

■ Robert E. Markland, Feature Editor, College of Business Administration, University of South Carolina

Walk-Through Audit Provides Focus for Improvements in Legal Service Process

Elsa Lai-Ping Leong Koljonen and Richard A. Reid,
Anderson Schools of Management, University of New Mexico



Elsa Lai-Ping Leong Koljonen

received her Bachelor of Laws degree with honors from the University of Hong Kong. Elsa was a legal practitioner in Hong Kong before emigrating to the U.S. in 1992. She graduated with a MBA with

a concentration in operations management and management science in December 1997 from the University of New Mexico. Currently residing in Arizona, she is now the program manager for the Assembly/Test Contracting Division of Intel Corporation.



Richard A. Reid

is a professor of operations management at the Anderson School of Management, University of New Mexico, Albuquerque, NM. He received his PhD in systems research and an MBA from Ohio State University along with an

undergraduate degree in mechanical engineering from Case-Western Reserve University. Dr. Reid has taught graduate and undergraduate courses in operations research, production and operations management, and systems thinking for over 25 years. He has coauthored one book and has written over 100 research articles that have been published in national and international journals including Operations Research and Interfaces. Much of his research has focused on the application of analytical tools to the improvement of work processes, with special emphasis devoted to service sector organizations.
(reid@anderson.unm.edu)

The purpose of this paper is to illustrate an application of the Walk-Through Audit (WTA) to a law firm in Hong Kong. The WTA is a structured approach to performance assessment that is conducted by an organization's service manager to ascertain customer perceptions of the service creation and deliver process. Besides describing the approach taken in ascertaining new clients' assessment of their service experience, focus is directed toward evaluating the results gathered during the audit and identifying those areas needing improvement.

Introduction

Yung & Wong Solicitors is a small, newly-formed law firm in Hong Kong. It consists of three partners, three article clerks who are solicitors-in-training, three secretaries, two junior clerks, and two receptionists. During the initial phase of the firm's existence, clients from the partners' previous practices have provided the main customer base. Expansion through repeat business depends heavily on the firm's ability to provide its existing client base with perceived service excellence. Moreover, new clients are frequently referred to the firm by current clientele. Unlike in the U.S., local regulations prohibit Hong Kong law firms from actively soliciting new business through traditional marketing channels such as advertising. As a result of these considerations, customer satisfaction is of paramount importance to the firm's survival and future success. Experts agree (see, for example, Lewis & Booms, 1983; Gale & Russell, 1987; Heskett et. al, 1990; Berry et. al, 1996) that if a new customer is satisfied with the service encounter, the probability

of a return visit and/or a positive referral is significantly enhanced.

In the service sector, a firm's success is dependent on having highly satisfied, or even delighted, clientele. Thus, it is important to actively solicit feedback from a firm's clients on their perceptions of the firm's performance. One proactive approach to this managerial responsibility is to perform a Walk-Through Audit (WTA). Initially, proposed by Fitzsimmons & Maurer (1991), a WTA is a performance assessment tool designed to systematically evaluate customer's perception of the complete service delivery process and the total service package offered by an organization. One of the distinctive characteristics of many service organizations is the presence of customers during the service creation and delivery process. As a result, service delivery should conform to a customer's expectations from the beginning to the end of the service process. As such, it is important to document a customer's satisfaction with each stage of the process. A WTA guides an evaluator along the same path through a service organization as a customer would typically follow in receiving his/her service. The WTA contains a series of questions that allows the customer to evaluate his/her interactions with the service personnel, the environment associated with creating and delivering the service, and other important aspects of the firm's total service package.

