

The Marketing Challenge of the Small Law Firm

by Peter Feldman



Every lawyer who's been practicing 15 years or more knows that conducting a law practice today just ain't what it used to be. Once upon a time, you could open your doors, do great work, and have referrals and word-of-mouth keep your phones ringing with loyal clients and new clients eager to send work your way. Oh, and the air was clean, you could leave your door unlocked . . .

If only all you had to do is be a great lawyer and they would come. Unfortunately, those days are long gone. There are currently 200 ABA-approved law schools in the U.S. graduating about 45,000 lawyers each year. A dozen years from now, the number of practicing lawyers is estimated to be more than 1.5 million. That's a lot of hungry legal brainpower chasing a finite or diminishing supply of work. Competition is at its all time most brutal, and economic conditions have made downward pressure on fees a fact of life. While there may still be some white shoes shuffling about out there, chances are they have cleats bolted underneath. Right. You know all that.

So it's no surprise that long ago, many law firms, starting with the larger firms, began engaging marketing and business development professionals to help the attorneys figure out how to get their fair share. Today, many firms have even lost their fear of the word "sales." And none of this is really new, except to small firms. Every once in a while a lawyer still asks me, "What would a marketer in a law firm do?" For one thing, if you don't already, he'd make sure you understand your competition.

What Do The Big Guys Have That You Don't?

The big guns have marketing and business development departments with perhaps dozens of bright, energetic folks stationed in their offices, fully up to speed on all the latest techniques and technologies to reach out to potential clients. They have chief marketing officers and business development directors camped out next to their IT directors and attending every practice group meeting. They use expensive client relationship management (CRM) systems for which they may pay \$100K a year or more. They have knowledge management systems, automated proposal systems, and database-driven websites that would make you cry. They have internet "microsites" just for recruiting, online "deal rooms" to make sure their client and their attorneys always have access to the most current documents on a given matter, and a half dozen blogs on specialized topics. They have sophisticated (and pricey) research systems to track their competitors' engagements and to target the clients they want. They have marketing and business development budgets that tell you one thing: they're not kidding around.



The problem is that while you may be much smaller than these guys, your goals aren't really that much different. There's a good chance you want those same clients. If you're in Houston, you want to work for the same big energy companies that they do. If you're in New York, you want financial and securities clients, too. If you're a small litigation firm in Chicago or an IP boutique in California, you're competing with big firm departments larger than your whole firm, including the maintenance guy. And also consider that more and more companies are keeping more of their work in-house, within their own legal departments, and even outsourcing lots of routine work, such as document review, overseas.

Experienced? Smart? Great Track Record? Not Enough.

And here's the really frustrating part. While you may not be a mega-firm with all that firepower, the chances are your lawyers are every bit as smart, talented, and experienced as theirs. Maybe they have more Harvard law grads because they can pay them more, but when you're in front of a judge or in front of a client presenting your solution to his or her issue, it's all you, not your pedigree.

So there are lots of really good, experienced, talented lawyers out there from every sort of legal background. To many GCs and CEOs, lawyers and law firms are fungible. One is pretty much the same as the next. So the people who can hire you have begun applying other criteria to the process of selecting and keeping outside attorneys, such as who is willing to offer an alternative fee structure, who returns calls fastest, and who's most pleasant to work with. As I mentioned earlier, having a track record of great results is important, but just about all law firms can tout such a record.

How Does the Small Firm Begin To Set Up a Marketing Program? Sensibly.

So, maybe you do not have 500 lawyers in ten offices globally. Maybe you have ten or twenty or fifty lawyers in one or two offices. You know you need to market your practice better than you have been, but who has time? Whatever marketing you have been doing has probably been haphazard at best. And you aren't sure you can justify spending the \$70 - \$150K annually that even a one-person marketing department would cost you. You have the same challenges as larger firms, just not the same resources to meet them.

Naturally, I would love to see every unemployed legal marketer with a job. But if you have not had marketing people on your staff before, you don't really know what you need yet, and you don't know what to expect from such a person. It's a formula for misunderstandings, false starts, and other unhappy endings.

Not that long ago, the rule of thumb was that the average tenure for a firm's first marketer was 18 months. While I'm not sure if this is still true, I understand how it happens. When you don't know exactly what you need or want, it's too easy to hire the wrong person to do it. Typically, too, a marketing professional has a set of ideas of what the firm needs, but they may be far from what firm management is willing to do or pay for. These misunderstandings could be resolved up front if all parties knew exactly what questions to ask, but they don't. The candidate wants the job; the firm doesn't really know yet what it wants.

In this market, a smaller law firm with no in-house marketing staff may be well advised not to jump into hiring a marketing manager or director, but rather to begin by bringing in a specialist who can help the firm decide what it really needs and get the low-hanging fruit picked.

A Simple Solution.

The answer for most small firms is to stop. Wait. Find the right outside resource to assist you. Bring in an experienced, reasonably priced specialist to advise you on how to make your marketing efforts more effective, make a plan, and then execute. You rent rather than buy, certainly at first. This just makes sense.

Let someone help you figure out the right approach for your firm. No two firms are alike. Put a small marketing committee together and work with your outside advisor to make a plan. Think of this process almost like building a house. Without clear architectural plans, you may be showering in the garage. Accomplish the languishing projects you all agree need doing. Then begin the longer term initiatives, making sure you put milestones and measurements in place wherever possible. Most importantly, make sure these initiatives have a clear purpose, that you will support them, and that they are well suited to both the firm's goals and its culture.



If you have brought in the right person, he or she will become a trusted resource for you, much as you are to your clients. If the chemistry isn't there, it won't take long to figure it out, and you can seek someone else.

Here's a Suggestion.

After nearly a decade as an in-house legal marketing manager and director for large and mid-size law firms, helping them compete in a complex and difficult business, I recently founded **Morninglight Marketing & Communications** specifically to assist smaller law firms without the internal staff to plan and execute an effective marketing program.

My web site is here, and you can read more about my background and what Morninglight would like to help you with. Give Morninglight a half hour for a conversation, and you'll see that there's a lot we can get done together.

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