

10 Money-Making Elements in a Business Development Strategy

By Larry Bodine



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Whenever I ask law firm partners about business development, I ask, "Please send me a copy of the firm's strategic marketing plan." The answer is always the same: "We don't really have one."

Some have one, but it's lurking in the mind of the Marketing Director, but not written down. It may be written down, but onto a single PowerPoint slide. It may be buried in notes of a marketing committee, drafted years ago and forgotten.

It's like asking an airplane pilot if he's got a flight plan, or asking an ocean liner captain if he's got his charts. Heck, it's like to asking someone driving from the suburbs into Chicago if they have a map. The answer cannot be "no."

It really works!

A business development strategy will generate new clients, increase billings and boost originations. I devised a marketing plan for a Chicago law firm. The managing partners approved the plan and I worked with 10 partners to draft their individual plans. Eight of the partners carried out their plans, and reported having their best year ever in originations and billable hours. Two partners didn't carry out their plans and said they were having mediocre years. But with 80% of the partners having

excellent years, the firm was having the best financial year in its history. Having a business development strategy really works.

In corporate America, every successful company has a strategic marketing plan guiding its

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future. Yet, according to a recent survey, fewer than 5% of the law firms in the United States have such a plan in place.

Drafting a strategic marketing plan isn't rocket science, but it does take some thought, including the following essential points:

Self-Analysis

The firm must list the top clients that account for 80% of its revenues, track client turnover over a five-year period and rank its practices according to *profitability*. Profitability matters because a firm can have an insurance defense practice that generates great revenue, but operates at a loss, for example. The idea here is to determine where the money is coming in so that you can identify which floodgates to open.

What's worked? You've got to pluck out the business development tactics that will work within the firm's culture. I find it useful to begin with informational interviews of a firm's key rainmakers, to inquire:

- ♣ What marketing efforts have succeeded?
- ♣ What should the firm be doing instead?
- ♣ How does business come to the firm now?
- ♣ What is the firm's unique selling proposition—why do clients hire the firm now?
- ♣ What exactly makes the firm different from its competitors?
- ♣ What clients would the firm like to represent (specific names)?

What's Your Vision

For a marketing strategy to work, it's got to capture people's imagination with a great idea. This idea should identify what the firm aspires to—you've got to give a goal for people to shoot for. Sir Edmund Hillary didn't get to the top of Mt. Everest in 1953 without having a clear vision of the summit.

List Your Strengths From The Clients' Point Of View

These items could include responsive service, flexibility on rates, added-values like firm newsletters and seminars for clients only, a depth of industry experience, a Web site that generates leads, extensive knowledge of particular businesses, and an ability to form long-lasting personal client relationships. (Tip: having smart lawyers who are in the "order of the coif" doesn't count. Every firm has them.)

Identify Your Weaknesses

Examples include unprofitable practices, an overlawyered market, intense competition from better-known firms, lack of a marketing culture, having no CRM system, giving no incentives to lawyers for marketing—and having a lousy Web site that turns GCs away. A key weakness I see a lot is that 10% of the lawyers bring in 90% of the business, and these lawyers are often ready to retire.

Pinpoint the threats you face. Compile a list of law firms that you are repeatedly facing in bidding competitions, or that also represent your clients. These are menaces. Use LexisNexis Market Intelligence or Thomson Firm 360 to look up all your clients and which other law firms represent them, and also to

look up your competitors and who their clients are.

Pick Your Targets

Most law firms dress up their lawyers as hunters and tell them "go into the woods and shoot at anything that moves." This is a lousy strategy. It's better to dress them up as hunters and say, "go into the woods, look for this target the firm has identified, follow these directions, remember the training we've given you and use these weapons we'll furnish you. When you see the target, pull the trigger." Arrange your targets in the following priority:

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- ❖ Current clients and cross-selling targets
- ❖ Referral sources
- ❖ Companies the firm does not yet represent
- ❖ Look for clusters of clients in an industry. The top 100 client list will show 4-6 industries where the firm has a concentration of clients. These are the firm's prime targets. Research shows repeatedly that clients want law firms with industry

experience. The firm should build client teams or industry teams around these clients, and work to get additional files from them. (Also, it's easier to find a totally new client in the same industry where the firm has many other clients.)

Cross-Sell Current Clients

Clients must be considered an asset of the firm, and not a partner. It is the duty of the relationship partner to *invite* other partners to meet contacts at the client; partners should not have to grovel for an invitation. The way to start is to create a spreadsheet: all the rows list the top clients and all the columns list the practice groups of the firm. Each cell should state the dollar amount billed to that client. Then it's a simple matter of fill-in-the-blanks—pursue the clients for which the firm isn't providing a profitable service.

If your firm can *write down* a business development strategy with these essential elements, you are ahead of 90% of the law firms in the country. There are opportunities galore out there: 60% of Fortune 1000 companies hired a major law firm with whom they did no work the year before, according to the BTI Survey of Fortune 1000 Corporate Counsel, 2003.

Larry Bodine is a strategic marketing consultant who advises law firms across the U.S. on marketing strategy, offers marketing coaching and provides business development training at lawyer retreats. He can be reached at 630.942.0977 and <mailto:Lbodine@LawMarketing.com>.

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