this as the theory of disconfirmation. According to this theory, service quality and satisfaction result from how well the actual service performance matches the customer's expectations.

In a contrary view to the ideas expressed above regarding perception and expectations, Dedeke (2003) suggests that the concept of service quality be focused, not on customer expectations in an abstract sense, but on mutually agreed results. This implies that both the service provider and the customer have to agree on what the defined results of the service process should be. This approach is known as the fulfilment – oriented approach to service quality. From a fulfilment – oriented perspective, service quality is defined as the capability to meet and exceed the results that the provider and the customer mutually defined and embraced at the beginning of the service encounter.

2.7.1. Determinants of Service Quality

Parasuraman, Zeithaml and Berry (1985), identified that there are five determinants of service quality in the following order of importance: reliability, responsiveness, assurance, empathy and tangibles.

Reliability is the ability to perform the promised service dependably and accurately, while responsiveness is the willingness to help customers and to provide prompt service. Assurance deals with the knowledge and courtesy of employees and their ability to convey trust and confidence, while empathy is the provision of caring, individualised attention to customers. Finally, tangibles refer to the appearance of physical facilities, equipment, personnel and communication materials. They argue that there is a zone of tolerance or range where consumer perceptions on a service dimension would be deemed satisfactory, anchored by the minimum level consumers would be willing to accept and the level that customers believe can and should be delivered.

On this point, McNeilly and Barr (2006) maintain that all products and services have a set of core attributes that must be present, and perform acceptably, in order for the customer to be satisfied. They argue that it is difficult to exceed expectations on these core attributes, as these are the basics that the service provider is supposed to provide. In order to exceed the customer's expectations, they maintain that one must delight the customer.

2.7.2. Delighting the Customer by Exceeding Expectations

In today's competitive marketplace, there is some concern that simply meeting customer's expectations may no longer keep them from straying to other product and service providers. A customer may be satisfied with a marketer's offering, but if another company proposes something more or different, the customer's loyalty may waiver, and thus may switch to another provider (McNeilly and Barr, 2006). As a result, some researchers have suggested that the goal of

business today must be to go beyond merely meeting expectations in order to retain customers, and instead, work to exceed their customer's expectations, delighting them in the process (McNeilly and Barr, 2006).

In the context of professional service firms, Maister (1993) suggests that reliable service may not be enough and that service providers must go beyond the client's expectations. But because professional services are high in credence qualities, (characteristics that make the quality of the service difficult to evaluate), clients may have a difficult time distinguishing between reliable work that is merely competent, and reliable work that is truly technically outstanding.

In cases such as this, Maister (1993) suggests that personal relationships between the service providers and clients will be the key factor in determining whether expectations are met. The author suggests that the need to understand what clients expect, beyond reliable, competent service is critical.

McNeilly and Bar (2006) concur with the ideas of Maister (1993). They suggest that there are two very specific factors important to meeting and exceeding the expectations of clients. Firstly, meeting deadlines and keeping promises and secondly, being knowledgeable about the client's firm and industry. In order to truly delight clients, they contend that professional firms will need to go beyond exceeding expectations. They suggest that delighting the client requires a more personal, emotion laden component. Their advice for professional services providers is that they need to know and understand the key needs and wants that are important to their clients, acknowledging that clients are not homogenous, nor are their concerns and expectations. They propose that only after service

levels have been identified, can professional service providers begin to focus on the services that will produce delight for each individual client.

Kotler and Keller (2006) agree with this when they argue that well managed service companies share the following common traits: they are customer obsessed and have a clear sense of their target customers and their needs; a history of top management commitment in that there is a thorough commitment to service quality; setting high standards in service quality; implementation of monitoring systems; satisfying customer complaints; and satisfying employees as well as customers.

Quality service and customer satisfaction are key elements to customer retention. In services marketing, where service delivery is the fundamental measure of quality, and where people are the service providers, developing relationships through people helps build quality into the service. Being in a service industry is about relationship development; it is about the importance of relating to clients as people; about the importance of acknowledging their fears, anticipating their needs, understanding them and enjoying their company (Thomas et al, 2001).

2.7.3. Quality Standards, Evaluation and Improvement

2.7.3.1. Introduction

In service encounters involving legal services, assessment of quality relies mainly on relational factors (e.g. trust, perceived expertise, interest in and respect of customers) and is likely to be compounded by the characteristics of

legal services themselves; that is, limited pre – purchase information, high uncertainty, delayed effects, infrequent usage and an absence of price signals. The complex interaction of these elements could impact on a client’s decision activities and raise questions about customer loyalty and retention (Thomas et al. 2001).

According to Fitzsimmons et al (1998), the difficulty in evaluating service quality arises not only from the proportion of the service that is intangible but also from the length of time until the final outcome can be determined, as in the case of PLS. Furthermore, as the focus of services moves from property to people to process, the service becomes more difficult to evaluate because the service involves proportionately more credence and fewer search or experience properties.

McNeilly and Barr (2006) argue that the types of services provided by professional service firms are likely to be difficult for the average client to evaluate, increasing the risks in engaging the different service providers. Therefore, they maintain that identifying factors that clients consider when determining whether or not their expectations have been met and satisfied is critical to their long term success.

On the point of setting quality standards, Harte and Dale (1995) suggest that the setting of quality standards or norms in professional service organisations is particularly problematic because of the resistance of professionals and the intangible nature of the service output.

From the above it is thus evident that identifying and measuring quality in the context of professional services is made even more difficult by the fact that professional services are intangible and have a high degree of credence qualities. Add to this the fact that quality can be assessed from many different viewpoints and that professionals display an inherent resistance to setting agreed quality standards, and you have a very real problem in the context of service quality and the field of PLS.

Gleason and Stiff (1985) maintain that part of the service rendered by the attorney is the education of the client with respect to reasonable and unreasonable expectations of the outcomes. Robledo (2001) agrees with the issue of education when he proposes that if service quality assessment and management depends on customer expectations, then a strategic effort should be made at company level to monitor and manage those expectations. As an example, if the service provider is dealing with customers with unreasonably high expectations, it will have to act upon those expectations in order to take them to an appropriate level. Doing that requires an understanding of the sources of those expectations. Robledo (2001) highlights the main sources of these expectations:

- Past experience of the customer, not only with the service provider but with competitors and companies of other sectors
- Informal recommendations, i.e. word of mouth communication
- Formal recommendations

- The price to be paid for a service determines in the customer's mind the level of quality to be demanded
- All elements of the promotional mix convey a message to the customer that has an influence on the expectations
- Personal needs determine what is important for the customer and what is not
- A good corporate image is a very important asset because it shapes positively the expectations of the customers

Finally, Gleason and Stiff (1985) maintain that a good outcome varies with the circumstances. Also, the attitudes of the client toward the practitioner are part of the outcome of the service, but may be part of the process as well if they determine the extent to which the client follows the advice of the practitioner in solving the legal problem. A satisfied client is more likely to co – operate with the practitioner to achieve an acceptable outcome and to seek legal assistance again.

2.7.3.2. Explicit Criteria for Evaluating Quality

Specifically in the context of PLS, Gleason and Stiff (1985) argue that the perspective to be employed as the basis for evaluating quality can be that of the professional providing the service, the client receiving the service, society as a whole, or some combination. The perspective selected is important since it determines who defines acceptable quality. On the point of acceptable standards of quality, the authors propose that any norms for professional services must be considered highly situational based on the needs of the specific clients and may

vary as standards of client management change. According to these authors, acceptable quality is a continuous variable, while unacceptable quality has a threshold.

Henning (1992) argues that when considering service quality and the measurement thereof, it is vital to remember that the only criteria that are relevant to evaluating service quality are those defined by clients. All other judgements regarding the quality of a law firm's service, including those made by the firm itself, are essentially irrelevant.

2.7.3.3. Quality Improvement in the context of Professional Legal Services

According to Harte and Dale (1995), professional cultures are characterised by individualism and autonomy, and by a strong professional identity. Individualism and autonomy lead to professionals having strong personal work distributions and contacts and a personal responsibility for the output of their work. This strong professional identity leads them to prefer as few regulations and organisational impediments as possible, together with a minimum of administrative work. Not an enviable environment when one might be trying to implement prescriptive measures to improve quality. In order to improve quality,

Harte and Dale (1995) suggest that the professional service firm focus on the following:

- Defining standards of service quality
- Defining service delivery systems
- Recruitment and Selection
- Training
- Improved internal communication methods
- Introducing performance related rewards and recognition systems
- Managing the client interaction processes
- Maintaining systems that monitor and measure success

Parasuraman, Berry and Zeithaml (1985), offer ten lessons that they maintain are essential for improving service quality across service industries:

- Listening – understand what customers really want through continuous learning about the expectations and perceptions of customers and non – customers
- Reliability – they maintain that it is the most important dimension of service quality and must be a service priority
- Basic Service – service companies must deliver the basics and do what they are supposed to do – keep promises, use common sense, listen to customers, keep customers informed, and be determined to deliver value to customers

- Service design – develop a holistic view of the service while managing its many details
- Recovery – service companies should encourage customers to complain, respond quickly and personally, and develop a problem resolution system
- Surprising customers – process dimensions in the form of assurance, responsiveness and empathy are most important in exceeding customer expectations
- Fair play – service companies must make special efforts to be fair and to demonstrate fairness to customers and employees
- Teamwork – this is what enables large organisations to deliver service with care and attentiveness by improving employee motivation and capabilities.
- Employee research – conduct research with employees to reveal why service problems occur and what companies must do to solve problems.
- Servant leadership – quality service comes from inspired leadership throughout the organisation

Parasuraman et al (1985) propose that service providers should pay particular attention to, and manage the various gaps that may arise and that are often the cause of unsuccessful service delivery. These gaps include:

- The gap between consumer expectation and management perception – management does not always correctly perceive what customers want.
- The gap between management perception and service quality specification – management might correctly perceive customer’s wants but not set a performance standard.
- The gap between service quality specifications and service delivery – personnel might be poorly trained, or incapable or unwilling to meet the standard, or they may be held to conflicting standards.
- The gap between service delivery and external communication – consumer expectations are effected by statements made by company representatives
- The gap between perceived service and expected service – this gap occurs when the consumer misperceives the service quality

Parasuraman et al (1985) identified the five previously mentioned determinants of service quality, namely reliability, responsiveness, assurance, empathy and tangibles. For the purpose of this study, an effort was made to identify specific actions and recommendations in the context of PLS pertaining to these determinants, thereby providing insight to both the service providers and their clients as to how improvements in service quality can be achieved.

Longenecker and Scazzero (2000) stress the importance of the human factor in quality improvement. They argue that while human factors are important in all quality improvement, they are critically important in service industries. They maintain that management support and teamwork within the service firm are

critical to long term quality improvement. Top management must make continuous improvement and cooperation an ongoing priority for all managers throughout the organisation.

2.8. Conclusion to Literature Review

A review of the non – empirical data revealed that there are definite areas or themes of focus that service providers and clients alike should place an emphasis on when attempting to create and / or improve both value and quality in the context of professional services.

It is, however, quite apparent from the non – empirical data that value and quality in the context of professional services have a variety of dimensions, degrees and characteristics, which makes the creation, evaluation and improvement thereof challenging. This is largely due in part to the high degree of intangibility of professional services and their high degree of credence quality.

Added to the difficult task of defining, evaluating and attempting to even improve value and quality in the context of PLS, is the fact that the legal profession is yet to fully embrace the latest thinking and practices around value and quality improvement in their operations. The profession is slow to change notwithstanding the fact that customers are becoming increasingly demanding in their pursuit of quality service and high value add from their service providers. Added to this is the fact that PLS is subject to a set of extraneous factors that at

times possibly even inhibit value creation, and which factors are not necessarily common to other professional services.

The literature overwhelmingly suggests that service providers must attempt to understand the client's unique needs and their own value creation process before they can begin to add value to the client's operation. According to authors including Kotler and Keller (2006), Hirvonen and Helander (2001) and Lapierre (1997), they suggest that the service provider can no longer afford to operate in a vacuum, nor even attempt to deliver a "one size fits all" offering. Delivering a tailor made solution as part of the services goes to creating value and quality.

Managing the perception of clients is another important ability that the service provider must develop. Perception plays a vital role in the assessment of value and quality by the customer. Making it even more difficult in practice is the fact that value has a variety of dimensions and can be extracted through different stages of the client / provider relationship. Identifying those dimensions and the stages where value is most required by the client, is essential if the service provider intends to map its services to deliver the maximum value. This research attempts to identify methods by which these preferences can be established and managed, so as to generate a more beneficial perception of the delivered value.

The creation of value is not necessarily the sole domain of the service provider. The literature suggested that the client has a large role to play in the co – creation of value. This research proposes means by which co – creation of value can be achieved.

In the context of quality, perception of the client is once again vitally important. The service provider will have to continually manage the perceptions of the client against what the client initially expected from the service encounter and the relationship as a whole. This management involves both educating the client and where possible, agreeing upfront on mutually defined results.

Although the determinants of quality have been identified by the literature in the broader context of services, practical suggestions and examples of each determinant have yet to be proposed in the context of PLS. This research identified specific actions in the context of PLS, around two such determinants, namely reliability and responsiveness, being the two most important determinants of service quality.

It has been proposed that in the process of quality evaluation by clients, relational factors carry the most weight, most noticeably trust, perceived expertise and interest in and respect for customers. Knowing what factors clients rely on when forming their perceptions is vitally important, and as such, service providers should continually attempt to ascertain the criteria, so as to tailor their

offering to the particular client's needs and special circumstances, thereby developing stronger relationships that promote two way loyalty.

Improving quality in PLS is another challenge. Characteristics such as autonomy and individualism make the implementation of regulations, rules and standards a difficult exercise. Although the literature revealed a wide array of suggestions on quality improvement in the context of services in general, little was mentioned on the specific topic of PLS. A gap thus exists for suggesting industry specific methods of quality improvement in PLS.

