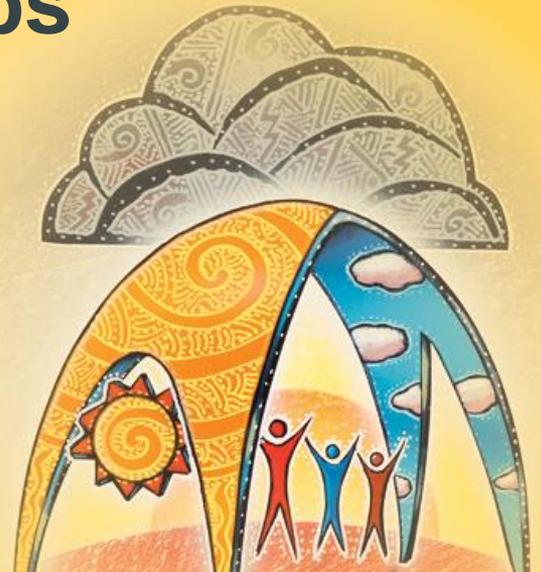


RLI PROFESSIONAL SERVICES GROUP
LEARNING EVENT
PSGLE 126

Managing Client Relationships



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Course Description

Each client relationship presents a unique set of risks for your firm. Evaluating these risks within an organized framework helps you to:

Assess, manage, and control the risks of working with certain client;

Prevent repeating mistakes in client selection; and

Allow for consistency in client selection.



Learning Objectives

Participants will:



Learn how to assess the risks when working with certain clients;



Understand how managing client expectations leads to a rewarding experience; and



Begin undertaking specific actions to preserve client relationships.





Assess Risk



Why Assess The Risk Of Working With Certain Clients?

Address realities of today's business environment

Manage needs and expectations

Manage risk assumption

Avoid project failure

Recognize that Client can become Plaintiff

Create lasting client relationships



Assess The Risk Of Working With Certain Clients

- ✓ Type of Client
- ✓ Financial capacity
- ✓ Form of project management
- ✓ Client expectations
- ✓ Claims history



Type Of Client

Public

Private

Institutional



Client Challenges

- ❖ Fix everything to their satisfaction at no extra cost. . . It doesn't matter whether contract terms support their position
- ❖ Unrealistic expectations
- ❖ Onerous contract terms





Managing Client Expectations



Risks Associated With Client Expectations

Largest source
of professional
liability claims

Early
discussion

Created in a
variety of
ways

Schedule,
Budget,
Quality



Managing Client Expectations



Managing Client Expectations

Our own
marketing
communications

“Low-balling” to
get a new client

Perception that
any and all
“deficiencies” are
our responsibility

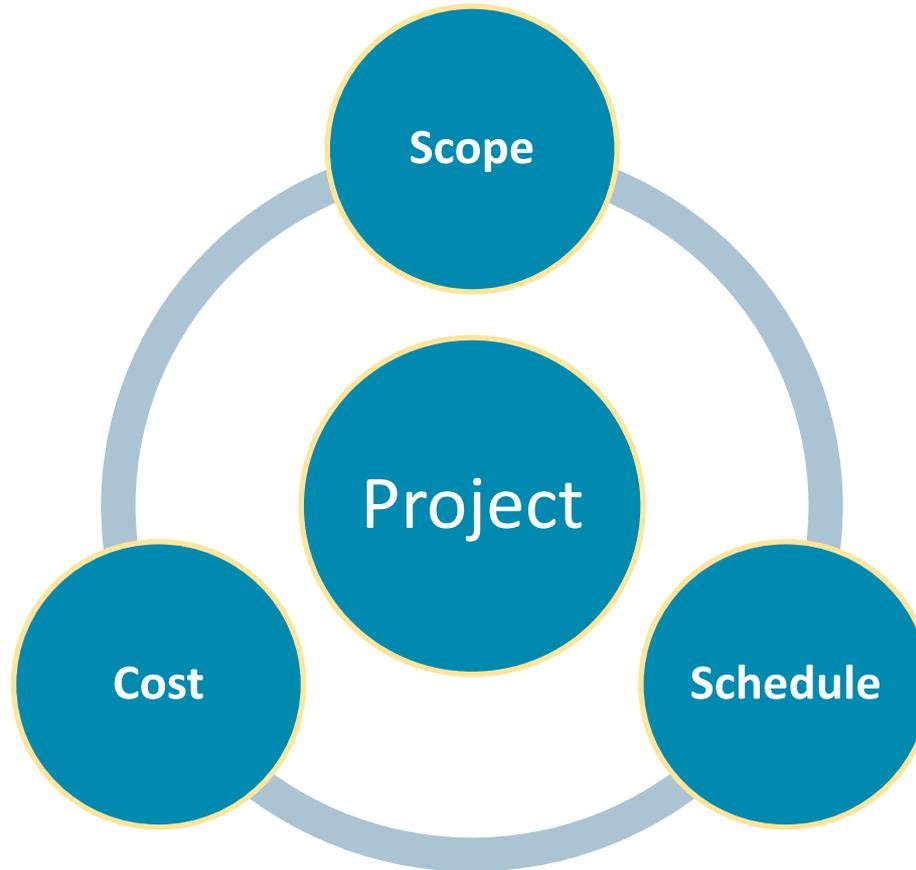
Lack of
relationship
with client

Client’s lack of
trust or actual
suspicion or
distrust



Managing Client Expectations

Determine which of these is your Client's highest priority...



...then tailor your work to fulfill the Client's expectations



Managing Client Expectations: Why Projects Fail

- Lack of technological or technical capabilities
- Unrealistic/unreasonable project requirements
- Circumstances beyond your control
- Fee not commensurate with scope of services



Contract

- What form of contract?
- Can the contract be reviewed?
- Are the terms reasonable?
- How is the standard of care defined?
- Are there unrealistic responsibilities being imposed upon our firm?



Managing Client Expectations: Sources Of Risk

Be careful of how you market your firm on:

Websites

Brochures

Project Proposals

Other Marketing
Materials



Your words may raise your performance requirements beyond those of your peers





Preserving Client Relationships



What Is The Solution?



Preserving Client Relationships

Communicate frequently

Be candid in communications

Join forces with your client

Reassure your client

Don't hold grudges



Preserving Client Relationships

- Set expectations up front
 - “no one is perfect”
- Specifics of a project that can lead to problems:
 - Unrealistic budget
- Keep talking to client, and help when a problem occurs
- Identify the issues, and solve them quickly



Document! Document! Document!

One of the best defenses against unrealistic client expectations is documentation:



Notes

- ✓ Emails
- ✓ Meeting Minutes
- ✓ Memoranda
- ✓ Formal Letters



Client Checklist



- Similar projects
- With your firm
- With other businesses
- Pay bills? On time?
- Disputes/Claims/Litigation history
- Timely decisions
- Communication
- Take it or leave it attitude



Best Practices to Manage Client Relationships

Build
Awareness

Manage Client
Expectations

Communicate

Educate Your
Client

Understand
the Impact of
Your Actions

Involve the
Project
Manager

Document!
Document!
Document!



Thank you for your time!

QUESTIONS??

This concludes the Professional Services Group
Learning Event

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THANK YOU!

