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# Report to Legal Management

OUR 28TH YEAR

## Using Matrices to Enhance Marketing



Alan R. Olson

By Alan R. Olson

**M**uch of marketing involves *connections*: connecting with clients and prospects; making connections between a client's needs with regard to legal services and the services your firm can provide; connecting a legal service with industry knowledge and professional contacts to enhance the breadth and depth of your practice; building trust and strengthening relationships with clients.

Much of marketing strategy involves *connectivity*: seeing and understanding the complex relationships between clients and lawyers, between value and client loyalty, between supply and demand, between recurrent and non-recurrent client needs for services, between referral sources and end-consumers, and the list goes on.

Connectivity can certainly be identified on a case-by-case basis. Many successful lawyers have a good understanding of connectivity—they know how to get from A to B, and how to succeed at developing long-term business by making it up as they go along.

However, to develop *marketing organizations* that are effective and successful—whether at the law firm, practice group or marketing team level—common goals, strategies, targets and vehicles must be formulated and implemented. And, in order to develop *organizational* marketing programs and strategies, case-by-case connectivity must be converted into patterns that can be systematically identified, evaluated, prioritized and acted upon.

One simple, yet creative, tool, and one that is generally underutilized in marketing legal services, is the matrix. Properly constructed and employed, matrices can be of great assistance in converting random information into meaningful, useful patterns. These patterns can greatly assist in developing more targeted, focused marketing strategies. Patterns can also be designed to assist organized follow-through and management of strategies. In addition, while somewhat non-traditional compared with the goals-first-and-then-strategy planning continuum, conclusions drawn from matrices can help test, shape, or re-shape a firm or practice group's marketing goals and objectives.

The following examples of marketing matrices, developed by the author and other Altman Weil consultants, illustrate the diverse, pragmatic application of matrices to marketing, including market research, targeting, planning, strategizing and implementation.

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**Client Service Matrix**

This matrix can be used either with existing clients or with prospects. It is a method of channeling preliminary knowledge and research into the formation of cross-selling or entry strategies for individual clients. (See Table 1)

Based on assumed information, a cross-selling opportunity appears with Client A in the environmental area. Client B warrants a retention strategy, assuming the firm handles all of the client’s work in these areas. Prospect A appears to have potential in real estate and environmental, and may have potential in construction law.

**Key Client Matrix**

Of course in a way, all clients are key clients. This matrix is a vehicle to objectively identify a law firm’s *most* key clients. The assumption underlying this matrix is perhaps most important: a key client has at least one of the following characteristics: current business volume; potential business volume; or value as a referral source. In other words, a client with great potential for legal work, or proven value as a referral source, may be regarded as a key client even if the current revenues from that client are modest. (See Table 2).

Even this simple example suggests more than a process for identifying key clients. Any key client may be targeted for special client service initiatives, marketing planning or other modes of attention. Client A may be an untapped source of referrals, depending on the industry, client decision-makers and other factors. Client B suggests expansion-oriented objectives and strategies, through more of the same type(s) of legal services, or through diversified services via strategies for cross-selling or team-selling.

**Client/Office Matrix**

This matrix (see Table 3) was developed to help multi-office law firms systematically identify clients with business operations in more than one geographic area. The results of this matrix are only a beginning, culminating with potential targets and synergies. Once identified, individual client’s legal needs, the corresponding capabilities of the firm/offices to deliver services, client decision-making structures for retention of counsel, competition and other factors would need to be assessed prior to and during strategy development. The targeting information can be used to: introduce the lawyers and services of one or more additional

offices directly to the client for local services; expand overall representation by team-selling two or more offices; cross-sell specialized lawyers from another office into a branch office locale.

Regarding Client A, the firm can explore direct introductions or cross-selling the lawyers and services in both Jonesdale and Bigcity areas by those offices; in addition, if we assume for this illustration that the law firm’s largest office is in Bigcity, there may be specialty cross-selling of Bigcity Office lawyers and services for Smithville-based client legal service needs. To the extent that other Smithville and Jonesdale offices have specialists, the latter strategy would be applicable for them as well.