In summary, the literature was thus consistent and revealed the broad focus areas that service providers and clients alike can attend to in order to create and improve both value and quality in the context of professional services in general. Yet the literature lacked sufficient specific material in respect of value and quality creation and improvement in the specific field of PLS. The empirical data would reveal whether these general focus areas for the creation and improvement of value and quality would be of application to PLS, and more specifically if so, what specific actions and recommendations could be used specifically in the context of PLS to create and improve value and quality.

CHAPTER 3: RESEARCH QUESTIONS

Having stated the research objectives and after having identified certain gaps in the literature review, three questions were formulated, which if answered would add clarity to the problem of defining the general nature of both value and quality in the context of PLS and offering up proposed means and actions of creating and improving both value and quality.

According to Zikmund (2003), formulating a series of research questions can add clarity to the statement of the business problem. The inclusion of research questions makes it easier to understand what is perplexing managers and indicates the issues to be resolved. A research question is the researcher's translation of the business problem into a specific need for enquiry. Zikmund (2003) contends that the goal of defining the problem is to state the research questions clearly.

With the above in mind, the following three research questions were formulated:

- 3.1. Can the general nature of "value" in the context of PLS be clearly identified?
- 3.2. Can the general nature of "quality" in the context PLS be clearly identified?
- 3.3. What actions or means are available to both the service provider and customer to create and / or improve value and quality in the delivery and procurement of PLS?

CHAPTER 4: RESEARCH METHODOLOGY

According to Zikmund (2003), classifying research on the basis of purpose or function allows one to understand how the nature of the problem influences the choice of research method. The nature of the problem will determine whether the research is (1) exploratory, (2) descriptive, or (3) causal. Exploratory research is conducted to clarify ambiguous problems, and research is required to gain a better understanding of the dimensions of the problem. Uncovering conclusive evidence to determine a particular course of action is not the purpose of exploratory research. Exploratory research is usually conducted with the expectation that subsequent research will be required to provide conclusive evidence (Zikmund, 2003). Descriptive research on the other hand is used to describe characteristics of a population or phenomenon. Accuracy is of paramount importance in descriptive research. Finally, causal research is used to identify cause – and – effect relationships amongst variables (Zikmund, 2003).

4.1. EXPLORATORY RESEARCH

Given the nature of the problem and the objectives sought to be achieved by this research, the approach decided on was exploratory in order to generate new ideas. The effort was intended not to result in conclusive findings, but to

generate ideas and recommendations around the meaning and nature of value and quality in the provision and use of PLS, and the creation and improvement thereof. According to Neville (2005), one conducts exploratory research when few or no previous studies on the matter exist. The aim is to look for patterns, hypotheses or ideas that can be tested and will form the basis for further research. Zikmund concurs with this view and contends that exploratory studies provide information to use in analysing a situation, but uncovering conclusive evidence to determine a particular course of action is not the purpose of the research. Usually, exploratory research is conducted with the expectation that subsequent research will be required to provide conclusive evidence (Zikmund, 2003).

Exploratory research is a useful preliminary step that helps ensure that a more rigorous, more conclusive future study will not begin with an inadequate understanding of the nature of the management problem. Conclusive research, Zikmund (2003) argues, answers questions of fact necessary to determine a course of action. This, he says, is never the purpose of exploratory research.

As the research was of an exploratory nature, qualitative methods were chosen above quantitative methods. Zikmund (2003) contends that much, but certainly not all exploratory research provides qualitative data. Usually, exploratory research provides greater understanding of a concept or crystallizes a problem, rather than providing precise measurement or quantification. The purpose of quantitative research is to determine the quantity or extent of some

phenomenon in the form of numbers. That was not the purpose of this research study.

The value of qualitative research can best be understood by examining its characteristics. One of the primary advantages of qualitative research is that it is more open to the adjusting and refining of research ideas as the enquiry proceeds. Also, the researcher does not attempt to manipulate the research setting, as in an experimental study, but rather seeks to understand naturally occurring phenomena in their naturally occurring states (Tucker, Powell and Meyer, 1995).

Data of qualitative research are particularly attractive because they provide, amongst other things: well grounded, rich descriptions and explanations; serendipitous findings for new theory construction; and a quality of undeniability (Miles and Huberman, 1984).

To ensure that qualitative research is rigorous, Howe and Eisenhart (1990), propose five standards:

- Appropriate data collection and analysis techniques to fit and provide answers to the research questions asked. The research questions should lead the data collection and analysis techniques rather than vice versa.
- Competent, technically correct data collection and analysis

- Complete literature review and theory identification as a basis for research questions
- Useful balancing of present research with broader knowledge bases from other bodies of knowledge
- Cogent assessment of the value of the research findings.

Another solution to the possible subjectivity of qualitative research data is triangulation. According to Patton (1989) there are four types of triangulation, including Data Triangulation, Investigator Triangulation, Theory Triangulation and Methodological Triangulation. For the purposes of this research, Data Triangulation was the appropriate method of subjectivity reduction in that a variety of data sources were used in the study, making use of different subjects at different times and at different places.

4.2. TECHNIQUES OF EXPLORATORY RESEARCH UTILISED

4.2.1. Experience Surveys in the form of Semi – Structured Interviews

There are various techniques in terms of which qualitative, exploratory research can be conducted. These include experience surveys, secondary data analysis, case studies and pilot studies (Zikmund, 2003). Having explored all the alternatives, the technique of experience surveying was selected for the purposes of this research study, the reason being that exploratory information

from an experience survey is not expected to be conclusive. Further to this, by choosing to interview subjects who were regarded by the researcher as experienced and sufficiently knowledgeable in the area of PLS, the research would solicit insightful and relevant recommendations as opposed to findings obtained from subjects who were not knowledgeable or sufficiently experienced in the topic of PLS.

An experience survey is a technique in which individuals who are knowledgeable about a particular research problem are surveyed. According to Zikmund (2003), exploratory information from an experience survey is not expected to be conclusive. For the purposes of this research study, the experience survey consisted of semi structured interviews with representatives of both the practicing legal profession and in house legal representatives of corporate organisations. The corporate interviews were conducted separately from the legal profession interviews, at no time combining the two groups in any one interview. This way, the feedback remained open and honest and uninfluenced by other stakeholders, which would most certainly have been the case had representatives from the two groups been interviewed together.

The interviews were semi – structured in that lists of formal questions were posed, however, the respondents were generally allowed to discuss the questions with few constraints. This resulted in rich and deep responses in the majority of interviews conducted. Neville (2005) confirms that the semi – structured interview approach is suitable for research where one needs to

probe, explore or seek for new insights into a subject. A further benefit of this technique is that it enables the researcher to obtain multiple responses to set questions and allows for detailed responses (Struwig and Stead, 2001). A further benefit of the approach utilised is that it allows the researcher to clarify and obtain more complete information, than what would have been possible had a non – personal approach been utilised.

4.3. POPULATION AND SAMPLING

Sampling procedures for qualitative research differ from quantitative studies in that random selection and generalisability are not of primary consideration in qualitative research (Struwig and Stead, 2001). As the focus of this research was primarily on the depth and richness of the data, the samples were selected purposefully rather than randomly in that knowledgeable people were selected for their ability to articulate information particular to the field of PLS.

Population

Due to the nature of the research, and the input required from different stakeholders involved respectively in the delivery and procurement of PLS, more than one population was approached. The two populations that were approached were:

- Registered Attorney Firms comprised of five or more partners or directors, practicing within the Johannesburg metropolitan area.
- Corporate entities located within the Johannesburg metropolitan area and listed as public entities on the Johannesburg Stock Exchange Limited (“JSE”).

According to Struwig and Stead (2001), qualitative researchers must carefully consider why they have selected a particular sample and not another. As experience surveys are a form of purposive sampling, researchers rely on their experience, ingenuity and / or previous research findings to deliberately obtain units of analysis in such a manner that the sample they obtain may be regarded as being representative of the relevant population (Welman and Kruger, 2003). In the case of this particular research, and in order to determine the selection criteria for the units of analysis, the researcher relied on his previous experience as both a registered practicing attorney and an In - House legal advisor for a large listed corporate within the Johannesburg Metropolitan area.

In the case of the Registered Attorneys Firms, the selection criteria consisted of the following:

- Geographically located within the Johannesburg Metropolitan area
- The firm’s overall good reputation within the legal fraternity
- The firm’s size. Firm’s consisting of five directors or more
- The diverse service offering of the law firm

- The nature of the firm's client base. Firms with JSE listed clients were selected

In the case of the Corporate entities, the selection criteria consisted of the following:

- Geographically located in the Johannesburg Metropolitan area
- Corporate entities with their own In House Legal Department
- Johannesburg Stock Exchange ("JSE") listed entities

Sample Size

Struwig and Stead (2001) argue that qualitative researchers are more interested in whether the information from the sample is rich in data and thick in description than the extent to which the sample's data can generalise to the population. According to Strauss and Corbin (1998), determining the appropriate sample size is answered by *theoretical saturation*. Theoretical saturation occurs when no new or relevant data seem to emerge regarding a category. The same authors maintain that in the case of interviews, there is no set number for when theoretical saturation will occur. Morse (2000) argues that the ability, experience or knowledge of the researcher will also affect sample size and assists in determining the point of theoretical saturation. The researcher's knowledge of the given area under study may provide the

researcher with insight that allows them to bypass unnecessary data and formulate questions that guide the interview more efficiently.

After completing approximately five interviews from each population, it was estimated by the researcher, taking into account the content and consistent emergent patterns in the interview data already collected, and the researcher's own experience in the PLS field, that theoretical saturation would in all likelihood occur after approximately ten interviews in respect of each population. Thus a sample size of ten in respect of each population was set as the target. In addition to the primary basis of this decision, the researcher's own resource limitations also had an impact on the sample size chosen.

These limitations included:

- The estimated duration of each interview (approximately 1 hour);
- The fact that the researcher would be conducting the interviews during his working hours, and the working hours of the respondents;
- The submission deadline for the research;
- The fact that the researcher would be performing the time consuming transcription exercise for each interview; and
- The extensive time required to analyse the voluminous empirical data

Unit of Analysis

Defining the research problem requires that the researcher determine the unit of analysis for study. It must be specified whether the level of investigation will focus on the collection of data about for example, the entire organisation, separate departments, work groups, individuals or objects. In other words, it determines whether the collection of data will be broad or narrow (Zikmund, 2003).

Units of analysis in respect of this research comprised:

- Individual law firms (as opposed to individual attorneys)
- In – House Legal Departments (as opposed to individual Legal Advisors)

4.4. CODING AND ANALYSIS

4.4.1. Content Analysis

The usual reason for using open ended type response questions is that the researcher has no clear hypotheses regarding the answers, which will be numerous and varied. The primary means of analysis was that of content analysis. Content analysis obtains data by observing and analysing the content of the message or response by the respondent. According to Zikmund (2003),

it is used for the objective and systematic description of the manifest content of communication. Patton (2002) states that content analysis is used to refer to any qualitative data reduction and sense making effort that takes a volume of qualitative material and attempts to identify core consistencies and meanings.

4.4.2. Thematic Analysis

The core meanings found through content analysis are often called patterns or themes. Alternatively, according to Patton (2002), the process of searching for patterns or themes may be distinguished, respectively, as pattern analysis or thematic analysis. In the case of this particular research, once the content analysis was completed, a process of coding the responses into common themes was undertaken. The purpose of coding such responses was to reduce the large number of individual responses to a few general categories of responses.

The end result of this code building effort, according to Zikmund (2003), should be a list, in abbreviated and orderly form, of all comments and thoughts given in response to each question.

4.5. THE PROCESS AND RESEARCH LIMITATIONS

The specific process followed by the researcher in this case involved the following steps:

Questionnaire Formulation, Interviews and the Data Recording Process:

- A careful review of the existing literature was conducted, identifying high level themes in relation to both the creation and improvement of value and quality in the context of Professional Services in general.
- Once these themes had been identified, questions were developed in order to be included in a questionnaire for both the legal and the corporate sectors, at all times keeping in mind the required link back to the three research questions posed. These questions were formulated to solicit industry specific recommendations and suggestions around the general nature, creation and improvement of value and quality in the context of PLS.
- Once the questionnaire had been drafted and re – drafted through numerous iterations, it was piloted in order to gauge its effectiveness in soliciting the required deep and rich feedback, and to determine the approximate length of time it would take to conduct each interview.
- Following the finalisation of the questionnaire, individual units of analysis were selected, and individuals representing these units were approached telephonically with interview requests.

- The purpose and objectives of the study were explained to the prospective subjects, along with an undertaking of confidentiality and the offer to share the research findings and proposals with each respondent.
- Convenient dates were agreed, followed up by “meeting requests” sent to subjects by means of electronic diary. Confirmation phone calls were made 24 hours prior to the actual interview, in order to confirm and finalise arrangements.
- Interviews were conducted at the premises of the subject, and recorded by means of a digital recording device.
- While conducting each interview, the researcher also made hand written annotations on a copy of the questionnaire, identifying further possible themes throughout this process.
- Immediately following each interview, the recording was transcribed, clearly separating each question and its response/s, and taking into account any comments or notes recorded during the interview process, as to what themes may be arising.

The Empirical Data Analysis Process:

- A content analysis of the empirical data was performed, which involved observing and analysing the content of the message or response by the respondent.
- The first step in thematic analysis involved identifying a list of themes in each of the areas of value and quality. These themes were constructed

from both the literature review and the data assimilated from the interview process after the content analysis had been completed.

- The next step then involved categorising all data into the themes identified under both value and quality.
- A further step involved reducing and combining the numerous themes into fewer, high level themes, retaining the distinction between value and quality. It would be around these high level themes that the discussion of the findings would take place and recommendations would be proposed.

