

**NATIONAL SOLICITORS SELLING SURVEY  
EXECUTIVE SUMMARY  
SEPTEMBER 2010**



# EXECUTIVE SUMMARY

## 1. Avoiding modern marketing techniques

**The reliance on traditional marketing methods by legal firms is starkly illustrated in the survey.**

Three forms of marketing are used by almost all firms; client referrals, third party introducers and networking. Electronic marketing was considered relatively successful sitting just behind these traditional methods. However only around half of respondents ever used either of them.

This reliance on old-school methods (some of self-confessed dubious efficacy) and cold shoulder to increasingly prevalent internet-based tactics leaves firms vulnerable. It also represents a big opportunity for any firms that choose to focus expertise, investment and energy on customers online or develop new routes to market.

## 2. The price of conservatism

**Solicitors may lack sophistication in pricing their services.**

Consumers continue to become more sophisticated and many of the provisions of the Legal Services Act will increase pressure on pricing. Some services will become commoditised and all but the most complex services will become easier for clients to compare. Pricing models need to adapt accordingly.

Magic and silver circle firms may be safer because many of their clients require complex services but the high street firms with a broad range of service are most vulnerable in the squeeze. Our respondents represented the full range of firms from sole practitioners to firms with 500 partners. A common factor was a resistance to offering pricing models other than hourly rate – less than one third offered retainers as a pricing model – and a resistance to reducing prices.

## 3. Solicitors kidding themselves?

**A number of results seemed strangely contradictory, even flying in the face of evidence.**

Five times as many solicitors think their recovery rates have gone up as do the ones that think they have gone down. Over half the sample said they were winning more clients than last year compared to only 4% who said it was less and this suggests an inordinate optimism. All the anecdotal and much of the financial evidence does not yet bear witness to the legal sector having turned the corner at the time of the survey.

While it is possible that our respondents had a very difficult 2008/2009 and have seen a slight upturn in 2009/2010, several findings may hint at solicitors rejecting the facts. While law is a qualitative discipline, solicitors need to accurately gather and analyse the quantitative data if they are to compete effectively.

#### **4. Reputation overplayed**

**The reported reliance upon reputation may be the undoing of many firms in years to come.**

When asked why they thought clients bought legal services from their firm, solicitors are convinced that reputation is TWICE as important as price. A hint to this possible misperception exists when we see that solicitors believe that price is EQUALLY as important as reputation when people buy from their competitors. Of course they cannot both be true.

#### **5. Lack of engagement**

**Firms are not engaging their employees to become actively involved in business development.**

Crucially, less than 50% of firms rated their ability to develop new business as better than average. Although senior management appear to appreciate the importance of promoting business development, less than half of employees are actively carrying out relevant activities. In order to stand out from the crowd, firms must develop a culture that encourages employees at all levels of the firm to engage with organisational goals and take responsibility for developing the business.

#### **6. Seeking the source of growth**

**Innovation seems an anathema to solicitors and it is not obvious where growth in an ever-competitive market may be coming from.**

Only 17% believed that revenue growth would come at all from new services. They must then be relying on capitalising on market growth in some sectors or hoping for clients to defect from competitors.

On the face of it, firms appear to be positioning themselves wisely for increased competition from new entrants. The new entrants into legal services such as the expected Tesco Law are likely to be attracted to the higher volume activities such as will writing, conveyancing and divorces. Our survey showed only 7% believing growth would come from the category of “high volume work”.

However, looking deeper, there could be trouble in store. Well over a third said they believed growth would come from an increase in a high value work. This suggests the increased focus by more firms on this category will increase supply in the face of a static demand. And that will result in renewed price pressure.