Client B may have locally-based needs in Smithville warranting introductions of Smithville lawyers and service capabilities. Smithville Office specialists can be cross-sold. In general, the firm’s local presence can be touted as a commitment to the community and local offices can be used for Client B meetings and even offered to Client B for off-site meetings.

**Contact Priority Matrix**

Referral sources for legal work can be affirmatively targeted for development. First, profile an ideal client for a practice group or specialty. Second, think of groups, professions or individuals who are routinely “one step away” from the ideal client—individuals who are likely to come into contact with the ideal clients. For example, in the tax controversy area, accountants and accounting firms would be “one step away”—*connected* routinely to individuals and businesses, some of which, at any given time, may be about to experience a tax controversy requiring a lawyer’s help. Accounting firms, or more likely accountants, can be identified and listed—step number three.

At this point, the list lacks prioritization and may be long and

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**Table 1 — Client Service Matrix**

Client/Prospect	Real Estate	Environmental	Construction	Etc.
Client A	Does use firm	Can use firm	X	
Client B	Does use firm	X	Does use firm	
Prospect A	Can use firm	Can use firm	Not sure	
Etc.				

**Table 2 — Key Client Matrix**

Client	Current Fee Revenue	Potential Revenue	Value as Referral Source
Client A	Major	X	Maybe—not yet
Client B	Small	Major	Maybe
Client C	Small	Small	Limited

**Using Matrices...** *continued from page 3*

unwieldy. In general, establishing strong, repetitive referral sources involves establishing relationships—usually, the more is not the merrier. Besides, substantial time can be involved in cultivating referral sources. If the time is devoted to superficially following up on a long list of only somewhat interesting or somewhat interested referral sources, it is likely to be time squandered.

The Contact Priority Matrix (Table 4) was developed to help easily prioritize a list of potential referral sources for expansionist pursuits. When potential referral sources have been listed, the Matrix provides two rating scales to be applied to each potential referral source. Each scale decreases from 3 to 1. The left-hand scale rates each potential referral source based on the quality of their potential client contacts: assign a 3 if the referral source definitely has the contacts; a 2 if it is a maybe—for example, a referral source on the way up; and a 1 if it is doubtful—if, for example, the source has turned to technology consulting rather than tax work. The right-hand scale describes the strength of the current tie with the prospective referral source—the propensity to help. Again the scale descends from a 3 (“Definitely, since we represented him personally, he thinks the world of our firm”) to a 2 (“I’m not sure, we’re cordial, but haven’t really talked about what we do”) to a 1 (doubtful).

Contact those with combined scores (i.e., priority) of 6, then 5, then 4, etc.

**Table 3 — Client/Office Matrix**

Client	Smithville Office	Jonesdale Office	Bigcity Office
Client A	Operations in Smithville; we provide services	Operations in Jonesdale; we don’t provide services	Operations in Bigcity; we don’t provide services
Client B	Operations in Smithville; we don’t provide services	No operations	Operations in Bigcity; we provide services

**Table 4 — Contact Priority Matrix**

Does the potential referral source have contacts of interest to us?	Is the potential referral source willing to help or work with us?
3—Definitely	3—Definitely
2—Maybe	2—Maybe
1—Doubtful	1—Doubtful

With limited time and a desire to focus on high potential, willing referral sources, those on the list receiving 6’s would be contacted first, followed by those receiving 5’s, possibly followed by those receiving 4’s.

**Conclusion**

For many, if not most, law firms, the next level of marketing achievement is to become effective, successful marketing organizations—at firm, department, office, and specialty team levels. Firms that become effective marketing organizations augment individuals’ entrepreneurial efforts by creating more opportunities, and by better recognizing and capitalizing on the opportunities created.

The law firm as an institution as well as individual lawyers can help build an effective marketing organi-

zation, by thinking strategically—visualizing the interrelationships and connectivity between factors and forces in the form of *patterns*, as well as individual fact situations. From this foundation, law firms can begin intuitively *perceiving and evaluating* the potential of interrelationships, to ultimately, *anticipating and creating* the connections that yield new prospects, clients, service vehicles, marketing tools—and even new services.

Matrices are simple vehicles that can be used, creatively and with broad application, to assist law firm market research, targeting, planning, strategizing and implementation. ♦

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