See **Appendix 1** for a detailed table of these themes.

Reporting and Presentation of Qualitative Data:

Constas (1992) advocates a spirit of openness in the presentation of qualitative research data. He advises researchers to focus their descriptive and narrative skills on themselves and their researching activities.

Chenail (1995) proposes that there are many ways to present the different aspects of your analysis. The effort to fit more themes, categories or features will require the researcher to reduce his or her data in order to present more of it. He suggests limiting the number of examples that are presented per category. As the process of winnowing the data begins, the emphasis becomes one of selecting one poignant example after the other as all of the significant “wheat” (i.e. data that is deemed significant or exemplary) gets separated from

all of the non – significant “chaf” (i.e. the data which is determined to be non – significant or redundant).

The reporting in Chapter 5 followed the recommendations of Chenail (1995), in that only those portions of the significant data that are relevant to the research argument were presented, and then again, only in respect of a limited amount of themes. It must be noted that although questions were drafted along the lines of certain pre – identified areas of focus extracted from the literature review, many of the questions produced responses that quite clearly aligned themselves with more than one area of focus or high level theme.

Research Limitations:

The following limitations applied to the research:

- The respondents in the legal profession were chosen from firms consisting of five or more directors / partners. This therefore excluded smaller firms.
- Respondents in the corporate sector were limited to organisations listed on the JSE, with their own in house legal departments. Non – listed, small to medium sized entities were thus excluded.
- The sample target size was to interview 10 law firms, representing the service providers, and 10 corporate organisations, representing the client’s perspective. Due to unforeseen and uncontrollable

circumstances, three chosen units of analysis were unable to meet at the agreed times, and as such unsuccessful attempts were made to re-schedule appointments. This resulted in a total of 17 interviews out of a target of 20 being achieved.

- What could not be foreseen by the researcher was that certain of the units of analysis made more individual representatives available for the interview than what had been arranged. Although experience surveys are in the majority of cases conducted with individuals, it was beyond the control of the researcher to reject these additional attendees, and in fact, it is argued that the presence of more than one representative in the interview contributed to the richness and depth of the data gathered. In addition, the unit of analysis comprised the individual law firm or the individual legal department, and not any particular individual representative therein.

CHAPTER 5: RESULTS

5.1. INTRODUCTION

After collecting empirical and non – empirical data and methodically recording and analysing such data by means of appropriate, accepted and recognised means, the data took on the form and structure that would enable the reporting thereof. As the research process made use of separate questionnaires for both representatives of the legal profession and representatives of the corporate sector, the response examples from the two groups were reported on separately in this Chapter. Reporting was performed in this manner so as to assist the reader in developing an understanding of the different perspectives held by the two different groups of respondents.

5.2. RESULTS OBTAINED FROM THE DATA COLLECTION PROCESS

It was initially intended that twenty interviews would be conducted, consisting of ten interviews with the legal profession and ten with the corporate sector. As a result of cancellations and unavailability of selected respondents, a total of 17 interviews were eventually conducted and completed, consisting of 8 legal profession interviews and 9 corporate legal department interviews.

5.3. LAW FIRM RESULTS IN RESPECT OF VALUE

The questionnaire posed to the respondents was split into two parts, Part A dealing with value, and Part B dealing with quality. See **Appendix 2** for a copy of Part A of the Questionnaire administered to service providers. As explained above, the answers to these questions were analysed and grouped into specific themes. What followed below was a description of the results as grouped under the respective themes as set out above in the analysis section. As qualitative research leads to voluminous amounts of data, only certain select themes were reported on in this Chapter. For completeness, all themes were, however, discussed in Chapter 6.

5.3.1. *Theme 1 – Understanding and Identifying Client Needs*

The responses from the legal representatives that were grouped under this theme were elicited from questions 1, 2, and 5 of Part A of the Questionnaire.

The following responses were recorded in respect of Question 1, which sought to determine the general nature and elements of value in the context of PLS:

- “You must be attentive to what is important to your client...”
- “...and it’s that initial needs assessment that is important.”

The following responses were recorded in respect of Question 2, which looked at the respective importance of the different dimensions of value in the context of professional services:

- “...you must be able to understand your individual client’s needs, and be able to adapt according to those needs.”
- “if you understand your clients and what interests them, you keep them up to speed”

The following responses were recorded in respect of Question 5, which sought to understand how value is explored, created and delivered, in what Kotler et al (2006) refer to as holistic marketing:

- “Well firstly, it’s in the personal relationships, the closer the relationship...during those discussions you get an idea, and you question and obtain information on what they need. That leads to the seminars that I mentioned...it also leads to the newsletters and the little...how can I call them...news items that we send out...and we send them out to all our clients with a request that if they want to know more about that particular field, to let us know, and we will furnish them with any information they need.”
- “...Ja, I don’t think we do a good enough job of that...because frankly, we have so much work we wait for them to come to us with a particular problem...and I think we would ideally like to be more proactive....It

would serve their integrated needs better, if we could assess their big picture needs...but in reality, lawyers in firms tend to be more responsive than proactive.”

5.3.2. *Theme 2 – Relationships*

The responses from the legal representatives that were grouped under this theme were elicited from questions 1, 2, 4, and 5 of Part A of the Questionnaire.

The following responses were recorded in respect of Question 1:

- “Every matter gets a relationship manager assigned...that person is the central point of contact between the client... and between the firm’s team. Any problems that the client has, they go to the relationship manager who then speaks to the team...tries to sort everything out...tries to come up with the best possible solution.”
- “...they must feel that you have their interests at heart and that it’s a partnership as opposed to a milking factory.”

The following responses were recorded in respect of Question 2:

- “...and we also get regular client feedback if there is a problem...um...ja and also, with research by outside publications and all of that, if there is a problem, they let us know...people seem to be a lot more open to

speaking to an outside party than to the lawyer. That also helps having a good relationship with your client, it also helps them be a lot more open and telling you what they are looking for...”

- “...there is more knowledge sharing in that relationship...you get more comfortable with each other, you grow together.”

The following response was recorded in respect of Question 4, which sought to establish what a client’s contribution should be in the co – creation of value:

- “...where you differentiate yourself is your client relationships...ultimately that’s what your clients pay you for, colloquially you are holding their hands...if you manage that process properly, that’s really why a client will stay with you as opposed to going to another law firm.”

And finally, the following responses were recorded in respect of Question 5:

- “I think, you know, something...one ought to, technically speaking, ought to really at least once a year, pay a courtesy visit to the client, at no cost. Just to sit down and have a cup of tea or whatever, and ascertain what has been happening over the past year...are you satisfied, if not, why not and go back and offer a solution to what had gone wrong, and take note of what had gone right...you know because, you can do it one on one or you can just do it confidentially...um and you know, get

satisfaction surveys...both serve a purpose, but nothing is better than an open, transparency approach...you know, if you are transparent with your client, I think the clients appreciate it...it gives them the opportunity to speak up and if you've got a good relationship, they will.”

- “...you must engage with your clients...I think that's one of the components, we have certainly had those discussions around the whole client relationship management thing. There are ways and means of making these things a little more um...automated should I say...so putting the right foundations in place in terms of your CRM systems...all those sort of things...and potentially outsourcing the prompting thereof for that sort of interaction, so you know, having programmes in place that address things like client retention, client engagement levels, things like...and we've spoken to it...other opportunities to network through those clients to reach other potential clients...a business development mind set...motivating people to invest their time in it.”

5.3.3. *Theme 3 – Client co creation of value*

According to Prahalad and Ramaswamy (2004), it is essential that the client itself becomes involved in the creation of value. This concept is described as co – creation. With this in mind, questions were posed as to what is currently being done, and what more could be done, in order to achieve this in the context of PLS. The responses from the legal representatives that were grouped under this

theme were elicited from questions 3 and 4 of Part A of the questionnaire administered to law firms.

The following response was recorded in respect of Question 3:

- “...so for clients to sort of think through the brief more carefully...perhaps discuss it internally, more thoroughly, make sure all the stakeholders internally in the corporate are on board with the approach, because that’s sort of often the issue. The better our instructions, the better we can do our job.”
- “...well the thing is for them to be organised...client also helps explaining the business, and from them sharing information with you, you can add value.”
- “...well like what we did, we try and get the lower ranking people in the client to do the work and get the more senior people to check.”

The following responses were recorded in respect of Question 4:

- “...well like I said, we do need all the information, we are trying to keep their costs down, but they must help us with that...there is only so much we can do without the client...its all about an open relationship.”
- “...it is as important from a professionals perspective, to get a project manager on the client’s side...there has got to be a guy, one person in a big matter, in charge on behalf of client and who is in the loop on every

detail and is dedicated to the assignment and project...As a lawyer, I will miss key factual situations...”

- “...the client has intimate knowledge of the specific matter that they brought to me and the facts around it. So they play a very much of an interactive role with me...they must frame the case with the lawyer... clients can just be really more informative. They must give you the facts as they are and not leave out any details.”

5.3.4. Theme 4 – Communication

The answers solicited in respect of this theme came from almost all questions posed under the “value” questions. The majority of responses came from questions 2, 3, 4 and 5 of Part A of the questionnaire.

The following responses were recorded in respect of Question 2:

- “...and there must be a clear mandate up front from the client.”
- “...so I see it as a team effort...for me to add legal value to your set of facts, I need your factual knowledge. I have to ask you critical questions about your business operations. I will never know the detail you know.”

The following response was recorded in respect of Question 3:

- “...there should...as I said, always be initial communications between the attorney and his client, regarding...their respective roles.”

The following responses were recorded in respect of Question 4:

- “Well I think that goes back to communication. As long as you communicate well with your client and make it clear what your roles are...the average good client co – operates, for example um...provision of information and documents that you need...”
- “...it’s not so much about laying down the ground rules, as trying to communicate and make them understand that the more they help us, the more we can help them.”
- “...you get clients that think they are the lawyers...they want to tell you what to do. All this does is slow down your ability to give them a result.”
- “...the ones who I think instruct you properly upfront...clients briefing you properly is a good start.”

And finally, the following response was recorded in respect of Question 5:

- “one needs to as a professional advisor, you need to ask what the client really wants, his objective, what he really wants to achieve...you need

proper instructions and feedback throughout the process, but um, upfront, you need to know the objectives and review it on an ongoing basis.”

5.4. LEGAL DEPARTMENT RESULTS IN RESPECT OF VALUE

For the purposes of this chapter, the very same themes were dealt with as were reported on in terms of the service providers. As with the questionnaire administered to the service providers, the questionnaire administered to corporate legal departments was also split into questions dealing with value and questions dealing with quality. See **Appendix 3** for a copy of Part A of the questionnaire administered to corporate legal departments. For the same reasons as set out above, only certain select themes were dealt with under this chapter.

5.4.1. *Theme 1 – Understanding and Identifying Client Needs*

Questions 1, 3 and 5 elicited responses that in some way or another, made reference to this theme.

The following responses were recorded in respect of Question 1:

- “...I think the value add comes in when the service provider has a broad and general understanding of your business and some very good understanding on some of the important legal aspects or requirements of

your business. If you have built up this understanding, they can give you advice that is business oriented.”

- “...and value to me also, is um...providing legal advice and opinion in the context of the business. Often lawyers don’t understand this element.”

The following response was recorded in respect of Question 3:

- “The other one that I can think of is just the...the obstacle that in certain instances the lawyer gets too legalistic...doesn’t understand the legal deal...if one goes to a lawyer, you don’t want to much focus on the boilerplate clauses.”

The following responses were recorded in respect of Question 5:

- “...I think what they do is um...or one of the things they do, are legal updates, case annotations and that sort of thing. Finding out who within the organisation needs what sort of updates...um, that’s a proactive thing that they should do. Once you actually go to them on an issue, finding out needs will be part of the matter.”
- “...um, I think that you know, if you are an astute and competent in house legal counsel, I think you have a good idea of identifying your own legal needs...I do think that if they have worked consistently and

well with you, and they have a knowledge of your business, they will be aware of what your needs are.”

- “ja...that’s getting to know your business, but I’m a bit cynical about that...because you know, if you send a whole bunch of lawyers in here to tell me what my needs are, from a legal perspective...to me that will just be a fishing expedition to generate fees. But at the same time, a practical example is from time to time our trade mark attorneys do a trade mark audit for no cost. That is very constructive and useful.”

5.4.2. *Theme 2 – Relationships*

The majority of responses were solicited under questions 3, 4 and 5 of Part A of the questionnaire.

The following responses were recorded in respect of Question 3:

- “...and in terms of having and keeping relationships, you know, you want to have continuity in terms of your service providers. You don’t want a whole lot of turnover of a whole lot of legal people.”
- “...because you have built up the relationship. You know, you are similarly qualified to the lawyers. You have quite a good understanding. But that’s not enough. You have to expose the service provider to the business people...build up that relationship so that the business people in the organisation share your confidence and trust of that advice, um...and

also get a sense of the value add. Um...I think you have to play an active role in getting the business people and the service providers together.”

The following responses were recorded in respect of Question 4:

- “...annually, we actually evaluate the service rendered by the firms and advocates we use. To ensure that the level of the service is what we expect of them. To the extent that it is not, we have a discussion with them.”
- “Ja I think so...maybe just tying in with being frank and direct about what one expects. And bringing issues to their attention sooner rather than later.”

The following response was recorded in respect of Question 5:

- “Um...I think they must get someone specific within the firm to own the relationship. They must have a particular relationship partner who is responsible for any client issue. There is one client relationship manager. He is your central point for anything...positives and negatives.”

5.4.3. Theme 3 – Client co creation of value

Many responses were received from the in house legal departments themselves, dealing with the issue of what contribution they could make in order to enhance value in the delivery of PLS. For the purpose of this chapter, the most pertinent responses were related back to the reader.

