



10 SIGNS THAT YOUR BUSINESS DEVELOPMENT INITIATIVES NEED A TUNE UP

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If the car you drive has always had a faint knock in the engine, and you don't notice a sudden drop in mileage or speed performance, it's easy to ignore the knock after a while. The 'no harm, no foul' nature of the knock soon turns in to 'the car runs fine'. A trained mechanic, on the other hand, hears the knock and knows that it means a loss in mileage performance of several miles per gallon. The trained mechanic knows what to listen for, what noises mean and how to fix them. Good mechanics even know how to calculate how long before the fixed knock will pay for itself in reduced gas consumption.

Detecting 'knocks' in the business development performance of your law firm is not easy. But there are signs that you can look for which can indicate areas that can be optimized to improve performance.

1. THE FIRM RESPONDS TO MORE THAN 90% OF THE RFP/RFI REQUESTS IT RECEIVES AND WINS ONE QUARTER OF THOSE REQUESTS OR LESS.

What does this indicate?

If true, this indicates that the firm does not have a formal process to assess the worthiness of responding to each RFP. As a result it responds to nearly every request wasting a great deal of attorney time and energy. It also indicates that there is no formal response improvement process in place to evaluate and adjust responses to improve the firm's win rates.

Many firms respond to requests without proper pre-qualification assessments, without speaking to the issuer to understand the originals and objectives of the RFP and often don't follow up after to understand how the firm performed in the beauty contest. Often firms lack a formal process which can reduce attorney time spent on completing the process or fail to include information which can differentiate the firm's services such as value added services, technologies and systems and staff roles in serving client needs.

2. THE VAST MAJORITY, IF NOT ALL OF YOUR QUOTES AND BIDS, INCLUDE A DISCOUNT ON YOUR STANDARD RATES, EVEN IN CASES WHERE A DISCOUNT IS NOT SPECIFICALLY REQUESTED.

What does this indicate?

If true, this may indicate that the value of the solution has not been adequately communicated to the client. It may also indicate hourly rates which are out of synch with competitors, have increased over the years faster than market rates or proposals and bids which have not clearly monetized the value or return on investment of the solution. It can also indicate a lack of belief in the firm's capabilities or solutions.



Requests for discounts are inquiries into the value of the services that you provide. Caving in to the request before the underlying concerns have been identified and addressed simply reduces profits, erodes attorney morale and confirms to clients that your services are overvalued.

3. YOU RARELY RECEIVE REFERRALS FROM PEER ATTORNEYS OR CLIENTS.

What does this indicate?

If true, this indicates the lack of a structured referral management program in the firm and training in how to request referrals from peer attorneys and clients. It may also indicate a poor understanding of how referrals work, how to position attorney practices and the use of specialization and niche practices.

Referrals are the coinage of an attorney's practice. Yet many firms do not specifically instruct attorneys in the best way to generate referrals. There is an art and a science to generating referrals and the more attorneys understand the psychology and behaviors of referral generation, the sooner attorneys will generate more of their work through referrals and less through expensive investments in other marketing tactics.

4. YOU CAN CHARACTERIZE THE CLIENT DEVELOPMENT EFFORTS OF YOUR NON-RAINMAKER PARTNERS AS 'RANDOM ACTS OF LUNCH, TRAVEL AND CHICKEN DINNERS'.

What does this indicate?

If true, this indicates an underdeveloped understanding in the firm as to which activities are the most productive initiatives in which the firm should participate. It may also indicate a lack of focus or decision making accountability, compensation systems which reward business development activity more so than results, or a lack of business development training.

Optimizing business development in law firms begins with ensuring the activities undertaken make sense, are fully optimized to ensure their effectiveness and likely to produce results. Activities as basic as attending conferences, public speaking and sponsorships, among others, all have strategies which can improve their effectiveness. Basic instruction in how to maximize these activities can pay off handsomely down the road.

5. HEARING YOUR CULTURE DESCRIBED AS 'KISSING UP, KICKING DOWN' MAKES YOU CHUCKLE NERVOUSLY OR GROAN IN AGREEMENT.

What does this indicate?

If true, this may indicate a counterproductive hyper-competitiveness in the firm. It may also indicate incentive systems which are too narrowly structured or which do not reward equally for the various contributions to the firm. It may also indicate cultures which put too great of an



emphasis on the recommendations of key leaders and too little on peer level reviews. Lastly, this could indicate a lack of communication among the various levels of attorneys in the firm to address social and personal development issues in the firm.

