

Cross-selling – Working together to get more work from existing clients

“Talent wins games, but teamwork and intelligence win championships”

Michael Jordan, 5-time NBA MVP

CROSS-SELLING IS the Holy Grail for most law firms. Done well, it can generate significantly more revenue and deepen relationships with important clients. On the surface, it seems like it should be easy to do. Get lawyers in your firm to make introductions to their clients in order to sell additional services to them. You lawyers hopefully like you enough to do it, it’s in their financial interest (either directly through origination credits, or indirectly through greater revenue for the firm), and clients benefit if they have a real need in that area.

If it makes so much sense, why doesn’t it happen more often? The truth is, when you look under the hood, you’ll find it’s actually a very complicated process, with many moving parts that must mesh properly to be effective. In this Chapter, our experts will provide tools and techniques for optimizing from your cross-selling opportunities.

Our Masters for this Chapter are Jonathan Fitzgarrald, Chief Marketing Officer, Greenberg Glusker LLP; Deborah Roth Grabein, Director of Business Development for Andrews Kurth; and Dave Woods, Director of Client Services at Kelley Drye & Warren LLP.

Why cross-sell?

Retain and grow existing clients

“It’s cheaper, more effective, and more efficient to build relationships that are deep

and wide with existing clients,” says Deborah Roth Grabein. “It can take six to 12 months to create new work from existing clients, but it can take years to develop relationships with new clients. Especially for lawyers, who have relatively little time to devote to client development, they must be extremely efficient in how they use that time. For them, cross-selling is a major offensive and defensive strategy:

- **Offensively – Get more work from those most inclined to give you work:** Your existing clients are a population that know, like, and trust you. From a sales perspective, you can’t get better leads than that. The fastest path to new revenue is by investing your time with the people who are most likely to buy from you.
- **Defensively – Build barriers to entry against other firms trying to poach your best clients:** You’re not the only one cross-selling. Other firms with a toehold into your best clients are trying to steal your work away from you. Plug those gaps by serving as many of your clients’ needs as possible.”

More on retaining your clients

In a study of a major U.S. law firm conducted by Redwood Analytics, they found:

- For clients that used only one practice area, more than 35 per cent of those clients left after three years.

- For clients that used three practice areas, less than 15 per cent of those clients left after three years.
- For clients that used four or five practice areas, less than 5 per cent of those clients left after three years.

Through this lens, it becomes crystal clear that you must cross-sell, if only to protect your existing book of business!

Focus

Deborah continues: “Cross-selling also helps to eliminate random acts of marketing. Every day you know who your prospects are, and in medium and large firms, the targets are almost limitless. Rather than the scattered marketing efforts of most lawyers, these efforts can be tracked and managed, which provides a tremendous level of focus and efficiency.”

Be seen as a comprehensive advisor

“If you can’t personally serve the full range of your client’s needs, you should build a strong referral network. Train clients to come to you for advice by asking great questions that pertain to many parts of their business, and develop a network of people both inside and outside of law (e.g. financial services, insurance, accounting, etc.) to send them to. With a solid referral network, you can help clients solve their issues, create deeper client relationships, and build a pipeline of referrals back to you from these other service providers.”

Case study

Deborah Grabein describes other approaches for utilizing your referral networks: “A law firm partner noted that during a two year period, a number of his contacts from the financial

services sector had lost their jobs. He sent their resumes to others in this network to try to help them find new opportunities. One could say that isn’t necessarily cross-selling, but it is a form of cross-referral. You never know how such actions will come back in terms of business opportunities in the future. If we think beyond the traditional definition of cross-selling, there are many opportunities for lawyers to help someone who is a client – or will become a client.”

Overcoming internal obstacles

One of the biggest challenges to cross-selling is us. We have to overcome our internal issues in order to get the most from these great opportunities. Dave Woods notes that many lawyers think of cross-selling as “going for the low-hanging fruit, but cross-selling has to be approached as thoughtfully as any new business opportunity. Develop an internal approach plan: come up with compelling reasons why the firm should be given this additional work. Create a convincing business case that shows the relationship partner why his or her client needs to hear what you can offer. It takes a lot of preparation, care, forethought, and objective reasoning to successfully present opportunities to your fellow lawyers.”