The following response was recorded in respect of Question 3:

- “...and you must give proper instructions to the lawyers...this will enable them to have quicker turnaround times.”

The following responses were recorded in respect of Question 4:

- “...of course the briefing is important...and also, often what one likes to do is we involve them early in the meetings. Bring them into the business or ask for a secondment from the firm.”
- “I have often given them presentations on certain aspects of the business, things that they have to understand about the industry.”

The following response was recorded in respect of Question 5:

- “...if we use somebody who is new, we arrange to give them a presentation on the scope of the business or business unit, and to explain to them the context of the instruction.”

5.4.4. *Theme 4 – Communication*

As with the responses received from the legal profession, the theme of communication was evident in the majority of responses received in respect of value. For the purposes of this chapter, responses from questions 2 and 4 of Part A of the questionnaire were provided as examples.

The following responses were recorded in respect of Question 2:

- “...if you have good sound relationships with people outside, who you are free to discuss exactly how you would like to discuss a matter and get unbiased, honest and objective feedback.”
- “I think it’s important to appreciate that seeking advice from lawyers...the um, the advice you get is often as good as the information you provide them upon which to base their opinion. If you provide them with bum information you going to get an opinion that comes back that probably is not exactly what you want...so it’s an iterative process. You

have to provide information and they must ask questions and seek clarifications.”

The following responses were recorded in respect of Question 4:

- “...the advice that we receive must be seen in the context of our business. The value that we add is to ensure that that element is appropriately imparted to the lawyers we are dealing with.”
- “...and by being so, that value is transposed and communicated to the service providers in the legal profession...so that when you go talk to a lawyer, they listen to you in as much as telling things to you. Some lawyers are more inclined to tell than to listen. They need to listen first before they can tell appropriately.”

5.5. LAW FIRM RESULTS IN RESPECT OF QUALITY

As stated above, Part A of the questionnaire posed to the law firms dealt with issues around value, while Part B dealt specifically with issues around quality. See **Appendix 4** for Part B of the Questionnaire posed to law firms. As in the case of value, only certain examples under the specific themes that the author deemed pertinent were included hereunder for reporting purposes. For completeness, all quality themes were, however, discussed in Chapter 6.

5.5.1. *Theme 1 – Managing client perceptions*

All responses in respect of this theme were solicited from Question 2 of Part B of the Questionnaire administered to law firms. The question dealt with managing the gap between expectations and perceptions of quality from the client’s perspective.

Responses included the following:

- “I think it starts in the beginning when the client first comes to you with an instruction...you have to try and gauge what their expectations are and what you can do...you know, some of them have completely impossible expectations. So just to be upfront about it and say you know what they can expect and what they can’t...just to be upfront with them is probably the best way to go.”
- “Something you learn as a younger lawyer...that you do the work, and no one can suggest you haven’t done the work or haven’t done it properly, but the client expected you to do something different...so you try as much as possible to say that these are things I will do, this is more or less when I will do them and why I will do them.”
- “...again it goes to communication, and you discuss with your client what his expectations are, and you advise him what you think you can deliver and what he should want you to deliver and hopefully you agree on that and then try and meet it. Then it is important to follow up. Don’t

think with relief that you have delivered. You must follow up...arrange a meeting to check if client is happy with what he has got...what more he needs to have and what he regards as a complete job.”

- “...we subconsciously try to manage perceptions. I don’t know that we set out to do the typical things that marketing people will tell you the way to manage these things from a perception point of view and that is to under promise and over perform...in the meantime you always know what you were going to give. I think personally if I talk of my experience in dealing with clients where the relationships have been voluntary and people have come back to me, is again to deliver on the quality...to deliver in the depth of understanding.”

5.5.2. Theme 2 – Delighting the Customer

All responses in respect of this theme were solicited from Question 4 of Part B of the Questionnaire administered to law firms. Responses included the following:

- “...ja, I think it goes back to giving your client the satisfaction that you have understood what he wanted and that you have delivered it...and that you have his interests at heart...that you are really committed to delivering it. The last thing he wants is a lawyer that he doesn’t feel he can communicate with, or is unavailable.”

- “...and I also thought the other thing...I think something like freebies, in between jobs and it’s the little things you know...are you guys aware of this, should you not think of this in relation to that...that’s relationship building...is to be accessible for quick, you know, what is the lawyers view...he is there for me, if you need him you phone him for a quick answer.”
- “...be responsive, um, let them feel valued. I think you make them feel valued by being responsive to their needs. You return their calls promptly, you respond to their emails...prompt service but keep the client in the know, so they know what to expect. You know they are paying you a hell of a lot of money, so you should make them feel valued. Show them that you value the opportunity to do their work. That comes out in the way you interact with them on an everyday basis. I think it’s the little things, I don’t think it’s the big gestures...I don’t think it’s the crate of champagne at the end of the year...and that’s where the ongoing relationship comes in...If you as in house legal counsel jump from firm to firm, frankly, why should I give you freebie advice. If you keep bringing me your transactions, then of course I’m going to give you the free advice in between.”

5.5.3. Theme 3 – Service Levels

All responses in respect of this theme were solicited from Question 6 of Part B of the Questionnaire administered to law firms. Responses included the following:

- “Well we do promise a level of service...we have engagement letters that go out. To say that this is the service we will offer you. This is the quality of service, this is how we manage work flow, and this is how we retain staff.”
- “...some of that you can gauge from the first time you meet with a client because you will get a sense. We actually say in our minimum service standards that if a client asks for an update, you are not doing your job.”
- “...those issues you can discuss, and do discuss, but it’s more an informal thing. I think it goes back to the fact that the client when communicating with you and if you are communicating properly makes it very clear of what the turnaround time expected is...who should be working on the matter...you discuss these with the client.”
- “We sometimes do when we do engagement letters. Particularly in larger instructions we do that. Because often clients nowadays, which has become the trend, which is an international thing...ask you to quote on work, and you must then scope the work properly when quoting...one is then forced into a much clearer process thinking...bigger clients are actually asking us to write the time frames, the map and costing of the entire process...which is difficult, particularly in litigation. It’s much

easier to do a typical corporate finance time table. Our typical engagement letter would have a scope.”

- “At the beginning, my clients get a letter which tells them how I conduct myself, what they are going to pay, what they are going to pay for my clerk, how they can interact with me...if they have a problem, who they can speak to, so they know the game plan as to how the firm works. Then I sit them down and tell them how I work. So when they say how do I know if you are giving me of your best, I have to have told them what I’m going to be doing and how one goes about it, and that’s when they are able to see I am giving them of my best.”

5.5.4. *Theme 4 – Trust*

The responses in respect of this theme were solicited from an array of questions, including questions 4, 6, 7 and 8 of Part B of the Questionnaire administered to law firms.

The following response was recorded in respect of Question 4:

- “...um what my clients know is that whenever they have got a problem, they come to me and either I’ve got the knowledge immediately at hand and I give it to them, or I say to them that I need time to think about it, or alternatively you need to speak to someone else within the firm. So they know that whenever they come to me, they are going to get help.”

The following response was recorded in respect of Question 6:

- “...I think that’s critical. You don’t tell a client you going to do something...And if for some reason you can’t, you call or email them and tell them why you can’t.”

The following response was recorded in respect of Question 8:

- “Well make sure that you over deliver rather than under deliver. Don’t promise what you are unable to give. Make sure that you don’t exaggerate your ability or raise hopes unrealistically.”

5.5.5. *Theme 5 – Determining the Client’s Quality Evaluation Criteria*

The responses in respect of this theme were solicited from questions 3 and 7 of Part B of the Questionnaire administered to law firms. It attempted to solicit ways and means of ascertaining what clients deemed important in evaluating service quality.

The following response was recorded under question 3:

- “...and I think flowing from your question, one should actually take the time to spend the time with clients to ask how you can do it better, what is important for the client. Make no mistake, we do have these

discussions with major clients, but not across the board. And I think trying to get focus areas to do it across the board will add value. You will find the opportunity over lunch...to discuss a particular matter...In the process you try to explore what they try to find acceptable as a deliverable.”

The following responses were recorded under question 7:

- “I think that’s something that needs to be established upfront when you start the relationship with the client. So you know what they are looking for, what they consider good and bad. And it helps if they give you past experiences that they have had at other firms. What they liked and what they didn’t like.”
- “...you will say to them that if there is any problem that they have experienced regarding any aspect of the service, they must let you know.”
- “that initial engagement is the most important aspect of it...you can get a sense of how anxious they are, how much information they need and what they expect out of you.”
- “I also think that a lot of quality comes out of the length you have been with a client...the longer you have been with them, the better you get to know each other, the quicker the quality goes up.”
- “Ja, I ask them...I say to them that we have an open relationship and just like I’m honest with you, you must be honest with me. You have to

identify each and every client's likes and dislikes and you have to play to them, not dishonestly, but so that they feel confident in your abilities.”

5.6. LEGAL DEPARTMENT RESULTS IN RESPECT OF QUALITY

As stated above, Part A of the questionnaire posed to the corporate legal departments dealt with issues around value, while Part B dealt specifically with issues around quality. See **Appendix 5** for Part B of the Questionnaire posed to corporate legal departments. As in the case of value, only certain examples under the specific themes that the author deemed relevant were included hereunder for reporting purposes. The same themes as discussed under law firms above in respect of quality, were discussed here in order to allow the reader the opportunity to contrast the responses of the different groups. For the sake of completeness, all quality themes were, however, discussed later in Chapter 6.

5.6.1. Theme 1 – Managing client perceptions

As with the responses solicited from the legal profession, the majority of responses dealing with the theme of managing perceptions were solicited from question 2 of Part B of the questionnaire.

The following responses were recorded under question 2:

- “I mean if the advice is difficult to understand in the sense that it is written in a way that is difficult to understand, the perception will be that it is not good, clear quality advice. So that I would say, is a perception issue. To be late would create a very negative perception, as would them going into too much detail. They should be very mindful of what creates a negative perception and try and avoid that.”
- “...and managing the gap should come from the client organisation itself.”
- “...I think we do have a fair amount of interaction with them...because when you give them a brief and you don’t get any questions back, you should be worried. I mean, you could give a good brief, but they must say...do you want me to do it this way? What kind of risk mechanisms are we looking at...what is the likelihood of these risks arising...do you want me to focus on one area? Often they will give you a draft and ask if it’s what you wanted.”
- “I guess the obvious one is communication at the beginning of the matter to profile what you want. I suppose the other point around that is ongoing communication to make sure that...um, you are aware of what is being done and what costs are being incurred.”
- “um...I think you can’t just ask them to manage it. It is a dual process. You have to make clear what your expectations are and how you expect them to be met. It can be achieved on an iterative basis and I think it’s

through relationships. Both parties must understand what is expected of each other.”

5.6.2. Theme 2 – Delighting the Customer

In delighting the customer, the service provider is attempting to create a sense of loyalty within the client. The responses to the questions dealing with this theme were solicited from question 4 of Part B of the Questionnaire.

The following responses were recorded under question 4:

- “I think accessibility. You want to pick up the phone at any time and speak to them.”
- “It’s often...we deal with someone you can trust...somebody that you feel...and it’s a perception thing more than anything else...someone who can give you good advice. It’s the guy who you feel gives you value added advice. Gives you the thought that they can really help you. It’s a trust relationship. Someone who doesn’t disappoint you from the beginning.”
- “...someone who you get more interaction from. They are more proactive and give you a positive approach. They phone you up, invite you to social functions or seminars. They propose that they come and present to you on a certain subject to you in your meetings. That they are always uppermost in your mind...plus, you know people that are...often lawyers or accountants are not socially adept. You know, they not really

softer skills people...they are not nice to be around. They are just grumpy, rude and arrogant. But sometimes you need that. But generally, on a day to day interaction basis, ja...you need someone who actually has a pleasant way to deal with.”

- “um...I think that they, the service provider, must be astute to the nature and culture of the client, and put appropriate people, interface appropriate people within their organisation to interact with that client. It’s not simply rendering a service. Work at saying that this is the nature of that client, this is what delights them, this is how they are and put the appropriate people with that client. And I think that’s another thing that goes to depth. They can look at who do they have, what resources do they have, and who would fit with that client. You need to...it requires a level of astuteness. If you fit the appropriate people with the client, you will delight them.”
- “It’s really an ongoing relationship. The biggest thing is accessibility. Yes I can go to any other firm, and to know I’m number 20 in the queue and they won’t take the call unless they really have to. It’s about accessibility and delivery. That’s what ultimately actually distinguishes one lawyer from another. The personal relationship will be determined by the ethics and the moral code of the different lawyers. You can have a hundred million lawyers, but if somebody is not ethically the same as you, it may jeopardise your business.”

5.6.3. Theme 3 – Service Levels

All responses in respect of this theme were solicited from Question 6 of Part B, which dealt specifically with the possibility of establishing service levels between the client and the service provider.

Responses from question 6 included the following:

- “...sometimes it is simply not practical. We have ongoing relationships in one of our divisions where guys simply churn cases. There they would agree on service levels, but in large commercial matters it is often not practical to have service levels pinned down to certain things. On larger cases, larger types of ongoing relationships, it’s the...the service levels are more fuzzy. Whereas in the recoveries, crash and bash stuff, you have definable deliverables, and it’s easier to define service levels.
- “What we do though is on a selection basis, we have a panel, and we invite people to come and present. And they give us ideas of their competencies, and we let them know the level of service we need. But we don’t actually sign SLA’s. The problem with SLA’s is that they are a personal thing. Different types of work require different delivery. I think the brief at the end of the day is an SLA. The interaction that follows will define the service levels.”

- “Yes we do. The way you could agree is by entering into an agreement. Outline your service levels and what you require. Have review meetings to determine whether those expectations are being met.”
- “I think SLA’s are for IT companies. The only way they get to know is through me expressing my dissatisfaction. I’m very happy to also tell them if they have done well.”

