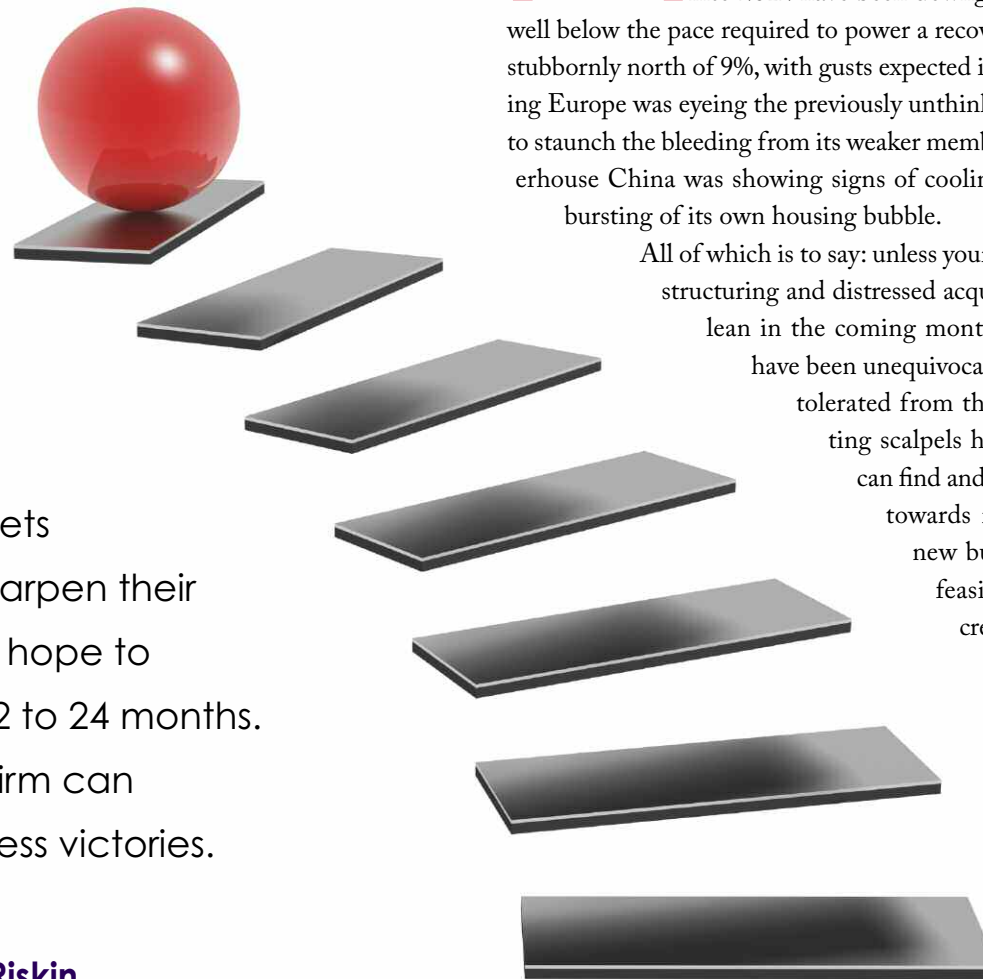


7 business development tactics in a down economy

The global economy is in rough shape and will get worse before it gets better. That means law firms must sharpen their business development efforts if they hope to improve profitability over the next 12 to 24 months. Here are seven ways in which your firm can increase its chances for major business victories.

By Jordan Furlong and Gerry Riskin



At the time of writing, the American economy was lurching towards what looked increasingly like a double-dip recession. GDP growth estimates for the balance of 2011 and into 2012 have been downgraded to between 1% and 2%, well below the pace required to power a recovery. Unemployment remained stubbornly north of 9%, with gusts expected into the double digits. Staggering Europe was eyeing the previously unthinkable prospect of a fiscal union to staunch the bleeding from its weaker members' economies, and even powerhouse China was showing signs of cooling off and perhaps suffering a bursting of its own housing bubble.

All of which is to say: unless your firm is especially strong in restructuring and distressed acquisitions, business figures to be lean in the coming months and perhaps years. Clients have been unequivocal that rate increases will not be tolerated from their law firms. Firms' cost-cutting scalpels have carved off all the fat they can find and have started to make their way towards muscle and bone. That leaves new business generation as the only feasible way for most firms to increase profitability.