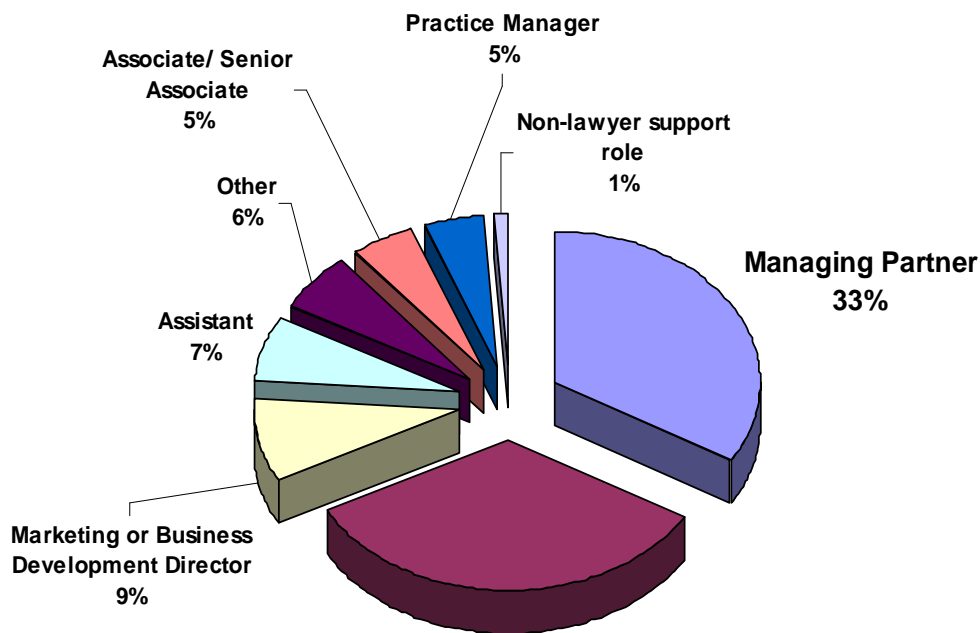
#### **7. Senior marketers bring growth focus**

**Whenever a specialist manager is responsible for business development in a law firm, the focus on sales and marketing inevitably rises.**

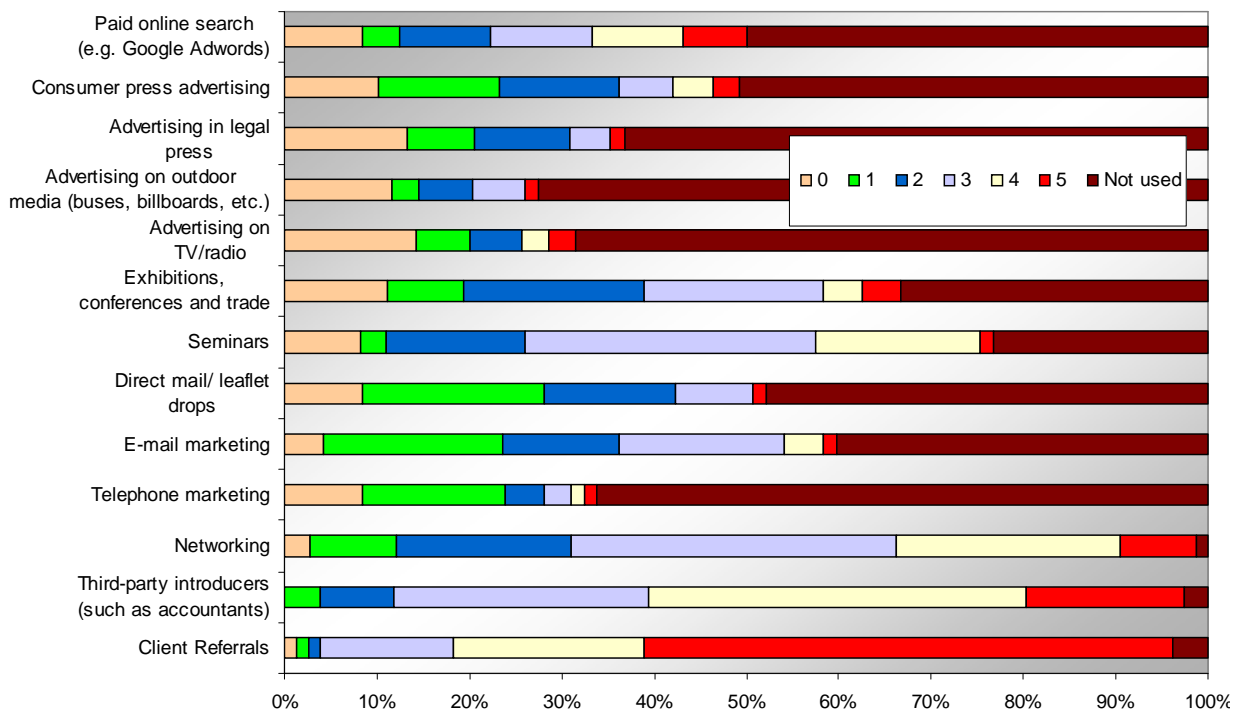
Nearly one third of the respondents to the survey were at partner-level and in their firms less than 3 days per person per year were invested in sales and marketing training. When a business development manager (BDM) answered the survey the equivalent number rose by 200%. In short, BDMs don't just administer existing systems of sales and marketing, they make sure it is higher up the agenda in most aspects of the practice.