5.6.4. Theme 4 – Trust

Important to personal relationship is the trust factor. Responses in respect of this theme were solicited from Questions 4 and 8 of Part B of the Questionnaire administered to corporates.

The response from question 4 was as follows:

- “The trust relationship is built up over time.”

Responses from question 8 included the following:

- “...just consistency over time, and I think again what I said earlier, open communication.”
- “You can trust someone who gives you good work on a consistent basis. Who answers you quickly with an understanding of what you want. You obviously trust a firm that has a good reputation. You trust a partner that

has delivered to you for a while. The trust does come out of a perceived competency. By being there when you need them. That they will answer your emails. People that don't leave an out of office, that don't get back to your calls. Who don't actually bother if they are giving you what you want. If you have given them a quick brief, but no time to explain to them properly, if they don't interact with you on that, then you can't trust they are taking an interest in you."

- "...don't talk loosely about any matter you are handling for a client. That would go a long way to undermining your perception of trust. Therefore client confidentiality is an essential component...even amongst partners in a law firm."
- "Well I suppose that builds up over time and your experience with them...and the type of work they are delivering. How they can build up trust is to do in depth research into whatever you have asked for. So that they have covered all their bases."

5.6.5. Theme 5 – Determining the Client's Quality Evaluation Criteria

Understanding how a client determines quality service is imperative to the service provider. Question 7 in Part B of the Questionnaire administered to corporate legal advisors solicited responses in regard to this theme. Responses included the following:

- “I think the way to do that is to create a relationship where...you have an open communication channel.”
- “...depends on the type of the relationship. It is essential for lawyers to ask what their clients want. If you are asked to do something, it is essential to make sure that you understand what the client wants. If you get to a point that you are not sure you are on the same page, you must ask. Especially the larger firms employ research agencies that do customer satisfaction surveys and so on, and whilst it is often a waste of time for customers, it is an essential part of what they do. It tells you which firms are doing good work and which are not. It gives the firm an indication of what the clients think of them. I find consultation, someone talking to you or phoning you a lot more preferable.”
- “Something we do internally...as a legal department is to...we get assigned to different divisions...we have a client questionnaire that we send out. If you have a bit of a survey, you know, maybe an annual or six monthly surveys to say look, you know, what are your perceptions, how can we improve our service. That’s where pro – active involvement is so important.”
- “Ja...I think direct is always better, but I suppose research into it like you are doing...”

5.7. CONCLUSION

The existing literature regarding professional services in general indicated a variety of areas on which service providers and clients alike can focus should they wish to create and improve value and quality in the delivery and procurement of services. Bearing in mind the objectives of this research, the examples of the empirical data that were presented above (which were received in response to questions formulated from the recommended focus areas in the literature), clearly indicated that PLS are by no means unique when dealing with the creation and improvement of value and quality. A vast amount of data was received in regard to the recommended focus areas. The uniqueness of PLS, if any, would be determined by soliciting and acquiring the particular ways and means in terms of which these focus areas could be approached in practice. These particular ways and means were more fully discussed and presented in Chapters 6 and 7.

CHAPTER 6: DISCUSSION OF THE RESULTS

6.1. INTRODUCTION

After collecting and analysing a voluminous amount of empirical data, it remained to be seen whether:

- The objectives of the research had been achieved;
- There was agreement between the non – empirical and empirical data;
- The ideas and recommendations obtained were appropriate and of practical use for relevant stakeholders.

For the purposes of the discussion, research questions 1 and 2 as set out in Chapter 3, were dealt with separately, as each dealt with the general nature of both value and quality respectively. For the purposes of research question 3, however, the results were discussed jointly in respect of both value and quality under the respective high level themes.

6.2. RESEARCH QUESTION 1 – THE GENERAL NATURE OF VALUE IN PLS

The responses from law firms and the corporate legal departments were solicited from question 1 of Part A of their respective questionnaires. When taken as a whole and combined into a general description of value in the specific context of PLS, the overwhelming feedback from both the legal fraternity and the corporate fraternity could be summarised as follows:

“Value is added when service providers enable business by delivering innovative results that encompass practical and commercial business solutions”

The description above places a large emphasis on delivering a service to clients that is tailored and unique to the particular client, while displaying a thorough understanding of that client’s business operations and industry. The responses suggested that should service providers become too legalistic in their approach and ignore the possible commercial business solutions to issues at hand, then value will be inhibited and business progress will be stifled. It was often suggested that in order to offer this value adding service, service providers should take a keen interest in and gain an intimate knowledge of the inner workings and operations of their client’s businesses. Added to this, service providers must accumulate a general knowledge of the industry in which their clients operate. By being proactive in monitoring trends and anticipating future legal needs within the client’s industry, not only enables service providers to understand the particular industries of clients, but also enables service providers to innovate in their approach to delivering PLS, both from a process perspective as well as a content perspective.

These results linked directly back to the non – empirical data and more specifically related to the concept of value creation, in that Kotler and Keller (2006) state that in order to craft new customer benefits the service provider must understand what the customer thinks about, wants, does and worries about. Even more specific to this point is the view of Hirvonen and Helander (2001) who put forward that by understanding the customer’s value creation process, the service provider can more thoroughly identify the problems that the customer has concerning its business activities. By doing so, the service provider can more effectively propose ways and means to solve such problems. This is understandable as it equates to providing a service that requires complete information. Service providers in the field of PLS are knowledge workers, and the greater their knowledge, the better they are able to assess a situation and deliver well considered advice and opinion.

Recommendations as to how the service provider and client can co – operate with each other in order to improve the service provider’s firm and industry knowledge, were proposed in Chapter 7 below.

6.3. RESEARCH QUESTION 2 – THE GENERAL NATURE OF QUALITY IN PLS

Just as in the case of value, the responses from both the law firms and the corporate legal departments in respect of the nature of quality were solicited from question 1 of Part A of their respective questionnaires. The responses from both groups of respondents made it clear that quality service in the context of

PLS is seen in a similar light from both sides of the service divide. The responses displayed a tendency to view the concept of quality in relation to time.

In other words, only if these elements of quality are practiced on a regular, consistent basis, will the client consider the work to be of an acceptable quality level. This empirical data agreed with the point of Parasuraman et al (1998) who contends that service quality is an overall evaluation of an entity's excellence or superiority. This judgment or evaluation is similar to attitude and related to, but not equivalent to satisfaction. This argument frames service quality as a long term attitude whereas satisfaction is viewed as a transitory judgment that is made on the basis of a specific service encounter. To this point, recurring dissatisfaction will result in a general negative perception of overall service quality.

Analysis of the empirical data revealed that the majority of respondents regard quality legal services as comprising the following elements:

- Consistent delivery of work that displays a high standard of expertise
- Work that is absent of grammatical and formatting errors
- Timeous and speedy delivery of work
- Opinions and documents that are succinct and relevant in the context of the instruction provided
- Opinions and documents that are unambiguous and easy to interpret for the end user

- Work that is thorough, considered, and shows that the drafter has taken into account opposing views on an issue

When considering the above elements and their link to the literature, these elements should at all times be practiced in an environment that promotes relationship development and management, so as to develop and enhance personal relationships that foster an emotional bond between service provider and client. By doing so, the perception of quality is even more enhanced by focusing on the relational factors.

A point that was raised by more than one law firm respondent is the fact that the client is often far more comfortable in assessing the quality of work based on the grammatical and written standard of the document as opposed to the legal content of the document. Very often, this is an easier exercise for the client to perform as opposed to applying his or her mind and considering the quality of the legal argument put forward in the document, trusting that the legal service provider has applied his / her mind to the matter. As a result, legal practitioners contend that it is essential that the documents produced for the client are completely devoid of obvious grammatical and formatting errors, as the inclusion thereof will allow the client to immediately form a negative impression of the service, irrespective of the standard of legal content put forward.

A point to be made in regard to this concern, however, is that it may well hold true in the case of the lay client, who does not necessarily have a legal background. It is not necessarily the case where the client is represented by an in house corporate legal advisor who pays great attention to the legal content of the document. Nevertheless, respondents advised that attention should be paid to the format and written presentation of the documentation, notwithstanding the legal knowledge or lack thereof of the particular client.

6.4. RESEARCH QUESTION 3 – SPECIFIC THEMES DEALING WITH THE CREATION AND IMPROVEMENT OF VALUE AND QUALITY

As stated above, the literature proposed a variety of areas in terms of which one can focus on should one wish to create and / or improve value and quality in the context of professional services. These focus areas were then used by the researcher to formulate questions that would solicit practical recommendations for the creation and / or improvement of value and quality specifically in respect of PLS. During the data collection and analysis process, these focus areas were then narrowed down and refined, creating a final set of high level themes, according to which practical recommendations could be categorised and presented.

These higher level themes were finalised as follows:

- Understanding the Industry, Firm and Client's needs and the client's own value creation process
- Relationships
- Knowledge Transfer and Client Education
- Communication
- Service Levels
- Co – creation of Value
- Resources, Expertise and Partnerships of the service provider

6.4.1. Understanding the Industry, Firm and Client's needs

Imperative to the value creation process described by Kotler and Keller (2006) is the service provider's ability to identify existing and new customer needs from the customer's viewpoint. Lapierre (1997) stresses this point when he argues that service value is formed when the service provider knows the buyer's needs and develops and adjusts the problem solution so that it meets these needs. This once again confirmed the general nature of value in the context of PLS as proposed above.

As far as quality is concerned, McNeilly and Bar (2006) suggest that delighting the client requires a more personal, emotion laden component. Their advice for professional service providers is that they need to know and understand the key needs and wants that are important to their clients. Added to this is the fact that they suggest that in order to exceed the expectations of clients, service providers must become knowledgeable about the client's firm and industry.

Looking to the empirical data, it became clear that understanding the client, the industry in which it operates and the client's individual needs, is viewed as imperative by the legal service providers and their clients for a multitude of value and quality reasons, many of them beneficial to either the client, service provider, or both. Feedback received indicated that by understanding the firm and the industry, the service provider is better able to keep abreast of trends and developments, thereby positioning itself to provide a broader service offering by adding to and managing its existing skills and competencies. Further to this, by understanding the individual needs and business operations of the client, the service provider is able to offer more customised, tailored and business oriented solutions. Client's are not homogenous and demand that the service provider adapt its offering in an innovative and unique manner in order to deal with the specific requirements of the matter at hand. Understanding the needs of the client and its business enables this offering. In regard to quality, this means understanding your client, it's culture and its individual representatives, who they are as people and what likes and dislikes they have, so that relationships can be developed with this knowledge in mind.

6.4.2. Relationships

As pointed out in the literature review, Kotler and Keller (2006) characterise services as inseparable. If it is a person that is rendering the service, as in the case of PLS, then the provider is in fact part of the service, and because the client is also present as the service is produced, provider – client interaction is a special feature of services marketing. Irrespective of which question was posed to either group of respondents, or whether it was in respect of value or quality, time and again an emphasis was placed on the importance of personal relationships between the individual service provider and the client representative, in the narrow sense, and between the firm and the corporate client in the broad sense. Not only is the relationship between service provider and client important, but also that between service provider and its own service providers, or more specifically, advocates (“counsel”). This was confirmed in numerous responses, and reinforced the notion of a need for strong, interpersonal relationships that displayed a high degree of personality fit between service provider, their own service providers and clients.

When looking at value, relationships play a more pivotal role in the actual delivery of value, according to Kotler and Keller (2006). In order to effectively deliver value after having explored for and created it, services providers must become proficient at customer relationship management, internal resource management, and business partnership (service provider) management. To the point of customer relationship management, numerous respondents indicated the

importance thereof, in that strong emphasis was placed on tailoring the service offering to individual client needs and continually conveying to the client the importance of the relationship and the client's patronage. Not only is this communication to clients important, but also the communication to more junior members of the service provider, who are often unaware of the history and importance of the relationship with a particular client. They should constantly be apprised of the importance of these relationships, particularly in relation to their influence and impact on the life and continued existence of the firm.

Of vital importance to the relationship is the service provider's ability to be astute to the nature and culture of the particular client and to allocate resources accordingly to that client. Persons who are appropriate not only from a competence perspective, but more importantly also from an interpersonal relationship perspective should be matched to the client's representative after thorough consideration. In fact, it was proposed by a particular respondent that successful personal relationships are a differentiating factor in that provider's service offering. To this point, Hirvonen and Helander (2001) confirm that especially in professional service relationships, emotional exchanges are of great importance.

Turning to quality and relationships, Thomas et al (2001) stresses the fact that in services marketing, developing relationships through people helps to build quality into the service offering. Being in a service industry is about relationship development and the service provider must be able to relate to clients as people, acknowledge their fears, anticipate their needs, understand them, and even enjoy their company. All these proposals were expressed in some way or another in the responses delivered by respondents. Being accessible, showing the client that you have its interests at heart and working on people skills were all elements considered important in relationship development.

Delighting the customer and delivering a level of service over and above that expected by the client is critical if one is to retain loyal clients. McNeilly and Bar (2006) suggest that delighting the client requires a more personal, emotion laden component, and that service providers must acknowledge that clients are not homogenous, and nor are their concerns and expectations. This was confirmed by the empirical data in that responses indicated that service providers must strive to tailor their offering to clients and not simply follow a one size fits all approach.

Maintaining the relationship for the purpose of value and quality creation and improvement as well as for long term mutual benefit, implies that the client and service provider should constantly assess the health of the relationship and each party's satisfaction and comfort levels within the relationship. Many responses indicated the need to organise regular feedback sessions between client and

service provider in addition to annual relationship check – ups. At these opportunities, clients should be encouraged to complain and bring incidences of poor delivery to the attention of the service provider.

