

Zen & The Art of Legal Networking

INSIGHTS & COMMENTARY ON RELATIONSHIP BUILDING WITHIN THE INTERNATIONAL LAWYERS NETWORK

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Lawyers - We Are Still Missing the Boat with Clients

During the LMA's opening session on Wednesday, we were treated to a great client panel on achieving greater collaboration - what you need to know to get a win-win relationship with your clients. On the panel were Stephen Kaplan, the Senior Vice President & General Counsel for Connexions, Inc., Jeff Novak, the General Counsel for AOL Paid Services, and John Lewis Jr., the Senior Managing Counsel-Litigation for The Coca-Cola Company,



They gave us a lot of incredibly valuable feedback, which I'd like to share with you. To qualify - at the end of the session, they did say that this wasn't to be taken as the "rules" for dealing with all general counsel. The idea is for this to open a dialogue with your clients and get you thinking about how you can better service them.

Main Points from the GC's

- Don't treat all clients the same - that's like being a therapist and treating all of your patients the same.
- The GCs were amazed by how infrequently firms will come to them and ask how they are measured internally and what success looks like for them - doing this can differentiate you.
- It's your job as lawyers to make your clients look good.
- Find un-met needs for your clients - this is a different value proposition than that offered by your competitors
- Realization rates can go up when you can help the in-house counsel meet their legal spending budget.

- Client service should be very personal, tailored to the individual just as much as the institution.
 - Firms that know the secret to cost containment in their own firms should be able to help General Counsel apply those principles in their department.
 - When a client comes to your firm and you can divine that they're in need, that's an opportunity for the firm to embed a partnership.
 - Meeting their needs transcends the vendor relationship and makes you a partner.
 - Learn how to self-select - you can't be all things to all people. It's difficult to discern any self-selection from the pitches that they get. One of them recently got a pitch from a company that was obviously conflicted and should have self-selected.
 - There is lots of buzz around AFA's - but not everyone is positioned to do this. A value relationship is one where you have value to deliver.
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- When a firm lets you know that they know your business well, they immediately become valuable to you. How can you do this? Have a conversation. The GCs agreed that there's not a lot of conversation going on - just a lot of materials being thrown around. There should be more conversation about the strategic aims of a lawyer or practice area, or the tactical piece of how this gets done. Instead, they see "here we are, we're great" but everyone else says that too.
 - GCs want: proactive, complimentary, partnering, value-added. This is a new vocabulary for them.
 - How are you different? There has to be a moment of introspection where you drill down as a firm, practice group, or lawyer and decide who you are. Don't make the general counsel figure out what your firm's strengths are and expect them to send work to you.
 - According to one of the panelist, GCs hire FIRMS not lawyers - this is a switch. He said it's key to figure out how to institutionalize the relationship.
 - General counsel expect that if a firm needs to spend more money to hire more business development and marketing people in order to be a success for them that they should do it. If you're not going to spend the money, someone else will.
 - The GCs said that attorneys who don't research them in advance are "intellectually lazy" and are easily dismissed. They agreed that it's because people don't ask that they don't know more.
 - John Lewis, Jr. said that he reads the Wall Street Journal and the NY Times because that's what his executives read. The lawyers who get that and try to make sure they help him to stay in front of the issues are the ones he works with.
 - There's no excuse for not researching your client or contact because so much is public. If they're private, you can follow information about them on Google. Start an RSS feed, read blogs, pull things up on Google to stay up on a client - "it's painfully easy."
 - John Lewis, Jr. works at a company with 64 nationalities and in 206 countries - the world is their customer. Diversity is another arrow in a firm's quiver for them. It's not a standalone objective - it's evidence of a forward-thinking, smart, cutting-edge legal practice. The talent pool for diversity has never been deeper, so there's no excuse.
 - Start to think about what your firm will look like 20-30 years from now - businesses have to do this, so firms should be doing it too.
 - 85% of the purchasing decisions in the US are made by women. Law firms are not taking this into account - why do they have only 17% of women doing this work?
 - The increase in in-house budget is very slim (if any), so you have to grab the market share. The reality of any marketing effort is that you're asking the client to displace some incumbent firm. If you're trying to displace an existing firm, you can't just have a generic pitch - it has to be

provocative. Telling clients "We're all smart, we're all great" doesn't work anymore. They want to know - what do you know? How are you different?