Deal with compensation issues

A protectionist attitude towards origination credit often creates an internal barrier to cross-selling. There are a number of ways to address this:

1. Ask the relationship lawyer if they’d be willing to share credit if you can land work they wouldn’t have otherwise received. In most firms, there’s a lot of

internal deal-making going on, with lawyers realizing it's better to get 50 per cent of something than 100 per cent of nothing.

2. Better yet, if you're in a leadership position, consider implementing a compensation system that rewards sharing behavior.
3. Even if you only get billing credit for the work, it can still benefit you, albeit not as directly or quickly. You can deliver more revenue to the firm (which grows the overall pie) and it can solidify the client relationship, resulting in greater firm stability. Also, relationship partners often realize the on-going value of the cross-work, and over time, they may carve out some origination credit.
4. It's always good to collect high value people in your network. Consider it a great opportunity to get exposure to more people in your targeted practice. These clients can refer you to others, or they may go elsewhere and hire you in their new organizations.

Case study

A first year associate was assigned to work on the firm's largest client. His business development DNA was highly attuned, because he decided to build as many relationships as possible within that client. Twenty-five years later, he reported that 25 per cent of his current book of business can be traced to the relationships he built in that first year.

Internal communication and relationship-building

If lawyers don't know each other, they may have concerns about whether other firm lawyers can do a good job for the client. If they don't know the range of other services

that can be offered, they won't know what issues to flag. If they've had bad experiences introducing other partners into the relationship in the past, they're understandably reluctant to try again. To address some of these challenges, Dave Woods suggests the following approaches.

Acknowledge bad experiences

"Some firms have handled cross-selling clumsily, and lawyers have a history of bad experiences. Often this is a case of poor communication and mismanaged expectations, so lawyers need to engage in open and honest conversations to clear the air from past mistakes. Going forward, they need to develop rules and standards to avoid future problems."

Industry groups and client teams

"One issue is structural – the practice group model inherently creates cross-selling challenges. Practice groups are a great way to share expertise, build up a body of knowledge, and train people in a specific area, but they are not a great way to sell. Cross-practice industry groups and client teams are much better vehicles for identifying a wider range of needs and services to offer to clients."

Keep other practices top-of-mind

Teaching and reminding others about the wide variety of cross-practices is a critical component to cross-selling success. The message needs to be on-going, and delivered in different ways to stick in the minds of your lawyers. Examples of communication techniques that have been successfully employed include highlighting people and creating opportunities for cross-connection at firm retreats, disseminating news about wins, sharing partner profiles, conducting internal webinars and

presentations, and developing expertise directories. In one firm I know, when a new lateral is hired, they produce a short video featuring the lateral and their expertise, and send it around the firm. Another firm conducted a “trade show” during their annual retreat where they set up tables highlighting the different practice areas and their accomplishments.

Cross-selling is driven by individual lawyers

Robust cross-selling doesn't happen on its own. Firm-wide exhortations by Managing Partners and Department Heads are not enough. It requires proactive lawyers to make things happen. And while one may logically assume the relationship partner should push cross-selling, in reality they're often too busy or not thinking about work outside their practice to invest the time and energy into making it happen.

For all practical purposes, the real driver of effective cross-selling should be the recipient of the opportunity. Identify the firm's best opportunities, find the lawyer(s) who will be cross-introduced, and task them with developing the approach plan in coordination with the relationship lawyer. Track their progress, and make that progress (or lack thereof) visible to leaders who matter for both the relationship partner and the recipient.

In firms with little cross-selling momentum, you should search for and create the right environments. As an individual lawyer, you should seek out other proactive and team-oriented lawyers and work together to pursue opportunities. In many of the larger firms I've worked with, there is an unspoken “firm-within-the-firm” mentality, where groups of like-minded individuals who know and trust each other share work and regularly support each other's efforts.

You can also identify a few lawyers who can act as role models for others. Deborah Roth Grabein believes where there is resistance or inertia, “Sometimes you end up having to lead by example. If there are lawyers who understand and want to make it happen, give them support. It may be a slow start when the firm isn't big on cross-selling, but it can take just one visible win to get the ball rolling.”

Heads up for laterals

Deborah also has a suggestion for laterals: “Before making a lateral move, gather financial information about the firm. Review revenue by practice area for the top clients to see how many of those clients are serviced by just one practice group and how many span multiple practice groups. If more clients than not have multiple practice groups servicing them, it is an indicator of a firm that is open to the concept of cross-selling. Talk to those lawyers about how it works in the firm – be candid about asking those questions.”