6.4.3. Knowledge Transfer and Client Education

Hirvonen and Helander (2001) argue that it is essential for the service provider to understand that at least three types of exchange are included in customer relationships, namely an exchange of knowledge, emotions and actions. Especially in professional service relationships, knowledge and emotional exchanges are of great importance, as the service provided is based on the expertise of the service provider.

Epistemic value refers to the benefits derived through a service offering's ability to satisfy a desire for knowledge. Although not specifically designed to improve the skill and knowledge base of the client organisation, the nature of the relationship and interaction between service provider and in house legal department does result in a skills and knowledge transfer to some extent. This by nature of the fact that in house legal advisors are qualified attorneys or advocates in their own right, and are obliged by the very nature of their position to remain up to date and fully apprised of legal developments pertaining to their own firm and / or industry. In addition to their own resources and ability to source the required information, these corporate lawyers often rely on their service providers to impart that required knowledge upon them. Many service providers have come to realize that herein lays a powerful marketing tool, and go to great

lengths to make their clients aware of upcoming seminars, workshops and presentations on relevant legal developments that may be of interest to their client base. Between being invited to the abovementioned forums, clients receive newsletters, emails and other forms of updates on current legal issues. Herein lays the dilemma.

The majority of feedback from corporate respondents indicated an appreciation of these efforts, yet such appreciation and acceptance was offered with a word of caution. These efforts should be more relevant, tailored and customised to the clients own industry and legal needs, and delivered in such a way so as to spark an interest and create an awareness of the legal issues at hand, rather than to impart knowledge. In the absence thereof, and in the form of mass marketing, they are seen as simple marketing ploys directed at generating fees.

Looking at the issue of knowledge transfer and education from a slightly different perspective, the respondents from the corporate sector reiterated the importance of educating the service provider and making them aware of the client's own objectives, needs, business operations and industry dynamics. By doing so, the service provider becomes more enabled to provide the client with more practical, business oriented solutions.

6.4.4. Communication

The theme of communication may, when viewed in isolation, seem of little significance, but when viewed in the context of being an enabler of all the other themes, it becomes vitally important, and hence the inclusion thereof for the purposes of this discussion. When considered in relation to value and its creation, the dominating thoughts around communication focused on the following:

- *The scope of communication:* Communication in the form of instructions from clients is often incomplete or lacking pertinent information that will enable the service provider to deliver a fully considered response or opinion. Instructions should thus be clear, to the point, considered and complete.
- *Timing of communication:* Communicate earlier, rather than later. All too often, information is communicated to the service provider at a late stage, reducing the effectiveness and usefulness of the information conveyed. Again, this goes to providing the service provider with complete and thorough knowledge. For the benefit of the client, communication should be ongoing throughout a particular matter, with the service provider delivering continuous updates on progress. The client should be continuously appraised of developments and at no time left in the dark as to what is transpiring. At the same time, the client should be continually relating corporate developments and information

to the service provider, enabling the service provider to deliver operationally relevant advice.

- Receptive to Communication: Service providers should listen more to the opinion of corporate clients, particularly where client representatives are often experienced, knowledgeable legal minds.
- Honest and open communication: Communication from both sides should at all times be objective, honest and open. Over promising and under delivering by the service provider is unacceptable. Notifying the client of possible problems in a matter is imperative and inexcusable if ignored, particularly if the omission has the potential to lead to even greater problems for the client at a later stage.

As far as quality is concerned, the responses were very much the same as that related to value:

- Timing of communication: Constant updates and keeping the client apprised at all times goes to creating the impression in the client that effort and attention is being paid to the matter at hand. This in turn develops and strengthens trust and creates a stronger emotional bond.
- Honest and open communication: By being honest and open with the client, the service provider builds trust into the relationship, an emotional connection that is of the utmost importance in developing personal relationships, thereby creating loyalty.

The empirical data pertaining to quality raised an interesting point in regard to communication that the concept of value did not. Important to building the image and reputation of the service provider, is the constant communication of the brand and culture of such service provider to its managers and staff. This confirmed the point already raised in the literature by Whittaker et al (2007) who argues that image represents to the client, the benefits derived from being associated with a business partner that enjoys high market status. Robledo (2001) maintains that a good corporate image is a very important asset because it shapes positively the expectations of the client. This is an important aspect when dealing with the issue of quality.

6.4.5. Service levels

The majority of responses that alluded to service levels were those relating to the concept of quality and not value. In relation to quality, customers compare the perceived or judged service with the level of service they expected. If perceived service falls below the expected service, then customers are disappointed. If the service meets or exceeds their expectations, then they are apt to use the service provider again, thereby creating loyalty (Kotler and Keller, 2006).

Parasuraman et al (1985) identified the five determinants of service quality, namely reliability, responsiveness, assurance, empathy and tangibles. The two most dominant ones mentioned in the responses received were reliability and responsiveness.

As far as reliability is concerned, it deals with the service provider's ability to perform the promised service dependably and accurately. According to responses, reliability is enhanced by the service provider's ability to remain up to date with developments in the client's industry, and always being well prepared and well read when engaging with clients. To achieve this, consistent and regular training amongst staff is imperative with the need for a systems driven approach to quality enforcement, thereby ensuring that service levels are consistent and standardised.

Responsiveness on the other hand is the willingness to help customers and to provide prompt service. Speed is of the essence. Respondents emphasised the need for immediate availability and access to the service provider. Immediate access is not possible at all times, and as such, it is proposed that in the absence of immediate access and availability to certain individuals, that service providers have sufficient depth of resources available to deal with the client's needs, thereby providing the client with comfort that its matter is receiving attention. Prioritisation of matters is imperative and service providers are advised to be honest and willing to notify clients of delays should such delays become unavoidable.

Dedeke (2003) proposes that the concept of service quality be focused, not on customer expectations in an abstract sense, but on mutually agreed results. When posed with the question as to whether results and even service levels could be agreed up front in the PLS sector, the responses were mixed, with not all respondents agreeing with the views of Dedeke (2003). Whether results and service levels can be defined upfront in the context of PLS is dependant on the nature of the matter at hand and the area of law. Clients and service providers both, however, suggested that where possible, the parties conclude engagement letters, or what are commonly referred to as scope documents, setting out matters such as estimated costs, service provider resource allocation, sequential procedures to be followed and the approximate timing thereof. Not only are upfront engagement letters or scope documents important, but also periodical updates and progress reports during the relationship or particular engagement.

Leading on from the concept of mutually agreed results and service levels, managing perceptions and expectations is of vital importance if the client is to have a positive view on the quality of the service delivered. Parasuraman (1985) proposes that service providers should pay particular attention to, and manage the various gaps that may arise and which are often the cause of unsuccessful service delivery. If one considers the PLS industry and responses received, the gaps that would appear to be most prevalent are those between what the service provider thinks the client wants and what the client actually wants, and the gap between how the client perceived the service against the expected service that

the client had in mind at the beginning of the matter. Suggestions around the management of these possible gaps were proposed later in Chapter 7.

Henning (1992) maintains that when considering service quality and the evaluation thereof, it is vital to remember that the only criteria that are relevant to evaluating service quality are those defined by the client. In order to gauge the criteria utilised by clients, service providers should have practices in place to illicit the required information. Responses from service providers and clients alike confirmed the need to gauge and understand the client's evaluation criteria. The methods proposed, however, differed. There were both positive and negative attitudes to both independent quality surveys performed by third party research organisations, as well as individual face to face personal feedback discussions between service provider and client. The service providers displayed a tendency to prefer the method of commissioning independent third parties to perform client satisfaction surveys, while clients tended to prefer one on one interaction with the service provider. These results are understandable as the service provider may have hundreds of clients on record, while the client may only have one service provider for the provision of PLS. Time and convenience is simply a prohibitive factor for service providers.

Irrespective of the method of feedback preferred, the timing thereof is essential. These feedback sessions should be held regularly, and more particularly after an engagement, where service quality is top of mind. Up front, the service provider should ask the client what his / her expectations are regarding quality. Previous

experiences with other service providers, both good and bad, can be used as a reference point.

In order to improve quality, Harte and Dale (1995) suggest that the professional service firm focus on amongst other things, maintaining systems that monitor and measure successful quality. Quality control is the essence of this proposition. Service providers indicated that they do implement systems in order to monitor quality, but that such systems are more informal than what might be proposed by Harte and Dale (1995). There is both an internal and an external element to quality control. Before the client is exposed to the work generated by the service provider, there should be systems of checks and balances to ensure that the work is of a standard acceptable firstly to the service provider, and secondly, the particular client. In the majority of responses, the service provider indicated that the extent of quality control was directly proportionate to the level of experience held by the service provider generating the work. The more junior the practitioner, the greater the number of quality control levels involving more senior practitioners within the firm. External control comes from establishing the client's preferences in regard to quality. Again, responses dealt with the issue of surveys, interviews and social engagements where the service provider and client can discuss quality of service and what is required by the client. Social engagements in fact also provide the opportunity for the service provider to assess the client's perception of quality and their needs while at the same time developing a better knowledge of the client.

6.4.6. Co – creation of value

In the review of the literature, mention was made of the view held by Prahalad and Ramaswamy (2004) that the co – creation experience of the client becomes the very basis of value. As one moves towards the co – creation of value, the distinction between client’s role as consumer and the service provider’s role as producer disappears. Increasingly, consumers engage in the processes of both defining and creating value. This view could not be more appropriate than in the area of PLS, where the contribution of the client is imperative for success.

Information sharing, co – operation and preparedness by the client were all mentioned as enablers of value creation. The briefing of the service provider at the commencement of a matter determines the extent of the service provider’s intimate knowledge on a matter and his or her ability to use the facts at hand.

This information sharing is facilitated by the relationship between the service provider and client’s operational employees. To this extent, the in house legal advisor should play a facilitative role in nurturing these relationships, developing the trust and co – operation that is so needed from the client’s operational representatives. By doing so, the client’s operational representatives are exposed to the expertise of the service provider and his or her unique abilities, thereby managing the expectations of the client as a whole.

As more fully elaborated on above, in order to enable the service provider to deliver practical, business oriented solutions, it was proposed by the majority of respondents that the service provider should acquire intimate knowledge of the client's needs, operational activities, strategy, vision, mission and goals. Exposing the service provider to the business is a key role of the in house legal counsel, achieved by facilitating access to key staff, delivering presentations on the business, information sharing and taking the service provider to site. According to Hirvonen and Helander (2001), every client has its own value creation process, through which it creates value in its business operations. By understanding the client's value creation process, the service provider can more thoroughly identify the problems that the customer has concerning its business activities.

6.4.7. Resources, Expertise and Partnerships of the Service Provider

Effective value creation is dependant, according to Kotler and Keller (2006), upon the service provider's ability to utilise core competencies from its business domain, and select and manage business partners from its collaborative networks. In order to deliver value effectively, the service provider must become proficient at internal resource management, and business partnership management. To respond effectively to client's needs, the service provider requires internal resource management to integrate major business processes and it requires business partnership management that allows the service provider to

handle complex relationships with its partners in order to source, process and deliver services.

This argument was reinforced and confirmed over and over again in responses received from both legal practitioners and their clients to questions posed around resources and expertise, and service provider partnerships. As far as resource, expertise and competence management is concerned, service providers should at all time attempt to match their appropriate resources and skills with a particular client, both from a competence perspective and an interpersonal skills perspective.

The service provider should also attempt to offer its clients a broad service offering to cater for all of their legal needs. Where competencies and skills are lacking in a particular area, service providers are advised to skill up or outsource, making all efforts to retain and maintain the existing relationship. Once again, understanding a client's organisation, their industry and needs enables the service provider to anticipate future skills and competency requirements. Where a matter requires a particular expertise not held by the service provider, service providers are advised to rather outsource than lead the client into believing that the service can be competently delivered, notwithstanding the lack of appropriate skills and expertise. This will soon lead to dissatisfaction and a loss of clientele.

Very important to the issue of resources, skills and expertise, is the fact that these competencies take many years to develop and accumulate. As such, it was proposed that continued legal education is imperative and should be consistently applied and implemented.

Moving to the issue of partnerships, (i.e. service provider's own service providers) many similar considerations to those proposed when dealing with service provider and client relationships, became apparent. Particularly in the selection and maintenance of relationships with counsel (advocates), service providers should be considering the expertise fit, as well as the interpersonal fit. Counsel is seen as an extension of the service provider and as such, team compatibility is of vital importance. So too is accessibility and availability of counsel.

Service providers should at all times manage the availability, reliability and responsiveness of counsel. Unavailability, unreliability and poor response levels reflect poorly upon the service provider and the client's perception of service quality. As counsel is seen as an extension of the service providers offering, the service provider must make client expectations very clear to counsel, and confirm counsel's understanding thereof. With current costs of counsel being considered very high, the client cannot afford a miscommunication of expectations. On this point, clients indicated that service providers should, in order to reduce costs, allow more direct interaction between client and counsel once the relationship had been established.

6.5. CONCLUSION TO DISCUSSION

The objectives of this research were to answer three questions posed around the general nature of both value and quality in the context of PLS, and the improvement thereof. To this end, these objectives have been achieved.

The high level themes identified by a thorough analysis of the empirical and non – empirical data, and the responses categorised there under, enabled this research to identify the general nature of both value and quality in the context of PLS. To this end, questions 1 and 2 have been satisfied. As could be deduced from both the empirical and non – empirical data, certain actions and means were suggested in respect of the high level themes previously identified, which if implemented will assist both service providers and clients alike in creating and improving value and quality.

These recommendations confirmed the non – empirical data in terms of the high level themes around the creation and improvement of value and quality in the context of professional services, yet added concrete suggestions to the application thereof in the context of PLS. The few examples provided and discussed in this chapter offered a glimpse of the many practical actions and means provided in Chapter 7 below.

Value

In respect of value creation and its improvement, the most important learning, already identified in the literature review, and confirmed by the empirical data collected, is that service providers must make a concerted effort to truly understand their client's business, industry and existing and future legal needs. Only then are service providers truly able to add value by delivering practical, business oriented solutions. How to achieve this higher level of identification and understanding of both needs and the client's own value creation process is more fully elaborated on in Chapter 7.

