

Good Times Call for Great Marketing

By Charles A. Maddock

Several years ago, when the economy had taken a turn for the worse, I wrote an article called “Hard Times Call for Hard Marketing.” My point in the article was that law firms had an opportunity to gain mind and market share by maintaining and even increasing their focus and spending on business development for their firms. The firms that heeded this advice often found that their competition was napping and had to play catch-up when the economy turned around.

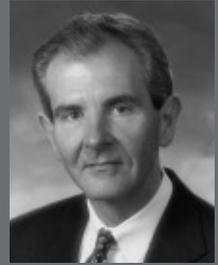
Now, times are better. Many law firms are in their fifth or sixth year of record profits. Firms continue to grow, either by acquisition, organically or both. Many firms learned valuable lessons during the slow times – leaner staffing, smarter spending, use of technology and more. Marketing as a means of creating awareness, and service as a method of retaining current clients, became accepted business development practices. Partners with the skills and interest to manage the marketing function replaced committees that had vague mandates and were almost invariably ineffective and inefficient. In addition, partners became comfortable with delegating the marketing function to experts, both in-house and outside the firm, while managing the client relationships themselves.

As the business climate improved, law firms’

natural inclination was to shift their marketing focus to attract new clients. This idea makes sense – but it ignores a critical market trend. Approximately ten years ago, a seismic shift occurred in the legal profession. Spurred by the dramatic growth in the number of lawyers in the US that resulted in an oversupply of providers, buyers of legal services – many of whom had themselves been lawyers with private law firms – began to realize that the economic model had shifted from a sellers’ to a buyers’ market. Buyers now had the upper hand in purchasing decisions and could pick and choose among firms while demanding discounts and even determining staffing decisions. (See the table below.)

Those law firms that understood the change, and accepted the likelihood that conditions weren’t likely to revert to the days when lawyers could call all the shots, began to place increased emphasis on client satisfaction. Client surveys, formal interviews and other techniques of assuring feedback to lawyers became the accepted norm in firms that “got it.”

In other words, good law firm marketing programs became great by recognizing that there is much more business that existing clients can provide. Before joining the rush to find additional clients, firms need to make sure they are doing everything possible to keep the ones



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“... focus on current clients where your efforts will truly make a difference.”

Strategic Market Shift

Factor	Sellers’ Market	Buyers’ Market
Value proposition	Sellers define	Buyers define
Message	Extrinsic “What do we need to sell?”	Intrinsic “What do clients want to buy?”
Focus	New business	Current clients
Strategy	Marketing communication/\$ (Shotgun)	Relationships/time (Rifle shot)
Tactic	Cross-selling, targeting	Building share
Expectation	Immediate	Long-term
Differentiation	Low	Potentially high

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they already have, and then looking for a larger revenue stream from them. This additional revenue is much less costly to acquire than continually chasing new business.

Two new books underscore the importance of building from your current clients. In his book *Customer Mania*, Ken Blanchard, the author of *The One Minute Manager*, outlines a four-step approach to satisfying customers. While Blanchard's case study was with a restaurant chain, his advice is highly relevant to law firm marketing as well:

- When you decide to focus on pleasing clients, profits will come naturally. This is because the cost of servicing clients is reduced, thanks to scale; acquisition costs are virtually eliminated; and satisfied clients become advocates who will effectively market the firm to their colleagues and business associates.
- Give clients what they want as they interact with every part of the firm – not only with its lawyers, but also with paralegals, secretaries, the accounting department and more. Many firms have been fired or demoted because the receptionist – the first voice the client hears – has a bad day everyday.
- Concurrently, treat the firm's lawyers and staff correctly to attain the desired behaviors. Abused associates and support staff won't give good service, but those who are recognized and rewarded for caring for clients will.
- Make service a leadership priority. In too many law firms, this is seen as a "soft" subject and the province of marginal committees or task forces. In firms where leaders drive service initiatives, clients notice, and often offer the firm new business without being prompted to do so.

Once the firm has made the commitment to focus on current clients, the next step is to determine what clients want. This sounds painfully obvious, but in many – or maybe even most – law firms, lawyers assume they have the answer to this question because they have worked with the client for years, know their business and have the name of the client's cat in their contact directory. This is a significant mistake. The answer to "What do clients want?" is not "excellent legal service." That's the price of entry and most clients feel that almost every law firm provides it.

"Your revenues will increase, since current clients are generally less cost-sensitive."

No, clients want what *they* want — and "nobody wants to buy what you sell," writes Bill Stinnett in his book, *Think Like Your Customer*. Instead, "What they want are the business results they can achieve by utilizing what you sell to pursue their own goals and objectives." Put another way, clients spend little or no time thinking about you but they do think about what you can do for them. After all, the essence of professional services, whether law, accounting, architecture or consulting, is to make the client the hero – and it's hard to do that if you don't clearly understand their goals.

Because of that, you need to find out how you can help clients in every way possible. According to Stinnett, "It's a lot easier to sell somebody something if it's positioned as a way to help them achieve a goal or objective they already want to achieve." Doing this will separate the firm from the pack and result in higher revenues.

Still not convinced that focusing on clients is easier, faster and less expensive than emphasizing new business? Then consider this:

- Acquiring new matters is easier because it is simpler to sell to people you know – and clients prefer to buy from a proven provider.
- You can blunt the competition's efforts to siphon off business from your clients when you provide clients what they really want.
- Since you already know who your market is, your business development costs will decline – or at least remain flat.
- Your revenues will increase, since current clients are generally less cost-sensitive. Switching costs are expensive. It's worth it for them to pay more rather than look for another law firm that may not serve their needs as well.
- You will have a much greater chance of cross-marketing other practices and services to current clients if they don't want to take a chance on using another firm.

To put theory into action, follow the ten steps below to provide excellent client service – then sit back and reap the rewards:

1. Invest in providing the highest level of service to key clients. Rethink the notion that service means additional cost.
2. Know everything possible about your clients' businesses. Become part of their trade, industry or professional groups.
3. Set up lines of accountability for service. Institute a relationship manager structure.
4. Regularly ask clients what service is important to them, rather than telling them what the firm has to sell. Measure the firm's service against the best providers in other fields.

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5. Find out what obstacles exist to delivering excellent service, and break through them.
6. Make a commitment to superior service from the top level of the firm down. Solicit input from every level of the firm. Reward ideas and follow-through.
7. Communicate the firm's vision and expectations to clients, throughout the firm and to every possible referral source.
8. Give good clients what they want, including billing strategies that pay off for both clients and the firm.
9. Fire or refer unproductive clients.
10. Evaluate what works and what doesn't, and continually improve productive service strategies.

Times have changed. Clients have become more demanding and competition has become fierce. To make

sure your firm stays ahead of the pack, build your good business development efforts into great ones – and focus on current clients where your efforts will truly make a difference. ♦

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