# SELECTED FIGURES

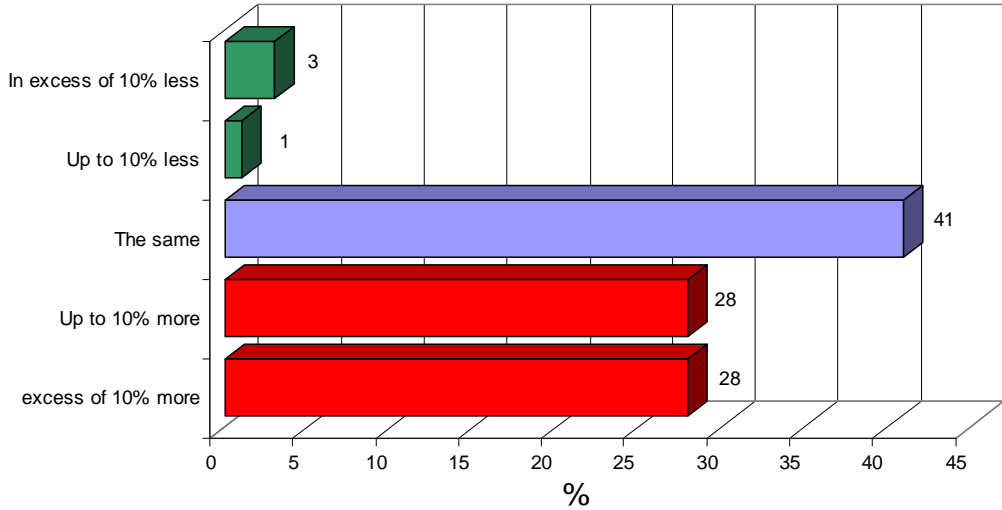
## RESPONDENT PROFILE



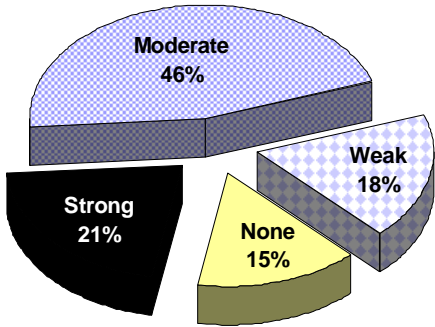
## OF THESE TYPES OF ADVERTISING THAT YOU MAY HAVE USED, RATE HOW EFFECTIVE THEY HAVE BEEN (0 = not effective at all, 5 = highly effective)