Laterals must take responsibility for building their practices. Many show up at their new firms and expect the work to come to them, but that's not the best way to maximize their potential. They should be very active in their first six months, meeting others in the firm and giving as many opportunities as possible. Only then can they realistically and fairly assess whether there is a healthy culture of cross-selling within the firm.

Identifying your best opportunities

“Cross-selling is most important when looked at from the perspective of the client” explains Jonathan Fitzgarrald. “What is the value proposition for the client if we offer them other services? Most clients understand the pressures that attorneys are under to bring in more business and increase

revenue. You have to be very careful not to damage your credibility by trying to cross-sell something the client doesn't want or need."

Reframe the game

Some lawyers feel uncomfortable cross-selling, since they don't want to be perceived as trying to "push" something on their clients. However, there are times when clients want you to discuss additional services, where they have a real issue that must be addressed. In these instances, you are "cross-serving" by giving them something they want, which changes the focus from your need to generate more revenue, to their need to solve a legal problem. This slight shift in mindset, in and of itself, has helped many lawyers feel much more comfortable about approaching their clients with ways you can help them.

Know the client's business

Jonathan continues: "We have to learn what client needs we are not currently providing. This requires an intense understanding of the client's business and their vision for the future. Meet regularly and ask a lot of questions. Understand the amount of work you're getting in relation to their overall legal budget. Can you get more? Who else is satisfying your client's needs?"

Analyze your data

"Developing a cross-selling matrix is a very practical way to identify opportunities that exist in the firm. Down the Y axis, list your targeted clients. Across the X axis, list the firm's practice groups. Populate the worksheet with the amount or percentage of revenue you receive from each client per practice group, and very quickly it becomes obvious which practice groups are not servicing particular clients. Discuss these gaps with the responsible attorney.

A cross-selling matrix is a simple tool that can be constructed by industry, revenue, or percentage of revenue that allows lawyers to visualize their opportunities."

Case study: Follow the footprint

A firm with many offices looked for clients who had operations that overlapped those geographies. They found a client was not currently using the firm in some of their joint geographies, approached them, and within a few months the firm generated tens of thousands of dollars in new revenue.

Case study: Cross-serving retreat

At a retreat, 150 partners worked together for two days across practice groups and identified \$65 million in new potential cross-serving revenue. Within the first year, they tracked millions of dollars of new work that was directly attributable to the opportunities they identified at the retreat.

Case study: Short-term initiative

One firm developed a 90-day action plan, in which they scheduled 40 meetings and got new work from 22 clients, totaling \$2 million in new revenue. The firm reported the key to the success of this campaign was focusing the firm's attention over a short time frame.

Getting meetings and maximizing effectiveness Right time and right people

Always start with clients who are happy with your work and service. Client surveys, as described in Chapter 4, are an excellent way

to assess your clients' satisfaction. Knowing that your clients are happy allows you to identify those who are likely to be most receptive to a cross-serving approach.

Where possible, introduce new lawyers into the relationship even before the client expresses a specific need. Develop some initial rapport, and where appropriate, allow the client to "sample" the new lawyer's services (e.g. conduct an in-house presentation, review documents, etc.), so when a new opportunity does arise, the new lawyers are already known and trusted.

Prepare open-ended questions

Penetrating questions demonstrate your interest in their problems, your knowledge of their industry, and pull out important information relating to their needs. Remember, you are not meeting to pitch and sell; you're there to learn more about the client and how you can help them. Probing questions such as "We have other clients who are facing (some issue). Are you having similar concerns?" can uncover specific needs. You may want to learn about your competitors, so at the right time, you might ask:

- What other law firms do you use?
- How did they get the opportunity to represent you?

Dave Woods understands the value of these questions. "The question about how their current law firm got the work can be very revealing. You may hear your prospect say 'Well, we conducted an RFP and they were the lowest bidder', or 'The current president's son-in-law is a partner at that firm.' Uncovering this information can give you solid clues as to what they value and whether they're a real prospect for your other services."

Case study

In a feedback meeting, a client reported they gave work to another firm that sent them alerts on topics that were of great importance to them. The firm surveying the client did not get the work because they did not demonstrate they had expertise in those areas.