Understanding the client's needs and own value creation process is not sufficient to add value in the delivery of PLS. The service provider must be able to select and manage its resources, competencies and partners, while at the same time cultivate mutually beneficial relationships in the process, both between itself and the client and between itself and its partners. Chapter 7 provides specific suggestions in these areas and satisfies Hirvonen and Helander's (2001) recommendations that in order to create value for the client, the service provider must:

- identify the client's value creation process,
- identify which concerns it can offer a solution to by using its own core competencies,
- deliver a clear value proposition and,
- keep promises and commit itself to the relationship.

Value creation and the improvement thereof should by no means be seen as a one - sided effort. The data received from the surveys confirmed this in a multitude of ways, with many practical examples suggested as to how to achieve co – creation of value. In PLS, probably more so than any other professional service, the client has a pivotal role to play in this process. Again, Chapter 7 sets out specific recommendations as to how the client can add value of its own. These recommendations go to satisfying the advice of Hirvonen and Helander (2001), who suggest that the client can help achieve joint value creation by doing the following:

- identify its own value creation process and make the essential parts of it visible to the service provider,
- communicate openly with the service provider, and
- commit itself to the relationship

In respect of value then, the objectives have been achieved. The nature thereof has been identified in terms of PLS, and suggestions as to value creation and improvement pertaining to the most relevant themes have been identified and more fully set out in Chapter 7.

Quality

In respect of quality, there was a high degree of agreement between the empirical and non – empirical data when dealing with the selected themes. As far as understanding the needs and business of the client was concerned, the emphasis in respect of quality from the respondents was placed on the service provider’s ability to tailor its offering to the particular requirements of the client. Understanding the business and anticipating future needs promotes this ability. By tailoring the offering, it creates an emotional bond between service provider and client, increasing the services provider’s chances of delighting the client and in the process developing loyalty.

Developing relationships builds quality into the service offering. Due to the high credence qualities of services, clients rely more on the emotional exchanges during the delivery to evaluate service quality. The stronger the inter personal relationships, the more positive the client’s perception of quality. Various recommendations were put forward in Chapter 7 as to how to develop inter personal relationships between client and service provider.

Communication between client and service provider is of vital importance. The timing of communication is important in that constant updates, feedback and reassurance instills in the client a sense that the service provider has its interests at heart and is taking a keen interest in the matter. Communication between client and service provider must remain honest and open. Honesty goes to

building trust, which again goes to developing loyalty. Finally, communication within the service provider, particularly in regard to brand, culture and image are of vital importance to the building of a strong corporate reputation. This strong image or reputation builds positive expectations of quality within the client.

The theme of service levels dealt with numerous issues pertaining to quality. Reliability and responsiveness, two determinants of quality identified by Parasuraman et al (1985) were selected by respondents as the most critical. Mutually defining results, an exercise recommended by Dedeke (2003), was met with mixed responses and considered highly dependant on the nature of the legal service being provided. Nevertheless, recommendations as to how this could be achieved are presented in Chapter 7, as are recommendations pertaining to the management of expectations, quality evaluation criteria and quality control.

Finally, the theme of resources, expertise and partnerships elicited numerous recommendations on quality creation and improvement, particularly in the area of recruitment, selection and training of staff, and confirms the view of Harte and Dale (1995) who maintain that in order to improve quality, the service provider should place and emphasis on the recruitment, selection and training of staff.

What follows in Chapter 7 is a summary of the high level themes and the recommendations pertaining to each that will go to creating and improving value and quality in PLS.

CHAPTER 7:RECOMMENDATIONS AND CONCLUSION

7.1. INTRODUCTION

Throughout Chapters 2, 5 and 6 of the research, certain high level themes pertaining to the creation and improvement of both value and quality were identified and alluded to. What remained to be revealed were specific recommendations pertaining to these themes, which when applied in the context of PLS, would result in the creation and / or improvement of both value and quality. In this Chapter 7, the ideas and recommendations pertaining to value and quality were presented separately, with recommendations pertaining to each high level theme being presented in tabular format.

A coding system was used to denote whether the idea or recommendation proposed was an action to be taken by the service provider, the client or both in co – operation with each other. The following coding was used:

STAKEHOLDER	COLOUR
<i>Service Providers</i>	
<i>Clients</i>	
<i>Both</i>	

7.2. SPECIFIC RECOMMENDATIONS PERTAINING TO VALUE AND QUALITY

7.2.1. VALUE

Understanding the industry, firm, needs and the client's own value creation process

High Level Theme	Recommendations
Understanding the Industry, Firm and Client's needs and the client's own value creation process	Service Providers should Monitor Trends: Service providers should consistently monitor the client's industry from a legal perspective for new trends. This would involve reading trade publications / visiting websites / attending trade shows / meeting with industry regulators
	Perform a Needs Assessments: Service providers should engage in an initial formal needs assessment when taking on a new client
	Create and Maintain a Knowledge Data Base: Service providers should maintain a client knowledge base, with pertinent information relating to each client
	Service Provider must target its updates: Service providers should identify which representatives within their client's require which legal updates, and target them specifically with these updates
	Understand Business Wide Impacts: Service providers must be astute to how their advice in the context of a specific matter and area of the client's business may impact upon another area of the business
	Client to arrange presentations and visits: Client's should arrange to give new service providers presentations on their own value creation process, and even arrange site visits. Sharing of the business strategy with the service provider also gives insight into the business and where it is going
	Secondment: Where possible, service providers and clients should arrange for a secondment of junior professional staff into specific areas within the client's business
	Arrange Social Engagements: social interaction between service provider and client leads to more discussion around the client's needs and provides insights into the industry and business

Relationships

High Level Theme	Recommendations
Relationships	Maintain Professionalism: Service providers should at all times maintain their professionalism and objectivity
	Engage with 3rd Party Decision Makers: Service providers must establish, maintain and improve relationships with 3rd party decision makers and regulators whose decisions have a material impact upon the client's business
	Ensure Service Continuity and Succession planning: Service providers must ensure that there is continuity and good succession planning in teams that work with the client
	Broad Interaction: Service providers should encourage the client to meet and engage with the entire firm, which creates an awareness of the provider's service offering
	Create FIT: Service providers must ensure a correct personality and competence fit between their own service providers and the client
	Relationships with Client employees: Client's legal representative must develop the relationship between its own operational representatives and the service provider - this will provide business insights and more comprehensive information sharing
	Develop Trust: Trust is of the utmost importance in promoting information sharing and co - operation. This is developed over a period of time and is achieved through honest and open communication, and with consistent delivery of a high standard from the service provider

Knowledge transfer and client education

High Level Theme	Recommendations
Knowledge Transfer and Client Education	Customise: Service providers should seek to offer their clients customised and relevant legal updates that raise awareness in their field of interest
	Client Knowledge Sharing: Client's should actively share knowledge on the industry with the service provider, updating the service provider on legal developments that they become aware of

Communication

High Level Theme	Recommendations
Communication	Seek Clarity: Service providers should always confirm their understanding of the brief, and revert with questions if necessary - Service providers should not proceed in the absence of absolute clarity of mandate.
	Provide Continual Feedback (Service Provider): Continual feedback and reporting from the service provider on a current matter is essential - the client should never be left to assume what progress has or has not been made
	Listen: Service providers should spend more time listening to the opinion of client's, who are themselves often experienced legal minds, particularly in their own field or industry
	Provide a Complete Brief: Clients should always ensure that they provide a complete and clear brief, which is well prepared and contains all relevant information
	Provide Continual Feedback (Client): Client's in house legal advisor must continually communicate with internal stakeholders as to progress and in order to receive instructions from the business - this feedback must be immediately shared with the service provider
	Ensure Stakeholder Support: There must be effective communication and buy in by all internal stakeholders within the client before briefing the service provider, and this support must be maintained throughout an engagement
	Clarification of Roles: Roles between service provider and client should be clarified up front
	Communicate at Different Levels: Service providers and clients alike should establish and maintain different levels of communication within each others organisation. This promotes information sharing and a collective memory

Client co – creation of value

High Level Theme	Recommendations
<p><i>Co - creation of Value</i></p>	<p>Client co - operation: Client co - operation is imperative. Client can co - operate by providing access to key persons within the client's business, by providing access to full information, and by engaging with the service provider in a proactive and interactive manner, showing dedication to resolving the legal issue at hand</p>
	<p>Appoint Key Client Liaison: Client should appoint key persons on a legal matter to represent the client in dealing with the service provider - this person should have intimate knowledge of the matter and its implications for the business</p>
	<p>Client Preparation: In addition to giving clear and concise instructions, the client must be well prepared when briefing the service provider, and throughout a matter</p>
	<p>Stress the Importance of Relationships: The client must make the service provider aware of the importance of certain relationships within its own network of customers and suppliers, and what implication a legal matter may have on these relationships.</p>
	<p>Relationship Development: Client's in house counsel must facilitate and develop the relationship between the service provider and the operational representatives within the client's business. This promotes information sharing and a collective memory amongst key role players</p>
	<p>Create Working Teams: Added to creating and facilitating relationships, in house counsel must be able to assemble, organise and convene working groups and multi - disciplinary teams to facilitate the smooth running of a matter</p>
	<p>Client Presentations: In order to educate the service provider about the business, the client must share key information about the operations, mission, vision, goals and strategy. This is achieved through presentations, workshops, publications, meetings with key executives and even site visits</p>

Resources, Expertise and Partnerships of the Service Provider

High Level Theme	Recommendations
<p><i>Resources, Expertise and Partnerships of the service provider</i></p>	<p>Create FIT: Service providers should at all times attempt to match expertise and personality with the client's legal requirements and culture</p>
	<p>Service Providers must be realistic regarding their expertise: Service providers who are lacking the required expertise in a particular matter, would be advised to outsource or partner, rather than leading the client to believe that the matter can be competently handled. At the same time, build up the required expertise for future matters.</p>
	<p>Strive to Offer a Full Service: Service providers should strive to provide their clients with a full service offering.</p>
	<p>Create Multi - Disciplinary Teams: Service Providers should develop multi - disciplinary teams within the firm in order to build competencies and a shared learning</p>
	<p>Exhaust In - House Expertise First: Service providers should exhaust their in house expertise fully prior to referring a matter to counsel. Dependant on the nature of the matter, it is often seen by the client as inefficient if the service provider briefs counsel immediately. At the same time, however, service providers should develop the competence and expertise of counsel in fields of law that are important to clients</p>
	<p>Service providers should consult clients regarding staff training: Junior lawyers should not be trained at the expense of the client. Client should be consulted when selecting the appropriate learning experience for junior lawyers</p>
	<p>Consult on Competencies Required: Clients should be questioned and consulted about the necessary competencies required to be developed within the service provider</p>

7.2.2. QUALITY

Understanding the industry, firm, needs and the client's own value creation process

High Level Theme	Recommendations
<i>Understanding the Industry, Firm and client's own value creation process</i>	Service Providers should Monitor trends: Service providers should consistently monitor the client's industry from a legal perspective for new trends. This would involve reading trade publications / visiting websites / attending trade shows / meeting with regulators
	Secondment: Where possible, service providers should arrange with client for a secondment of their junior staff into specific areas within the client's business
	Deliver Presentations: Client's should arrange to give new service providers presentations on their own value creation process, and even arrange site visits. Sharing of the business' vision, mission, goals and strategy with the service provider also gives insight into the business and where it is going

Relationships

High Level Theme	Recommendations
<i>Relationships</i>	Communicate Appreciation and Dedication: Service providers must consistently demonstrate and communicate to clients that they have the clients interests at heart, and that the client is valued
	Maintain Professionalism: Service providers must at all times remain objective and professional and guard against the blurring of the client / service provider divide
	Awareness of likes and dislikes: Service providers must be astute to the likes and dislikes of individual clients, and deliver their service in a way that displays this understanding
	Self Awareness: Service providers must identify the traits and characteristics within them that clients enjoy, and develop these traits and characteristics
	Accessibility: Service providers must remain accessible to clients, and provide the depth of resources to enable this accessibility
	Understand the Relationship Dynamics: Service providers should be astute to the relationships that the client representative is party to, within the client's own organisation - and what impact the service provider's service has on these relationships
	Be Aware of Culture: Service providers must be astute to the particular nature and culture of the corporate client. Armed with this understanding, it should allocate resources accordingly to achieve the correct fit in order to develop the relationship
	Respect Confidentiality: Confidentiality, even amongst service provider staff, must be upheld at all times
	Implement Customer Relationship Management Systems: Service providers should implement some form of CRM system
	Appoint Key Relationship Managers: At the outset, both client and service provider should nominate key point people who will manage the relationship
	Develop Trust: Trust is of the utmost importance - clients should provide the service provider with all information when requested and communicate openly / To develop trust, service providers should deliver consistently and honestly - Service providers must not over promise and under deliver
	Arrange Social Engagements: social interaction between service provider and client leads to more discussion around the client's needs and provides insights into the industry and business
Relationship Health Checks: At least annually, client and service providers should meet to assess the health of the relationship	

Communication

High Level Theme	Recommendations
Communication	Maintain Regular Contact: Service providers should remain in contact with clients on a regular basis - at no time should a client be left in the dark as to the progress of a matter
	Maintain Effective Communication Means: Service providers should maintain efficient systems of internal / external communication and be able to exchange information with clients in the media requested by clients
	Communicate the Brand and Culture: From an internal perspective, service providers must continually communicate its own culture and brand to its staff - this strengthens the reputation of the service provider and increases the perception of quality
	Manage Expectations: Unrealistic expectations should not be built up by the service provider. Communicate negative as well as positive developments

Service Levels

High Level Theme	Recommendations
Service Levels	Ascertain Expectations: Service providers must make all effort to ascertain their clients expectations of service at the beginning of a matter - reference to previous experience, both good and bad is a good start. Service providers should notify their clients immediately should they feel that the client's expectations are unreasonable and can't be met
	Manage Expectations: During the service encounter, service providers should have regular reviews of whether expectations are being met, and adjust the service delivery based on the feedback
	Determine Perceptions: Once the service encounter is complete, service providers must ascertain from the client whether expectations were met and if perceptions match expectations. If there is a gap, ascertain how to eliminate it.
	Seek clarification: Service providers must seek clarification from clients on instructions, should they not be clear
	Prioritise: Service providers should never give a client the impression that another client's work is more important - all clients should be treated as the only client. This demonstrates fair play in the eyes of customers
	Provide Accessibility and Depth of Service: Accessibility and availability are imperative to good service - service providers should have the necessary depth of resources to provide constant access to expertise
	Service Provider Management Commitment To Quality: Standards in respect of service quality must be set and documented by top management who themselves must lead and implement such standards by example - they must show commitment and passion to adherence to these levels
	Be Prepared: Service providers must be well prepared and well read prior to any engagement with a client
	Service Providers must ask their employees: Service providers should consider and ask for the opinions of its own employees as to how to improve quality of service
	Be Responsive: Responsiveness is very important - service providers must ensure that they respond to clients within a reasonable time from the client's perspective. Not from the service provider's perspective - to have the client wait creates a very negative perception of quality
	Engagement Letters: To the extent possible, all effort should be made to agree in writing, the scope of the service to be provided - This is termed an engagement letter and includes <i>inter alia</i> matters such as: scope of work, reporting procedures, fee structures, allocation of professional resources, proposed action steps, confidentiality issues and chances of success or risk of failure with reasons therefore
	Agree Method of Feedback on Service: Service providers and clients should agree the method of feedback on service levels - either one on one or anonymous. Clients tend to prefer one on one discussions with the service providers as opposed to anonymous surveys
	Maintain Reasonable Expectations: Clients must make their expectations clear, yet remain reasonable in their expectations.