What are your competitors doing to bring in more work? For the most part, they're doing what they've always done: schmoozing clients, buying advertisements, and no doubt "re-branding" themselves for the umpteenth time. This is not to criticize these efforts, which often are effective to at least

some degree. But when you do what everyone else is doing, you can expect everyone else's results.

For law firm leaders who are ready and willing to try fresh approaches, we offer seven tactics by which your business development efforts can generate new energy and better results.

1. CLIENT INTELLIGENCE: KNOW YOUR TARGETS

It all starts here. Among clients' most frequent complaints about law firms is an utter lack of knowledge of the clients' businesses and the issues facing their industries. Rectify that through the collection of two types of client intelligence: covert and overt.

Covert intelligence is gathered without the client's involvement. Create Google Alerts to track news and developments for your five best clients and five clients you wish you had. Have associates or assistants compile information about these clients, either for immediate use (e.g., congratulations to an existing client on an appointment, pitching new clients on a developing area that matches your specialties) or for weekly status reports. Use this information to shape interactions with current clients and overtures to future ones.

Overt intelligence is gathered with the client's input, and comes with the obvious benefit that taking an explicit interest in a client's circumstances has numerous relationship benefits apart from the knowledge acquired. At the very least, book regular informal meetings with a current client representative to talk about nothing but their business: no law firm chatter, no pitching, just asking questions and listening to responses.

Far better, gather two or three client representatives (including one senior executive) to carry out a Needs Assessment: identify the client's current and future requirements or prepare a market forecast for the client's industry. Compile and present a written report assessing the client's current and future business landscape and its legal implications and suggesting risk-managing steps the client could take. This will be a powerful tool for both reinforcing loyalty and building a case for new business, "bulletproofing" your clients from competitors' overtures.

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And while you're at it, build relationships with the market's foot soldiers: legal journalists, legal recruiters, CLE providers, consultants and other third parties who see and hear more than even the most active firm can detect.

2. LEVERAGE YOUR CLIENTS: MORE WATER FROM THE WELL

A recent survey indicated that 86% of law firms planned to generate new business from their current clients. This is eminently sensible, considering the rule that it's much easier to produce more business from clients than to create new client relationships. But there has to be more than just prodding the client to spend more money on you; self-serving business development efforts do more to alienate a client during a difficult economy than most firms imagine. You have to think like your client and consider its objectives.

This is why the Needs Assessment mentioned earlier is so effective: when you and your client jointly identify the client's marketplace challenges, the client has skin in the game and is motivated to pursue opportunities that it has helped identify. Ensure that your report to the client forecasts emerging needs, including the future of the client's industry. If you're still looking for a reason why your firm's practice groups should create "client teams," here's a very good one.

And remember to widen the circle within your own firm. Once you've determined what the client needs, start cross-selling other practices and incentivizing referrals within the firm. Cross-selling can be both substantive (other practice groups) and geographic (same practice group but different jurisdiction). Gear the entire process towards fulfilling those needs that the client itself has helped determine.

3. CONTENT MARKETING: BUILD BUSINESS THROUGH EXPERTISE

If you've ever published a newsletter or had your lawyers write for a legal periodical, your firm has engaged in content marketing. These days, of course, that content is as likely to be provided through blogs, Facebook pages,

If you have multiple practice groups, create a blog for each one, recruit multiple contributors, and appoint a high-profile editor within the department to manage the publication.

Twitter accounts or Google Plus. Corporate counsel don't usually read law firm newsletters because the subject matter is rarely timely or geared towards their needs; lawyers tend to write about what interests lawyers, not clients.

So the first step is to think like a publisher (which is, after all, what you are). Understand who your target audiences are, find out what matters to them (through client intelligence efforts), and identify a content marketing strategy. Remember that clients read content that is brief, precise, and extremely relevant to their needs, so make sure you meet those criteria.

What format should you use? Publish in paper newsletters if you must, but recognize that in the age of ubiquitous wi-fi and the iPad, real-time publishing is the norm. Blogs allow lawyers to make their knowledge and insights available immediately, not within the weeks required for print publishing. If you have multiple practice groups, create a blog for each one, recruit multiple contributors, and appoint a high-profile editor within the department to manage the publication.

Just as important as your content and format is your distribution network; this is where social media really delivers. Twitter circulates your own content far beyond your firm's snail-mail and e-mail address database (and can point subscribers to other relevant content too). LinkedIn has become a powerful content distribution channel, in addition to being the world's online Rolodex. Specialty legal online distribution networks like JD Supra have an astonishing reach. And if you do prefer print to online, make sure to publish in client publications like *ACC Docket* and industry periodicals.