Give away an idea

Don't be reluctant to give away ideas and advice at the meeting (subject to ethical considerations, of course). Sharing knowledge demonstrates your willingness to be helpful and it allows you to "audition" your skills and capabilities. Following up on your ideas also allows you to engage in further dialogue about their business needs, which may result in more opportunities to serve them in the future.

Clarify roles for the meeting

To make the meeting run smoothly and to display your professionalism and capability as a highly functioning team, clearly establish roles for each of your team members during that meeting. Deborah Roth Grabein suggests: "Everyone who attends the meeting should participate. Be sure you have the lawyers attend who will do the work for the client."

Prior to the meeting, develop a plan for:

- Who will open and lead the meeting?
- How will you make introductions?
- What questions will you ask (and who will ask them)?
- Who is best positioned to answer questions for specific topics?
- What are the anticipated next steps, and who should ask for those next steps?

Develop your skills

Just as you would master any other skill, you should train, rehearse, and practice to get

the most out of your cross-serving meetings. Jonathan Fitzgarrald sees such great benefits in cross-serving that he advises coaching and training to help get the most out of those activities. “This can help you with the team selling process: connecting with the client, asking the right questions, how to listen, closing techniques, and so on. Some of these skills don’t come naturally to us, particularly to attorneys who are not used to this kind of business development activity. It can be useful to bring in a professional to refine your approaches. While there is a cost to hire outside talent, the upside is well worth the investment.”

Focus on the relationship lawyer

We often don’t think much about what’s going on in the heads of the lawyers who have to make the client introduction. We generally assume if we ask them to broker a meeting, they should willingly make it happen. In reality, you must realize there’s a sale to be made *internally* before it can be made *externally*. The relationship lawyer is your first gatekeeper, and they must be properly motivated and adequately prepared to do their part. By understanding and addressing their needs, you can go a long way toward unleashing your firm’s cross-serving potential.

Build the business case

You never know how a relationship lawyer feels about making a cross-introduction. Perhaps in the past they got burnt by a partner who didn’t do a good job. Maybe they’re concerned the client will like you more than them, and they’ll lose origination credits. Or possibly the relationship lawyer fears that making an introduction to you will be seen as “salesy”, and the client will perceive them as putting the needs of the firm ahead of the client. Whatever

their issues, you must help them craft an approach that makes them comfortable making the introduction. In effect, that means coming up with ways to make them look good to the client by adding new value to the relationship.

Compensation and service

First, let’s get the money out of the way. As we discussed earlier in this Chapter, within most firms there is often wiggle room for how lawyers can deal with fee splitting when cross-serving their clients. Find lawyers who are willing to work with you, have an open conversation about the service needs of the client and the relationship lawyer, and find a financial arrangement that properly motivates both parties over the long term.

Arm them with “gifts”

Few relationship lawyers are comfortable calling a client and saying, “Hi, I have a lawyer in my firm you should meet”, since we all know that is poorly disguised code for “Hi, we desperately want more of your business”. Instead, to make it easier for others to reach out on your behalf, develop “gifts” you can offer that would motivate a client to meet with you. Such gifts give the relationship lawyer a solid reason for making contact, they make them look good to the client by offering additional value, and they help to uncover potential needs.

Examples might include: “Jim, I have a lawyer in our firm who delivers CLE training to our clients, and she would be happy to come on site and conduct a program for your staff”, or “Jim, I’m getting in touch because our employment lawyers have mentioned that many of our clients have not updated their employee manuals lately, and they would be happy to look at yours, at no charge, to see where you stand.”

Other valuable gifts you can offer might include:

- Introductions to key people
- Access to important events
- Visibility through speaking or writing
- IP monitoring services
- Advice
- Conducting research
- Sharing approaches used for other clients
- Loaning a lawyer
- Inviting them to join/start a group
- Sending alerts/updates/newsletters
- Providing recommendations for open positions

Arm them with open-ended questions

Most lawyers have no idea what to say outside of their practice areas. Therefore, you must give the relationship lawyer a “cheat sheet”, a few good questions to ask when talking to their client. The relationship lawyer doesn’t have to know the answers, and if a need arises, they can say something like, “Well, Jenny, we have some lawyers in our firm who handle issues like that every day. If it would be helpful for you, I can arrange a lunch with someone I think you’d really like, and the two of you can dive in deeper. Would that make sense?”

