



## **HOW IMPORTANT IS STRATEGIC INTELLIGENCE GATHERING TO THE MARKETING EFFORTS OF YOUR FIRM?**

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I recently had the pleasure of interviewing two candidates for the position of managing partner at a mid-sized law firm. The partners at the firm were evenly divided in their preferences. Both candidates were highly qualified. My “mission” during the interviews was to, among other things, assess the strengths and weaknesses of each candidate relative to the perceived needs which were most critical to the firm’s ongoing success. One of the needs highest on the list, not surprisingly, were skills in marketing, as well as the ability to train associates and young partners to be more successful in this area.

Only one of the two candidates had actual past experience in building his own book of business. My assumption going into the interviews was that this candidate—let’s call him Bob—would be much stronger in this critical area. The other candidate—let’s call him Larry—had never been in a position where developing a book of business for himself or any of the attorneys he managed or dealt with was appropriate. Since marketing is so often a hands-on developed skill, my assumption seemed logical. But you know what they say about assumptions.

Bob had strong ideas regarding what marketing was about. It was about client service and quality issues like prompt return of calls, consistent work product, accurate fee estimates, the ability to offer billing arrangements other than on an hourly basis, and so forth. Bob spoke of a well-designed firm brochure and web site. He spoke of seminars for other attorneys to facilitate referrals. He spoke of involving younger partners to a higher degree in the work of senior partners’ clients to assist in transitioning clients to the next generation. All were good, solid ideas.

When it came to teaching young partners and associates to market, Bob was more pragmatic, even pessimistic. Bob felt that marketing skills, for the most part, were not something most attorneys could be successfully trained in. He felt that “service partners” would likely never become rainmakers, even if the compensation system is designed to reward rainmaking. But Bob felt that there was a place for service partners in every law firm nonetheless.

This viewpoint is widely shared. And while the need for service partners is definitely evident at many firms, particularly mid-size and large firms, it begs an important question. The demographics of the typical firm today reveal a layer of baby boomer

rainmakers who essentially feed work downward to fill the plates of service partners and associates. What happens to the future of the firm when the baby boomers start to retire, die, or scale back? Who fills the plates of the service partners? If young partners and associates are not or cannot be trained to fill their own plates, at least in part, isn't the firm doomed to eventually fail? If you look around you at what has been happening at firms of all sizes, you know this is a real threat to the future viability of a firm.

And at what point, with a finite amount of work to fill other plates, does the rainmaker decide that the firm is better off taking the work from a loyal service partner and handing it off to a newer, younger attorney who shows more promise of becoming a future rainmaker? So listen up, if you're one of those service partners, because your future is certainly not assured no matter how long you've put in at your firm, and no matter how good a technician you are. You are vulnerable. And your vulnerability may become an issue just at a point in your life when you want to scale back yourself and work less hard. At just that time in your career you may find yourself having to prove yourself all over again at another firm, and having to work harder than you've worked in years.

The second candidate, Larry, prefaced his remarks by admitting that his actual rainmaking experience was non-existent. What he had were ideas and theories of what he felt would be the right strategies to employ. He had built his viewpoint from years of observing the firms and lawyers around him. He talked about the essential need for gathering information as the first step. He elaborated on this thought by listing the kinds of information he thought were strategically vital:

- § Identifying the top clients of the firm over the past few years including an analysis of what types of work were being done for them, was it increasing or decreasing, was it more or less profitable than other areas of practice and clients, and how each of them came to the firm, e.g. what marketing activities at the firm resulted in their conversion from prospect to client
- § Spending time with clients on a non-billable basis just to "get to know" their business and industry, including their perspective of their current and future business challenges and legal needs, what pressures their marketplace is under, what types of outside activities they participate in, and where they turn for strategic information and education
- § Surveying the top clients of the firm to determine their satisfaction with the firm, what areas of client service could be improved upon, and any outstanding areas which could be highlighted for potential marketing purposes
- § Doing independent market research on the identified client industries and especially any client related sources of strategic information, and identifying other industries which might have similar needs for the skills available at the firm
- § Identifying within the firm who worked on what, what their skills entailed, and ascertaining on a regular on-going basis what achievements and experiences they had, as well as what prospects they had identified and were approaching or desired to approach



I was very impressed with Larry's answers. All of the information he listed is essential strategic information. All of it requires work to collect, initially and on an on-going basis. Is it worth the effort? One of my frequent mantras is "good business decisions require good business information—in the absence of good business information one is only guessing." So you betcha, it's worth every minute and dollar spent. What, I asked of Larry, did he intend to do with all this information? His answer, I will sum up for the sake of brevity, was strategic planning. Ahah! Something absolutely necessary which most firms are absolutely abysmal at, and the rest are mostly oblivious about.

Take, for example, the simple marketing strategy of presenting seminars, often referred to as education-based marketing ("EBM"). It is a tried and true tactic. It may be old, but it still works. (See *A Seminar Checklist* from the Spring 2002 issue of [Solo and Small Firm Practice News](#)). If done properly, EBM positions the attorney as an expert to turn to when the need arises, without the appearance of selling, which often makes a prospect uncomfortable and suspect. Larry pointed out that there were certainly some areas of law in which attorney referrals were a significant source of business. But he surmised that most firms didn't actually "know" where this was the case, and just made assumptions. As a result, Larry felt that they were often wasting their time educating their competitors, instead of using the same limited energy and time resources to educate actual prospects. By knowing where those prospects turned for strategic information, the firm could better position its EBM efforts to reach the prospect directly.

Larry was much more optimistic about the ability to train service partners and associates to market. First, he believed that many do not market because early efforts, often misguided and with unrealistic expectations, proved unsuccessful, or took them far outside their comfort zone. He envisioned the successful training to begin with identifying the attorney's past marketing experience and analyzing it. Then, using the strategic data to enable them to see the big picture of how prospects come to firms, including how much effort, and of what type converts them to clients. [See *Building Your Networking Skills*.] He then would provide them with strategic intelligence on identified prospects, and help them plan activities within their comfort zone so they would know what they have to do and would be supported in the effort. In some cases the "what to do" might be development of new "products" which would anticipate future client needs, and assisting the attorney to communicate the new offering to existing clients and prospects.

Improving internal communications to share some types of critical strategic information was another central point in Larry's estimation. Just making other partners aware of some of the achievements of a service partner may lead to cross-marketing opportunities which are currently lost. And so on and so forth.

I'm the first to admit when I'm wrong. Contrary to my assumption, Larry was a much stronger candidate in the marketing area, in my opinion. He understood that the gathering of strategic information was the first and most important step in developing any marketing plan. He understood that it was an essential part of the everyday workings of a successful law practice. And he clearly understood that quality strategic information could enable anyone to become more successful at marketing.



I am frequently called on the hot line by those starting their own practice. Some are right out of law school. Many are leaving a large firm environment to strike out on their own. I stress to all the importance of using readily available tools to track and report on strategic information, to create a solid intake form and procedure to obtain information, and to develop communication tools to gather and share internal strategic information on an on-going basis. Remember, in the absence of solid business data you simply cannot make good business decisions. You are guessing. You are shooting from the hip. Sometimes this strategy works. Sometimes not. It depends on how lucky you are. My professional recommendation is that you do your homework and be smart, rather than rely on luck. That way you can count on your success all the way to the bank.

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