



IT'S TIME TO BRING ON YOUR MARKETING "A" GAME

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I realize that there's a good chance that if you see one more article right now about the recession you will probably fling this magazine across the room. So I promise I will spend virtually no time on that topic. You don't need me to tell you that firms are feeling the effects. You may well be one of them. And if not, you've witnessed first-hand how others have been impacted.

I want to focus on some specific action to take now to keep your practice afloat. Chances are good that you've already taken definitive action to trim any fat from your overhead. If you haven't because you aren't sure how to trim fat without cutting the muscle which enables you to service clients, you may want to contact me for a reprint of my article which appeared in *The Pennsylvania Lawyer* entitled "Cost Control Strategies for an Improved Bottom Line."

If you've cut the fat and need to improve the bottom line even more, there's a good chance you're scratching your head wondering what to do next. And that's where this article comes in. Because ultimately the problem is rarely on the expense side of the practice; and you can focus all you want on cutting expense, but it will never be enough. Most of the time the problem is on the revenue side. Improving that metric calls for a two-fold approach: maximizing profitability for each practice area, and amplifying your marketing efforts.

I learned an important business lesson from my father at the tender age of about six. He was telling a story at the dinner table about how a person at his factory miscalculated the production cost of a new lamp. My father learned of the misplaced decimal point only after he'd sold several boxcar loads to one of his national department store customers. The lesson was presented in the comic ending to the tale, when my Dad informed us that if he were a better salesman he would have sold himself into bankruptcy.

Years later, when I began working in a business environment, I realized I had learned from that simple story that volume doesn't equal profit. If the work being performed isn't profitable, the more you do, the further from your economic

performance goals you'll get. It's difficult to see this subjectively, because when bills go out and cash flows in, all seems to be right with the world. But if you examine your profitability objectively, you can determine whether you're digging your future grave or paving the road to riches.

We know that not every matter is or even can be profitable. Sometimes you take on a matter which you know is a loss leader in order to secure other more profitable work later. A common example is drafting a simple will or estate plan with the hope that one day you will be hired to manage the estate. Sometimes you take on work you know is not profitable as a service or favor for a good client. And for some of you, taking on pro bono matters is your way of "giving back" to the community. But we also know that your resources are limited. There aren't enough hours in the day to get the work done. Since you have little time to waste, you must invest most of your available resources where they will produce the best return, absent any of the previously-stated reasons for knowingly and willingly sustaining a loss.

For information on how to calculate the profitability of your clients and matters, contact me for some instructive articles. Keep in mind always that a client that produces a million in fees a year, if it costs you 1.2M to produce those fees, is not a client you can afford to keep for long, unless they open the door to other possibilities.

The other side of the revenue equation is about client development. Building a clientele is like the uphill climb of the roller coaster. It's hard work, and a slow and sometimes bumpy ride. Client relationships are usually built the hard way, one client and one matter at a time. Many marketing strategies, like education-based marketing, or building a referral network, have a slow cumulative effect that can take years to produce measurable results. Eventually, though, your continued efforts start to bear consistent results. As the roller coaster clears the apex it builds speed with minimal effort as it descends. So too with marketing efforts. Momentum builds and eventually the growth takes on a life of its own with less and less effort on your part.

All too often we forget that no matter how talented and service-oriented we are, clients will inevitably be lost over time. Some go out of business. Some move away. Sometimes a new GC comes in who already has a comfortable working relationship with another firm. Large out-of-town firms may be encroaching on your local work. Meanwhile, we have a habit of becoming complacent about our marketing. After all, there's still plenty of work, and you never liked doing it anyway.



Sound familiar?

The problems with becoming complacent about marketing are numerous. Referral sources are continually courted by your competitors. Taking them for granted will eventually lessen the stream of new clients entering your intake pipeline. By the time you get around to doing something about it, you may not be able to restore the relationship back to where it once was. Even more problematic is that you find yourself once again in the position of the roller coaster chugging up the hill. It will take a lot of effort to regain the momentum. Only now you are busier, and have been away from the activity for a while, so it appears even more difficult.

Why is that? Well, there are some simple marketing facts you need to recognize. First is that 80% of your new business will come from existing clients, and it will take only 20% of your efforts. Developing that business is often referred to by marketing gurus as plucking the "low hanging fruit." On the other hand, only 20% of your new business will come from new clients. But it will take 80% of your efforts to develop those new relationships. Chances are you've harvested about all the low hanging fruit you can, so not only does it appear more difficult to reel in new business, it really is.

Another fact is that in the legal industry it can take a minimum of 15 quality "touches" to convert a stranger to a prospect to a client. That means you have to orchestrate a lot of activity to create those touches.

What constitutes a touch? It can include any number of activities and events. Examples of quality touches include:

The prospect hears you present a seminar.

The prospect reads an article you wrote.

The prospect is given your name from a trusted source.

The prospect reads a news story about an achievement of yours.

The prospect serves on a committee or board with you.

The prospect meets you at a civic or charitable event.

The prospect sees you in action when you represent the other side.



The last fact to keep in mind is that, for established attorneys, there is much more competition now than when you were originally building your practice. That means you will have to employ more thought than before, and put in even greater effort this time around. And for both established and newly minted attorneys, you want to make sure you determine what your differentiating factors are, and consistently present yourself in a way that emphasizes those factors.

Let me give you a couple of fairly simple, real life examples of what I'm talking about. The first involves a section member who, over the years, found his work flowing more and more from fewer and fewer clients. He was busy, and content to harvest and live off the low hanging fruit. Eventually, almost eighty percent of his work flowed from one client. Then the client suddenly and unexpectedly died, and the workflow abruptly stopped. And the outstanding receivables, which had grown steadily over time, was looking like it would have to be written off as bad debt.

When the attorney contacted me about the sudden near demise of his practice, we spoke of his differentiating factors. Aside from being known as a talented attorney, his years of service to the local and state bar gave him the enviable position of being very well known among his peers. I urged him perform the most basic marketing activity: to pick up the phone and reconnect with everyone he knew, and ask outright for work. Because he hadn't asked in quite a while, it was assumed that he had plenty of work. His concerted efforts produced quick results, based on his last report.

In the second instance an attorney contacted me about career alternatives. Her practice just could not sustain her. Unfortunately her marketing efforts never really amounted to much. She did a small amount of marketing here and there during the years she struggled to establish her practice. But she was inconsistent, never identified her "brand" (e.g. that all-important differentiating factor) and always seemed to push marketing to the back burner when there was client work to be done.

Marketing is not something in which one can dabble and be successful. Maybe once upon a time, but not anymore. You will need a plan which incorporates a number of strategies. You will need to perform activities you may at first feel uncomfortable doing. Over time much becomes habitual, and the discomfort gives way to confidence.



I have a wealth of materials to assist. In fact, I have so much material it's hard to decide what to send unless the request is focused in a specific area (e.g. newsletters, social media, blogs, seminars etc). You may need to hire a marketing consultant for a brief consultation to give you some ideas as to the types of activities which will be most suitable based on your location and area(s) of practice. Having a focus to your activities, and a game plan with identifiable goals and objectives, is halfway to getting where you want to be. Implementation is another. If you look at successful rainmakers around you, one thing you will notice is that rarely a day goes by without the incorporation of some type of marketing activity. And that's key.

Don't dabble in client development and marketing activities like a weekend athlete who never achieves the performance they desire. Pull out the stops. Incorporate your "A" game into your daily and weekly schedule, with all the dedication of someone headed for the Olympics. That will make you a winner, no matter what the economy does.

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