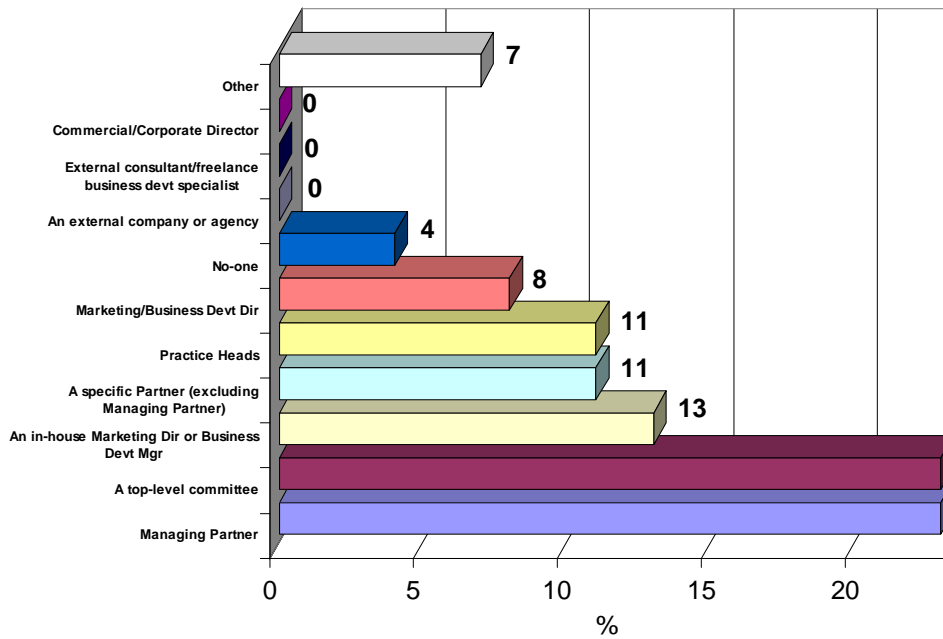
**COMPARED TO LAST YEAR HOW MANY NEW CLIENTS ARE YOU ACQUIRING?**



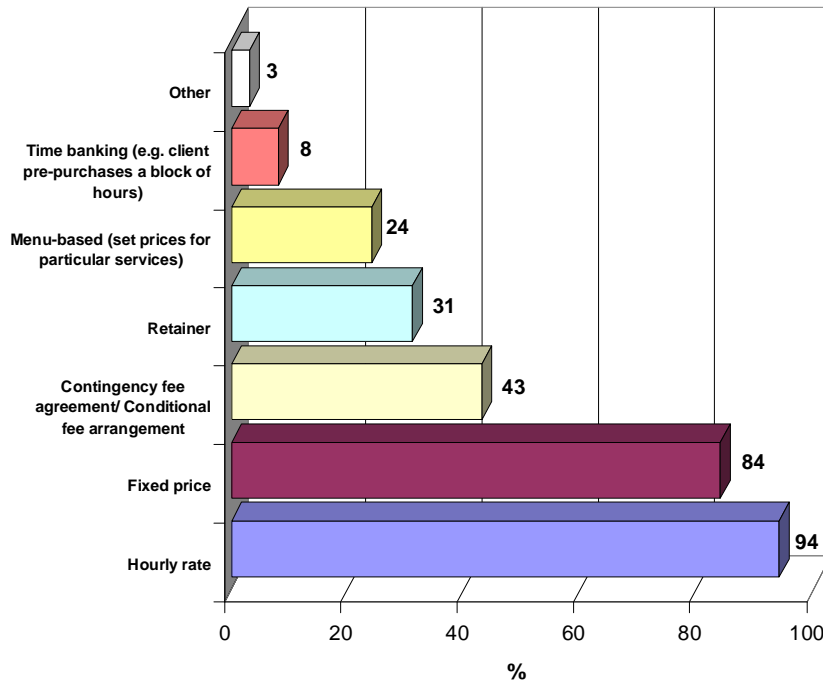
**HOW WOULD YOU DESCRIBE THE PRESSURE FROM CLIENTS TO REDUCE YOUR PRICES?**



**WHO IS PRINCIPALLY RESPONSIBLE FOR THE PRACTICAL IMPLEMENTATION OF BUSINESS DEVELOPMENT IN YOUR FIRM?**



**HOW MANY DAYS ON AVERAGE PER YEAR DOES YOUR FIRM SPEND ON SALES AND MARKETING TRAINING PER MEMBER OF STAFF?**



**WHAT PRICING STRUCTURES DOES YOUR FIRM REGULARLY USE WITH CLIENTS?**

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