- The landscape is fundamentally changing and evolving, so if you refuse to adjust your business model, it's like a tree snapping in two during a storm. The clients want firms to be more flexible and able to bend with hurricane-force winds.
- Firms need to be introspective about where the growth lines are. Own your segment of the market - you can't be all things to all people.
- GCs are stewards of their company's resources and expect that law firms should treat them as such. Firms need to know what things cost and how to position their clients to look good. GCs are cost centers, and firms that show sensitivity and awareness of this are the ones in the main that they work better with.
- Firms should be talking about these things - the ACC Value Challenge shouldn't be the end of the dialogue, but the beginning.

Quotables

- "Cost is just another species of risk to be managed."
- "The firms we've grown productive relationships with are those that understand cost is a big issue to us."
- "It's the job of the lawyer to make us, in-house counsel, look good. Doesn't always happen."
- "You can't find un-met client needs if you don't do your best to find out."
- "Law firms are notoriously bad at finding out what's important to us. Figure out what keeps me up at night."
- "The fully articulated 21st century law firm has to operate in a partnership model."
- "What we do with vendors is that we pit you against one another. We DON'T do that if you're a partner."
- "In RFPs, it's often hard to discern that you can't compete in my space. You can't do everything."
- "Being good is not a point of differentiation for firms because everyone is smart."
- "It's just not acceptable to try to come into a company and not know anything about it. Especially when the world is an open book test."
- "When you've prepared me with intelligence on something going on, I can then use that in my conversation."
- "Show me you're someone who's plugged in, who knows what's going on."
- "Diversity is not a requirement - that would be like saying quality is a requirement."
- "This isn't about illegals, gay marriages, etc. This is about growing your firm and your footprint and being firms of the 21st century."
- "None of this is brain surgery or closely guarded secrets of in-house lawyers - this is what is happening in the world."
- "How can we look 5, 8, 20 years ahead, but law firms are not governed by the laws of business that apply to everyone else, everywhere else."
- "If you want to displace another firm: Jump higher. Run faster. Offer more than others."
- "You're able to offer good fee arrangements if you really know yourself."
- "If you're charging premium rates, there had better be something premium about you."
- "The 'wow' moments won't be an outlier in a few years - they will be the norm."
- "Do a really candid assessment. What do you really have to offer me? I see very little analysis like that."
- "There are times when I need the big guns. But that's not the majority of my work."

- "Having a commodity side is like saying we're Tiffany over here, but we're Walmart over here. Then, I want to know, who are you today?"
- "It's puzzling when a firm says 'hire us for this, we know this issue' but they can't give me an estimate of what it would cost. That's a red flag."
- "This business is one size fits one."

Firms That Have WOWed Them

- When Jeff Novak was given a budget for the first time, and it was \$11 million than the previous year, the firm offered to share the cost savings with them if they could reduce their fees and they did.
- A firm met with Steve Kaplan and asked "Steve, what does a win look like for YOU." He appreciated them taking the time to find out. Asking that made him believe that they would be a high service firm who was worth the spend.
- Some firms, when they saw that legal spend went down, stopped calling. Others looked at the long view and wanted to work with him.
- One firm during the pitch stage came in and said they were so confident they'd win for the client that they'd already drafted the motion, they'd accept a flat fee and only talk success fee if they won. It was out of the box, so the client hired them.

These nuggets of information are HUGELY valuable in terms of how this sampling of General Counsel are viewing their law firms and what your firm can be doing to be more successful and keep clients happy.

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