Resources, Expertise and Partnerships of the Service Provider

High Level Theme	Recommendations
<p><i>Resources, Expertise and Partnerships of the Service Provider</i></p>	<p>Implement Continued Legal Education: It is essential that service providers implement systems of in - house training for their professional staff in order to maintain upto date, relevant legal knowledge - regular testing of this knowledge remains essential</p>
	<p>Hire based on Skills and Personal characteristics: Service providers should recruit based on the characteristics and qualifications of the individual, as well as that individual's potential fit into the dynamics of the team and department that the individual will join. The fit with existing clients and their requirements should also be strongly considered</p>
	<p>Manage and Maintain the Database: Service providers should ensure that their precedent banks and law reference libraries are upto date and relevant and cater for the broad spectrum of their client base</p>
	<p>Create a Stimulating Environment: Service providers should strive to create a working environment where there is healthy debate and discussion on the law - regular organised discussions are advised where members arrive prepared to debate a topic</p>
	<p>Notify Clients of New Service Offerings and Professional Resources: Service providers must notify clients of new service offerings that supplement the current offerings</p>
	<p>Outsource when you lack the expertise: Service providers must outsource work if they do not have the required resources or competencies to provide the service. This equates to more efficient service</p>
	<p>Create FIT with Counsel and Clients: As the service provider should be aware of personality fit between itself and the client, so too should it consider the personality fit of counsel and client</p>
	<p>Management of Counsel: Counsel are an extension of the service provider. The service provider must manage counsel appropriately in order to maintain a positive perception of the service provider team - Expectations of client should be constantly conveyed to counsel as part of this management</p>
	<p>Communicate Client Expectations to Counsel: Expectations of the client should be clearly communicated by clients and service providers to partners of the service provider (i.e. counsel). The management of these expectations is as much a role of the service provider as it is the partner (i.e. counsel). The service provider must thus manage its partners in this regard, as they are seen as an extension of the service provider</p>
<p>Secondment: Secondment of junior staff into the legal department of a client will provide the up and coming talent with insight into the workings of clients and their preferences with regard to service levels</p>	

7.3. CONCLUSION

This research set out to achieve certain objectives of an exploratory nature. Through a process of rigorous data collection, analysis and interpretation, these objectives have been achieved as explained above in Chapter 6. The research methods utilised proved their effectiveness in accumulating rich and deep empirical data, an important objective in itself when utilising qualitative research methods. From this data, ideas have been generated and recommendations have been proposed which if implemented as is, or adapted to the specific circumstances of the service provider or client, will have a positive impact on the creation and improvement of value and quality in the delivery and procurement of PLS. It should be noted that the ideas and recommendations proposed by this research were not intended to be a closed list of options. They are ideas intended to provoke action and provide service providers and clients alike with concrete means of creating and improving value and quality within their own specific circumstances. To this end, these ideas and recommendations should be adapted to suit the needs and resources of the particular service provider or client.

It is with this in mind that stakeholders are advised to assess their current offerings, their internal management practices and their management of relationships, both internal and external and then to determine key areas of focus that require attention and improvement. Once determined, specific creation and improvement programmes can be implemented, incorporating many of the ideas

proposed herein. As far as the research limitations are concerned, the research focused on and dealt strictly with service providers of five or more directors / partners, and large corporate clients, incorporating their own in house legal departments. Small to medium client enterprises, and small law firms consisting of less than five directors / partners, were not included in the study. It is submitted, however, that in the context of PLS, this factor would have little impact, if any on the application and effectiveness of the ideas and recommendations to such smaller entities. The nature and practice of PLS permits broad application of these ideas and recommendations. The ability, however, of smaller entities to implement certain of the recommendations and ideas included herein may be inhibited by the lack of resources that may be required to manage such implementation.

As this research was of an exploratory nature, it was not intended, nor did it result in conclusive quantifiable findings. It has proposed a multitude of ideas and recommendations that will go to creating and improving value and quality. To this extent, the question still remains as to which ideas and recommendations proposed herein would be the most effective and add the most value and quality, given resource availability and other possible constraints. An opportunity therefore exists for a further study that would take the form of causal research in order to determine which ideas and recommendations proposed by this research result in the most value add and best quality improvements.

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HIGH LEVEL THEMES IN RESPECT OF VALUE AND QUALITY			
HIGH LEVEL THEMES	SUB THEMES	DERIVED FROM VALUE OR QUALITY?	
1	Understanding the Industry, Firm and Client's Needs	Value	
	Client and its needs, and the client's own value creation process	Value	
	Industry and Firm Knowledge	Quality	
2	Relationships	Relationship Management	Value
		Delighting Customers	Quality
		Personal Relationships	Value
		Trust	Value and Quality
		Interest in Clients	Quality
		Assurance	Quality
		Empathy	Quality
3	Knowledge Transfer and Client Education	Knowledge Transfer and Client Education	Value
4	Communication	Communication	Value and Quality
5	Service Levels	Efficiency of Service	Value
		Service levels	Quality
		Reliability	Quality
		Responsiveness	Quality
		Defining results	Quality
		Quality evaluation criteria	Quality
		Managing Perceptions	Quality
		Monitoring quality	Quality
6	Co - Creation of Value	Co - Creation of Value	Value
7	Resources, Expertise and Partnerships of the Service Provider	Competence and Expertise	Value
		Human Resources	Quality
		Perceived Expertise	Value
		Partnerships	Value



1. identifying your client's legal needs

2. identifying what competencies you need that will enable you to deliver your services

3. identifying competent partners that you may need to assist you in delivering your services

4. making use of your competencies to deliver your services

5. making use of competent partners to assist you in delivering your services

6. managing the client relationship

7. managing your resources

8. managing your partners

What do you already do, and what more could you do to add more value in respect of the following when delivering your services:

Q5

Interviewee

- Organisation
- Time and place
- name
- title
- qualifications
- experience
- current responsibilities

SERVICE PROVIDER INTERVIEW QUESTIONNAIRE PART A

Do you see a joint role being played by your clients in the creation of value?

Q4

How would you define adding "value" in the context of delivering your services?

Q1

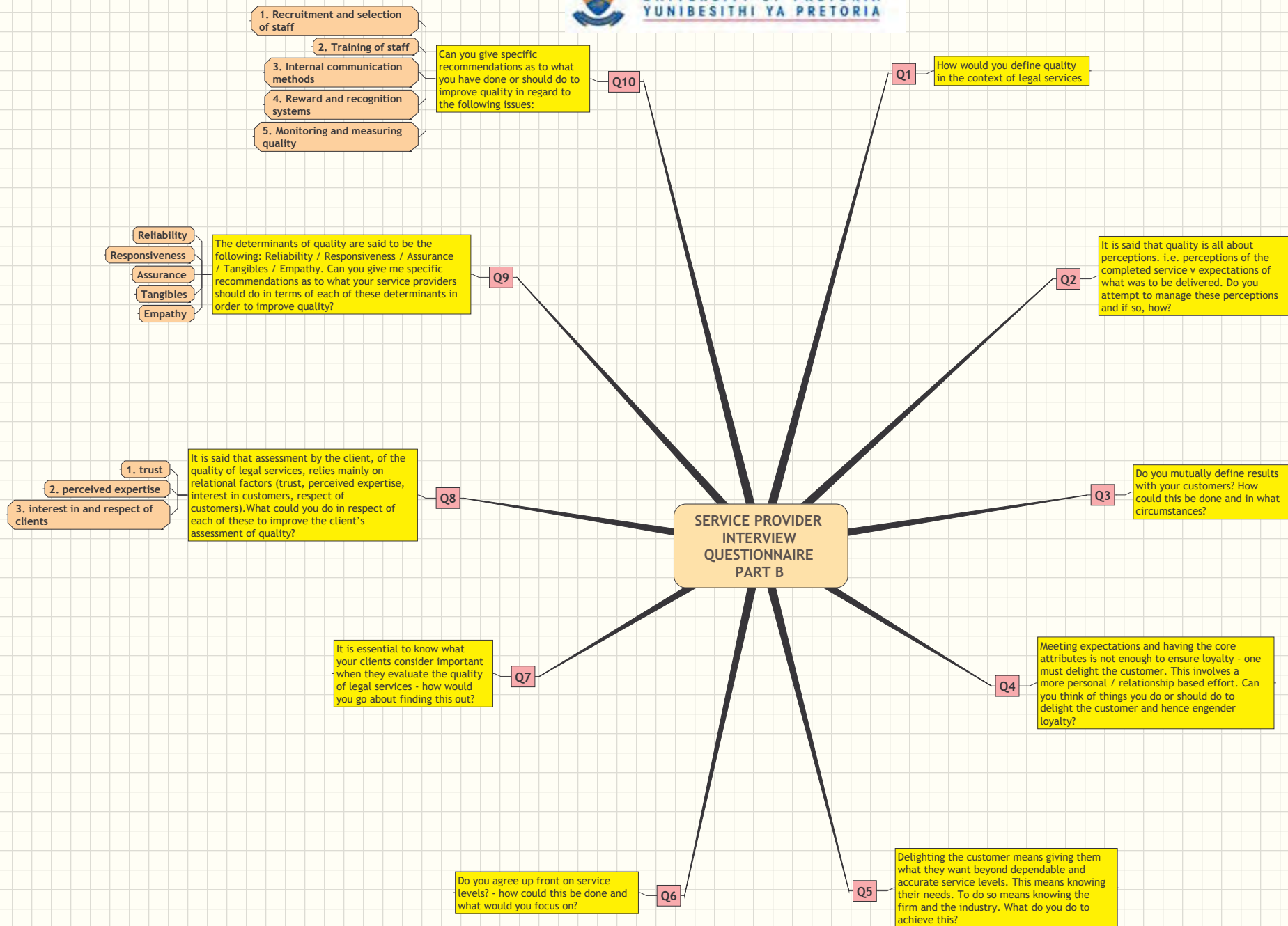
What obstacles in the industry and within your own firm have you come across that inhibit value add? Can you propose ways to overcome or even eliminate these obstacles?

Q3

It is argued that value can come in the following forms What would you say are the most important types of value to focus on in the provision of legal services, and what do you do to provide these particular types of value? What more would you like to do if you could?

Q2

1. the value added by the performance or usefulness of the service
2. the value derived from the services' ability to provide knowledge gain for the client
3. the value gained by the ability of the product to arouse certain feelings or affective states
4. the value gained through relationships
5. the value derived from being associated with a business partner that enjoys high market status. This can be considered a risk reducing mechanism
6. the value of the service received in exchange for what the client had to give up in terms of payment and time





- 1. identifying your legal needs
- 2. identifying and obtaining the necessary competencies to provide the best service to you
- 3. identifying competent partners that they need to assist them in delivering their services to you
- 4. How would you like to see your service providers manage their resources and partners to provide you with the best service

What do your service providers already do, and what more could they do to add more value in respect of the following when delivering their services:

Q5

Interviewee

- Organisation
- Time and Place
- name
- title
- qualifications
- experience
- current responsibilities

LEGAL DEPARTMENT
INTERVIEW
QUESTIONNAIRE
Part A

Do you see a joint role being played by you in the creation of value - if so, how could you contribute even more?

Q4

How would you define adding "value" in the context of what your service providers deliver?

Q1

What obstacles in both your organisation and that of your service provider have you come across that inhibit value add in the provision of legal services? Can you propose ways to overcome or even eliminate these obstacles?

Q3

Q2

Are the following "value adding" in your mind? What more would you like to see your services providers do in respect of these?

- 1. the value derived from the services' ability to provide knowledge gain for the client
- 2. The ability of the service to promote certain feelings in the client e.g. feelings of confidence
- 3. being associated with a business partner that enjoys high market status. (This can be considered a risk reducing mechanism)
- 4. the ability of the services to perform the basic function for which it was purchased