4. SKILL UPGRADES: GIVE YOUR LAWYERS TOOLS AND TRAINING

Law firms tend to think that only rainmakers have any business development role, but the reality is more complex. Every lawyer who has any contact with a client is a potential "rainbreaker" rather than rainmaker. Every interaction with the firm, from a corner partner down to a junior associate, either moves the client closer to or farther away from the firm. Leaders who accept this fact understand that investing in lawyers' ability to greatly satisfy clients is a business development effort.

So enhance your lawyers' business skills. Training them in business development, emotional intelligence, and basic networking know-how will upgrade their capacity to positively reinforce the client relationship. Maximize their client exposure in supervised settings. New lawyers are just as capable of initiating profitable new client relationships, but if left to their own devices, they likely will not maximize the opportunities. Face facts: we're all rainmakers now, including your most junior lawyers. The new client satisfaction imperative means you can't afford to have even one potential rainbreaker on the loose.

5. THE CLIENT EXPERIENCE: SHOW ME THE DIFFERENCE

Most law firms are indistinguishable from the client's perspective, something few firms seem to grasp. Clients will notice a firm that does things differently and will stay with that firm if it does things better. So make the client experience a competitive asset.

Legal project management improves the client experience (see the LPM articles in this issue of the *Edge International Review* for proof). So do online compliance training, downloadable legal apps, and a host of other client-facing solutions that require modest investment.

The most recent InnovAction Awards by the College of Law Practice Management (www.innovactionaward.com) drew groundbreaking entries from Goodwin Procter, Morrison & Foerster, Littler Mendelson, Fenwick & West, and Sidley Austin, among others. If your firm is not on that list, it could be.

6. OTHER PROFESSIONS: WHAT WE CAN LEARN

The legal profession needs an infusion of fresh thinking to see past its own precedents and prejudices. Importing attitudes and strategies from other professions that have adapted more successfully to 21st-century markets is highly advisable.

Take a look at the accounting profession, for example, long touted as a model for law firms to emulate. Accountants have solidified their position as clients' preferred business advisors by making it their mission to understand

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the industries and markets in which their clients operate. They give clients informed, reliable, long-term counsel based on original market research and a determination to anticipate their clients' challenges before they crystallize, not after the crisis has occurred, as lawyers prefer. Become experts in your best clients' industries, so that you can give nuanced, informed counsel about the client's business decisions and prospects.

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Accounting firms also give senior leadership positions (with attendant salary and respect) to business-savvy experts in technology, marketing, culture and so forth. They also designate specific professionals to act as responsible client relationship managers and compensate them accordingly. They invest money and power with “non-accountants,” though they themselves would never use the term.

Many law firms, by contrast, still maintain a cultural gap between “lawyers” and “non-lawyers” and fail to give the latter the respect, power and salary required to lead change within the organization. Accountants don't make the mistake of thinking they're always the smartest people in the room. Trust the professionals you've hired to act responsibly and knowledgeably.

7. MONEYBALL MARKETING: GO AGAINST THE GRAIN

Michael Lewis's best-seller *Moneyball* tells the story of the Oakland A's, one of baseball's best teams for several years despite having one of the league's lowest payrolls. Forced into frugality, they instead spent smartly, identifying those players' skills with the highest contribution towards winning that also (because of the industry's blinkered approach to metrics) were the most undervalued. They identified the most undervalued, highest-ranking contributors and exploited the resulting market inefficiency.

What does this mean for your firm? Identify those business development opportunities that combine high rates of success with low rates of marketplace implementation; these are the inefficiencies you can exploit. Measure the productivity of various business development efforts and assess them against the frequency with which they're applied. As we said at the outset,

doing what everyone else is doing will get you everyone else's results. Find the things that other firms aren't doing but should be, and have the courage to embrace them as essential elements of your business development strategy.

If you're looking for a place to start, allow us this modest suggestion: get out of your office and go see your clients. Ninety percent of your competitors are at their desks right now, piling on more hours of the same old billable work because they're afraid to try anything else. Take advantage of their timidity and get in front of your clients. America, after all, wasn't discovered in Spain. •



Presenting: the future

Jordan Furlong delivers dynamic presentations to law firm retreats and legal organization conferences throughout North America. He explains the unprecedented changes in the legal marketplace and how lawyers can respond.

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