Audit Construction and Administration Considerations

Through a series of discussions with the firm's partners and clients, along with insight gained from a review of the ten determinants of service quality (Parasuraman

Client Service Processing Stage	Clients' Average Rating	Standard Deviation
Pre-Arrival		
1. Staff phone courtesy	4.47	0.64
2. Staff helpfulness	4.47	0.64
3. Staff's ability in listening to client's concerns	4.20	0.77
4. Clarity of staff's explanation of initial fees and procedures	4.60	0.51
5. Convenience of appointment time	3.53	0.52
Arrival		
1. Accessibility of law office	3.67	0.49
2. Promptness of greetings upon client's arrival	4.47	0.84
3. Appearance of law office	3.33	0.49
4. Comfort level of the reception area	4.33	0.81
5. Suitability of reading materials in reception area	4.60	0.50
Consultation		
1. Estimate of time delay prior to meeting with legal staff	3.40	0.99
2. Clarity of staff's explanation of service procedures and fees	4.67	0.49
3. Staff's ability in listening to client's concerns	4.40	0.83
4. Extent to which client's opinion is solicited	4.13	1.06
5. Appropriateness of questions asked by staff	4.73	0.45
6. Comprehensiveness of staff's preparation for the meeting	4.73	0.45
7. Helpfulness of staff	4.33	0.72
8. Approachability of staff	4.27	0.96
9. Privacy level provided during meeting	4.87	0.35
10. Overall professionalism of staff	4.60	0.63
Aggregate Performance Assessment		
1. The acceptability of overall waiting time	4.00	0.53
2. The overall atmosphere of the law office	3.47	0.64
3. The overall attitude of staff	4.27	0.79
4. The overall knowledge/competence level of staff	4.73	0.46
5. The overall quality of service provided	4.33	0.48

Table 1: Walk-through audit results for Yung & Wong Solicitors.

et. al, 1989) and the Service System Effectiveness Questionnaire (Bowen & Chase, 1991), a survey consisting of 25 questions was developed. In order to parallel the service process experienced by a new client, the audit was partitioned into four sections.

- 1. Pre-Arrival Stage.** Telephone interaction between client and the law office staff.
- 2. Arrival Stage.** Client's initial impression of the firm's staff and service environment.
- 3. Consultation Stage.** Client's meeting with the firm's lawyers and the ensuing discussions regarding their situation and concerns.
- 4. Overall Performance Evaluation.** Aggregate evaluation of the service experience as a whole.

Based on the client's experience, the response to each of the questions was rated on a scale from 1 to 5, with 1 reflecting the lowest rating and the worst possible outcome and 5 representing the best and most favorable scenario. Two additional questions were asked at the end of the survey with the purpose of (1) accessing the probability of future business and/or positive referrals, and (2) providing an open-ended forum for customers to communicate any positive and/or negative feedback.

The client auditing instrument was presented by one of the two senior partners at the end of the client-solicitor meeting with a brief explanation of its purpose. Clients were then left alone in the conference room to have the necessary privacy in which to complete the survey. Upon completion, the anonymously completed

forms were placed in a blank envelope by the participating clients and deposited at the collection box located in the reception area. All 18 new clients who received legal service during a three-week period agreed to participate and completed the WTA.

Walk-Through Audit Results

The results of a statistical summary of new client responses to the audit questions are shown for the 15 useable forms; 3 were unfinished, and hence, disqualified (see Table 1). During the Pre-Arrival Stage, except for one area, the service was rated fairly high with the average perceived performance level ranging from a low of 4.2 to a high of 4.6. The lowest rating service stage was the "appointment time convenience" with a mean rating of 3.53.

Results collected from the Arrival Stage were mixed, with average ratings ranging from a low of 3.33 to a high of 4.60. In particular, clients indicated two areas of concern at this stage: (1) the firm's "office accessibility"—a 3.67 rating, and (2) the firm's "office appearance"—a low rating of 3.33. Apart from the low ratings recorded in these two areas, relatively large standard deviations were also found in two areas indicating inconsistencies in the perception of service performed. These two areas are: (1) waiting time upon arrival before being greeted by the receptionist—standard deviation of 0.84; and (2) the comfort level of the reception area—standard deviation of 0.81.

In general, the overall results from the Consultation Stage were relatively good. Except for one area, the average client performance ratings ranged from a low of 4.13 to a high of 4.87. The only exception to the relatively good performance at this stage was the "perceived waiting time prior to meeting with the legal staff." This area has an average rating of only 3.4 with a standard deviation of 0.99 and a range of 3. These results reflect a relatively poorly perceived performance and significant variability. Although having a respectable average rating of 4.13, new client assessments of "the extent to which their opinion was solicited" showed the highest variability with a standard deviation of 1.06.