Hyper competitiveness in law firms results in lower revenue growth, structural fragility, reduced morale and increased attorney churn. In today's economy and changing client expectations, this type of eat-what-you-kill structure can actually do more damage than good.

6. SUCCESSFUL CLIENT EXPANSION INITIATIVES (PROACTIVE EFFORTS TO INCREASE THE NUMBER OF PRACTICE AREAS A CLIENT USES) HAVE OCCURRED IN LESS THAN 10% OF THE FIRM'S CLIENTS.

What does this indicate?

If true, this indicates a lack of a formal cross marketing program and training. It may also indicate low trust levels among attorneys, a high incidence of one-off matters, a poor understanding of the practice synergies between practice groups and/or poor communication between practice groups.

Cross marketing and entrenching client relationships is the low hanging fruit for firm growth. Often there are inherent obstacles to successful cross selling built into the cultures of many firms which must be removed before the culture fully adopts the transparency and teamwork required in cross marketing among attorneys and practice areas. If your firm struggles with effective cross marketing, it is worth examining these obstacles and training the attorneys in effective cross marketing initiatives.

7. IT IS UNCLEAR WHICH OF THE FIRM'S ASSOCIATES WILL BE THE FIRM'S NEXT GENERATION OF RAINMAKERS.

What does this indicate?

If true, this indicates the lack of an effective business development training and coaching process for associates. In addition, it can indicate the presence of overly burdensome hour requirements, poor communication in the firm, lack of an effective mentoring program, or confusion as to the activities and habits which produce the best results.

Firms that pay attention to succession and long term growth tend to invest early and continuously in the success of their associates. Regular training, mentoring and open communication about the skill development of the associates enables firm leadership to identify the associates which will be the next generation of rainmakers. Identifying and supporting the next generation of rainmakers is especially important in a firm who's senior, rainmaking partners are nearing retirement age.

8. IF A JUNIOR PARTNER SUDDENLY LEFT THE FIRM, THERE WOULD BE A SCRAMBLE TO TRY TO PROTECT THE CLIENT RELATIONSHIPS SHE WAS WORKING ON.



What does this indicate?

If true, this indicates a lack of transparency in the working relationships between attorneys and clients. It may also indicate that the firm has no effective contact management system in place and does not require the recording of client information in an institutional client relationship management system.

The lack of information about attorney-client relationships and personal details about key client contacts perpetuates the firm's inherent fragility. Firms without a transparent team approach to client relationships run a greater risk of client abductions to exiting disgruntled attorneys.

9. CLIENT ALERTS AND ADVISORIES ARE NOT BEING READ BY YOUR CLIENTS. YOU RARELY GET CALLS FROM CLIENTS INQUIRING ABOUT THE SUBJECT OF A CLIENT ALERT OR ADVISORY.

What does this indicate?

If true, these indicators point to two potential needs: One, there is a need to create more substantive content written in a more readable (less legal) style of writing. Or two, and more likely, it indicates that the firm needs to do a better job identifying emerging legal trends and issues earlier and producing the analysis more quickly. Quite possibly, other firms are sending this information to your clients faster than you, making your advisory redundant.

Building a powerful thought leadership program has the potential to draw inquiries from prospective clients and produce significant new work for the firm. It can also reduce marketing costs and lead to other opportunities which the firm might not otherwise have access to. But many firms lack an understanding of how to make their materials stand out, identify emerging trends sooner and complete analysis that resonates with prospective clients.

10. YOU RECEIVE FREQUENT REQUESTS FOR SPONSORSHIPS OR ADVERTISING OPPORTUNITIES WHICH ARE PRIMARILY GRANTED BASED UPON WHO HAS REQUESTED THE SPONSORSHIP (ATTORNEY OR CLIENT).

What does this indicate?

If true, this indicates a firm which has not defined the types of advertising and sponsorship opportunities which are consistent with its growth objectives. It also indicates that the firm does not have a formal process for assessing the sponsorship or advertising opportunity and, as a result, relies primarily on the advice of its attorneys, clients and community leaders to guide its decision process, none of whom typically have the firm's best interests foremost in mind.

It's important for a firm to have a sponsorship and community outreach plan in place. A well-defined plan can assist you in determining which events and activities are consistent with firm objectives, reach the proper audiences and integrate well into other firm initiatives.



As always, if I can help you fix the 'knocks' in your business development, give Eric a call at 502-693-4731. You'll find that I am an eager resource and that it costs nothing to talk.

