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MANAGEMENT

Valuable Lessons From This Great Recession: Business Development Is Key for Profitable Firm

By Kimberly Alford Rice

Not in Kansas Anymore

As the economy teeters along, firms struggle to recover from the labyrinth of layoffs and the microscopic attention to expenditures.

Despite posting profits in 2009, some firms still grapple with how to engender more rainmakers from their attorney pool to spread out the business generation responsibility more evenly. After all, not all lawyers are rainmakers. At least, some do not perceive themselves to be. They are not comfortable “marketing” but instead prefer to handle the new files that come in the door.

Given the economic factors at play and the shifting legal landscape, there is no better time to examine and enhance how your firm is investing in its business development program.

This article addresses how firms can maximize their marketing investments as well as how firms can employ time-proven methods of advancing their goals by educating its lawyers in the basics of practical business development.

Rice is a principal of KLA Marketing Associates, a business development advisory firm focusing on legal services.

For many years, firms have struggled with how to generate new work, build loyal client relationships and cement their position in a crowded market place. If top-down support exists for formalized business development initiatives, there is often little institutional cohesion or accountability.

As I served in various in-house marketing roles for nearly two decades, I witnessed firsthand attorneys’ futile, random acts of marketing and attorneys who became frustrated with their marketing activities yielding few or no new clients. Management did very little to constructively assist lawyers with learning and practicing the basics of business development (i.e., sales in corporate America) and marketing, leaving coordinated initiatives to individual lawyers.

This long-standing management style is not sustainable as the legal services sector has been turned on its head in recent years.

What profitable firms have realized as the economy turned downward is that many traditional marketing activities are not yielding the same results as they once did. It is not enough to publish a periodic practice group newsletter without

consistent follow-up or to host a series of charitable golf outings and expect clients to materialize. These random acts of marketing are not strategically focused and are often ineffective. Further, random marketing expenses can be a tremendous drain on a firm’s limited resources and render few results.

Heidi White, Fox Rothschild’s Chief Marketing Officer, offers her view: “I think random acts of marketing are not so much the issue as much as random acts generally. I sometimes see marketing/business development activity for the sake of activity, and it concerns me because it’s rarely a productive use of an attorney’s time, and often not a good use of the Marketing Department’s time.”

Successful rainmakers understand correctly that to build, grow and sustain healthy practices, it is imperative to embrace the business development mindset of consistently nurturing the relationships which they have been cultivating throughout their careers.

Peter Spigel, Managing Shareholder at Flaster/Greenberg, sees it this way: “Institutional business development starts at the top. Firm management must recognize and appreciate that business development activities provide opportunities for the firm’s attorneys, which lead to the firm’s overall success and financial well-being. Once this core principle is understood and accepted, the practice of business development begins.”

Rainmaker Support

Many law firms do not provide sufficient support or assistance to their busi-

ness-generating lawyers. Often, these few rainmakers are highly independent, very focused and rarely seek additional outside assistance.

For the majority of firm attorneys, however, there is little support and attention paid to cohesive business development and marketing support. The reasons usually boil down to several issues: (1) Lack of communication around what resources are available to them; or (2) lawyers are not clear how they can best utilize business development support to help them grow and service their client base.

The reasons above accentuate the need for firms to place higher priority on tracking the support and assistance provided to primary rainmakers. Regularly touch base with your top rainmakers to ensure they have the business development resources they need. Educate them to the full range of resources which may be useful to them. Make available to them an experienced lawyer coach who can assist in their business development efforts.

Savvy firms ensure that top producers are content with the support they receive and that it is effective in helping them to generate new clients and provide extraordinary service to existing clients.

Business Development Metrics

Who in your firm monitors ongoing business development activities and whether or not they yield desired results? Is there any type of reporting or time-keeping mechanism which captures this potentially valuable intelligence?

Some firms systemize their efforts in a variety of ways, including recording business development initiatives on timesheets for the CFO or in-house marketing professional to analyze and/or an outside business development advisor or a marketing/practice development committee to review.

According to Steven Mignogna, Chair of Archer & Greiner's Trust and Estate Litigation Group and a member of its practice development committee, "A practice development committee is essential to foster and coordinate business

development activities. If the institution is able to support it, this committee should also include nonlawyers with marketing expertise. At our firm, for instance, the committee is comprised of the department chairs, or those designated by them, and our marketing team."

If appropriate systems are not in place, carefully institute such a program by which the firm tracks business development efforts and evaluates on a line-by-line basis in what activities the firm and its lawyers are engaged and, importantly, whether they should be continued.

Planning Is Critical

With the help of qualified law marketing professionals, business development plans should be crafted for every lawyer and practice group as well as a firm marketing plan which complements with the firm's strategic plan. These tools are vital to the success of the firm's long-term health and can be effective measuring mechanisms.

When evaluating business development plans, a critical eye should be given to whether the firm is allotting too many of its resources to traditional, low-impact marketing tactics. With assistance, firms should learn to invest its resources into high return-on-investment activities such as targeted face-to-face interactions and small client group activities.

Valuable Resources

As is often the case, if a firm has an organized marketing program, it is often understaffed and overly committed.

First, internal marketing professionals are typically inundated with last-minute lawyer requests and crisis projects which monopolize their time. Second, the skill sets needed for strategic training and coaching, marketing, and business development programs are very different and should not be assigned to staff that lack direct experience in these areas, as tempting as it may be. Assess the core competencies of your internal marketing resources and allow

them to focus on these areas.

Empowering Your Rainmakers

Despite conventional wisdom, some firms endeavor to economize on its business development skills program by soliciting a firm rainmaker to speak on how she successfully built her practice by providing examples and hope others follow suit; facilitating training programs which are noninteractive and resemble "talking head" presentations with no attorney coaching follow up; and/or providing programming which attempts to be a "one size fits all" that results in only rarely useful instruction for most.

Clearly, each of these scenarios represent lost business development skills training opportunities which wastes critical time and resources, does not provide effective long-term support for the firm's future rainmakers, and stymies the business development skills learning process for firm lawyers who are committed to producing new business for the firm.

For a firm's long-term growth benefit and the development of attorneys who are committed to becoming more productive rainmakers, firms would be well served to consider all available resources, both in-house as well as from qualified outside experts.

Invest Wisely

The present economic downturn is reflecting some upward movement. One of the most valuable lessons firms can learn from this recession is that the firm's overall health depends upon attorneys who are well educated and disciplined in the nuances of the business development process and can deliver upon those principles with new matters.

Firms who resist investing in their valuable assets — their time keepers — with results-driven business development skills training and coaching, do so at their own peril and, in all probability, ensure their prized present and future rainmakers will move to a firm which will. ■