Clients' responses to the questions in the Overall Performance Evaluation section of the WTA were consistent with previously recorded ratings. For example, high ratings were associated with the legal staff's

knowledge and competence, and relatively low scores were reported in areas concerning the firm's office appearance and atmosphere.

With 80% of the questions receiving a score of 4.0 or above, the WTA results indicated that Yung & Wong's clients were fairly-well satisfied with the service received. Nonetheless, the following four problem areas were highlighted by the WTA, with each receiving an average rating of less than 4.0.

- Question 5: Convenience of appointment time (3.53).
- Question 6: Accessibility of the law office (3.67).
- Question 8: Appearance of the law office (3.33).
- Question 11: Time delay prior to meeting with legal staff (3.40).

Conclusions

A service is inseparable from the process that is used to provide it. By providing timely, relevant, and objective feedback from a firm's clientele, the WTA provides a powerful, yet structured approach, in un-

derstanding the client's perspective regarding recently received services. These insights are an important step for service managers in their quest for improving customer satisfaction with their firm's service creation and delivery process. ■

References

Berry, L., Parasuraman, A., & Zeithaml, V. (1996). The behavioral consequences of service quality. *Journal of Marketing*, 60(4), 31 - 46.

Bowen, D. E., & Chase, R. B. (1991). Service quality and the service delivery system: A diagnostic framework. In Stephen Walter Brown (ed.), *Service quality: Multidisciplinary and multinational perspectives*. Lexington, MA: Lexington Books, 157-178.

Fitzsimmons, J. A., & Maurer, G. B. (1991). A walk-through audit to improve restaurant performance. *The Cornell HRA Quarterly*, 31(4), 95-99.

Gale, B. T., & Russell, R. D. (1987). *The PIMS principles*. New York: Free Press.

Heskett, James L., Sasser, W. E., & Hart, C. W. L. (1990). *Service breakthroughs*. New York: Free Press.

Lewis, R. C., & Booms, B. H. (1983). The marketing aspects of quality. In L. Berry, L. Shostack, & G. Upah (eds.), *Emerging perspectives on service marketing*. Chicago, IL: American Marketing Association.

Parasuraman, A., Zeithaml, V., & Berry, L. (1989). A conceptual model of service quality and its implications for future research. In J. E.G. Bateson (ed.), *Managing services marketing: Text and readings*. Chicago: Dryden Press, 122-135.

Zeithaml, V., Parasuraman, A., & Berry, L. (1990). *Delivering Quality Service—Balancing customer perceptions and expectations*. New York: The Free Press.

Dr. Robert E. Markland

Department of Management Science
College of Business Administration
University of South Carolina
Columbia, SC 29208
(803) 777-7448
fax: (803)777-6876
email: bobbym@darla.badm.scarolina.edu.

Decision Sciences Institute Budget Summary FY 1998-99

Revenues summary

Publications	\$ 88,833	
Membership Revenues	169,371	
Electronic Publishing	0	
Convention	278,156	
Total revenues		\$536,360

Expenses summary

Publications	\$160,489	
Member Services	160,092	
Electronic Publishing	14,200	
Convention	208,246	
Total expenses		\$543,027
Net Revenue Over (Under) Expenses		\$ (6,667)
Less Depreciation Expense (Not a cash expense)		\$6,690
Net Revenue Over (Under) Cash Expenses		\$23

DSI Home Office Staff

Executive Director

Carol J. Latta
(404) 651-4005
fax: (404) 651-2804
e-mail: clatta@gsu.edu

Publications Coordinator

Hal Jacobs
(404) 286-0170
fax: (404) 651-4008
e-mail: hjacobs@gsu.edu

Accounting Supervisor

Michelle Weaver
(404) 651-4074
fax: (404) 651-2804
e-mail: dsimdw@panther.gsu.edu

Membership Services

Debbie Murphy
(404) 651-4073
fax: (404) 651-2804
e-mail: dsi@gsu.edu

Administrative Assistant

Deborah A. Miller-Boykin
(404) 651-4092
fax: (404) 651-2804
e-mail: dmiller-boykin@gsu.edu