Keeping cross-services top-of-mind

While of course we hope you get new work in the first meeting, we know it usually takes on-going contact before the time is right. Therefore, you need to engage in a campaign that keeps you and your new services in front of the right people to stay top-of-mind. Remember, you have two populations to stay memorable with: the other lawyers in your firm, and the targeted clients.

Jonathan Fitzgarrald shares some techniques for keeping on the radar within the firm. “The stronger the relationship

an attorney has with their colleagues, the more likely those colleagues are to think of that attorney when their clients mention a need. As an individual, you have to ‘sell yourself’ to your colleagues so that you’re their first choice.”

“One way to do this is to provide triggers or flags that will set colleagues’ minds to think of you. ‘Get to know you’ lunches work well on a practice group level, where an attorney discusses the kinds of matters they handle, successes they’ve achieved, and the key issues (triggers and flags) that exist that colleagues should be aware of within their clients.”

Tell stories about successes

When describing your practice, stay away from technical legal-speak. Even though you’re talking to other lawyers, most have no idea what you’re saying (nor do they really care). Since your goal is to be unforgettable, this can be accomplished by telling war stories. These stories will stick with your lawyers, and they will remember them when talking to their clients. It’s much more memorable to say “Gayle recently got a multi-million dollar dispute dismissed on summary judgment”, than “Gayle practices complex commercial litigation”.

Build collegiality

“Enhancing personal relationships between firm lawyers is another important piece of the cross-serving puzzle. One way to support internal communication and relationship building is to have a partner invite other partners, associates, and their significant others to their home or a restaurant for dinner. Including a social aspect along with conversations about clients and current business matters improves relationships, builds thrust, and opens lines of communication.”

Continuing legal education programs

Firms can also use CLE programs as a practical way to provide value to the client, meet more people inside the client's organization, and demonstrate your expertise in a specific area of the law.

Cross-Serving Checklist

- Identify your best cross-serving candidates
- Conduct research on these targeted clients
- Identify the relationship lawyers who are the right gatekeepers
- Develop your plan for approaching the relationship lawyers
- Develop your list of "gifts" and probing questions
- Discuss shared compensation where appropriate
- Agree upon who drives the process
- Discuss client service needs and a process for reporting on progress
- Form client teams for your highest priority targets
- Obtain client feedback
- Develop a reporting process
- Get complementary groups leaders (and groups) to meet regularly
- Assign liaisons to various practice groups
- Establish a task force for developing goals, measures, coaching, reminders, support, and tracking
- Develop a rewards and recognition process
- Develop systems that support long-term sustainability
- Develop your selling skills
- Develop a reporting process

Cross-selling – Working together to get more work from existing clients - first appeared as chapter 5 within *Secrets of the Masters: The Business Development Guide for Lawyers* authored by David H. Freeman, and published by Ark Group in association with *Managing Partner* magazine.

For more information on this title please visit:

<http://www.managingpartner.com/bookshop/secrets-masters-business-development-guide-lawyers>

Action planning worksheet

What internal obstacles to cross-serving do I need to address, and how?

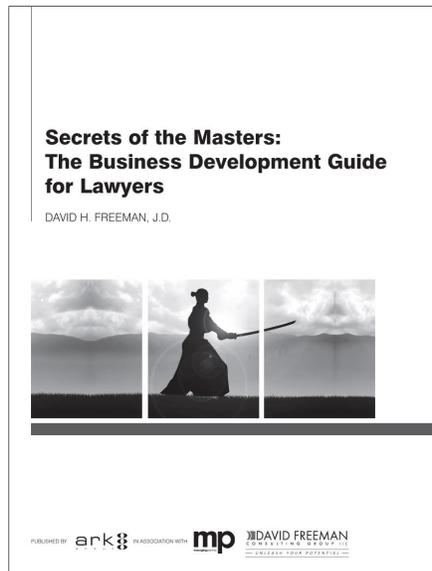
Who are my best client targets for cross-serving, for both giving opportunities to others in the firm, and receiving opportunities to me?

How can I make it easier for the relationship lawyer to convince their clients they need to meet with me?

I will solicit feedback from these clients:

What contexts can I use to get client meetings, and how should I maximize our effectiveness during those meetings?

How can I stay top-of-mind with my cross-serving targets over time?



'Cross-selling – Working together to get more work from existing clients' is excerpted from:

Secrets of the Masters: The Business Development Guide for Lawyers

by David H. Freeman

Ark Group, London, 2013.

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