

## **Hidden Assets: Finding New Business in Your Client List**

*By Legal Marketing Consultant Margaret Grisdelá*

Your greatest source for new revenue in 2011 is likely to be hidden in your law firm's client list. Increased business from current or past accounts tends to be more profitable, due to its lower cost of acquisition, higher degree of client satisfaction, and better return on your business development time.

Here are 7 legal marketing strategies to help you tap into this potential goldmine at your fingertips:

- 1. Cultivate future Tier 1 accounts.** You obviously have been successful in attracting and retaining today's top accounts, but what about tomorrow? Even big accounts can leave unexpectedly for reasons beyond your control. Segment your current accounts into five tiers, and then devote a significant portion of your business development time to identifying and cultivating those Tier 2 current clients that have the potential to move into Tier 1 within five years. In the process, try not to get distracted by time-consuming small prospects.
- 2. Increase client retention rates.** If you lose 5 clients out of 100 every year, your retention rate is 95%. This means you need to find 5% new clients just to maintain the status quo. A concerted effort to add 1-2 points to your retention rate can fall right to the bottom line, even for transactional firms.
- 3. Identify and protect "at risk" accounts.** In any book of business, some accounts are in danger of leaving. You can identify these accounts by a decrease in billing patterns, news events, or less frequent communication. Proactive efforts to prevent these clients from jumping ship will improve your profitability and retention rate.
- 4. Re-establish inactive accounts.** It's natural that over time some clients drift away. Identify these accounts and contact them to see what happened. Invite former clients to start using your law firm again or at least to refer others who might use your legal services.
- 5. Ask for referrals.** New clients await you; all you need to do is ask. Build the request for a referral into multiple stages of the fulfillment process. Natural asking points are the beginning and end of an engagement, as well as at key milestones. Track your referral sources, give them thanks, and reciprocate if appropriate.
- 6. Stay in touch.** No matter how many times you communicate with your clients, chances are they do not remember the full scope of your services. A monthly or quarterly newsletter will keep you top of mind with substantive content to make your clients more educated consumers of legal services. Social media marketing also offers a wide range of cost-effective marketing techniques.
- 7. Up-sell and cross-sell legal services.** At the attorney, practice group, or firm level, identify specific services that legitimately represent enhanced value to a client. Family law attorneys may up-sell clients on wills and estates, for example, while intellectual property lawyers can suggest trade secret protection through employment agreements. Compensation plans may complicate the effort, but the rewards can be worthwhile.

Here's another secret to successful legal marketing: not every client is a good client. Create an "ideal client profile" and do not accept cases that you know from experience are not right for your law firm. Remember the five client tiers mentioned in the first tip above? It's OK to fire your worst clients in the low level Tier 5.

Of course, all marketing and business development campaigns must be compliant with attorney advertising or other relevant industry guidelines. Check with the state bar associations in those states where your practice or solicit business for specific requirements.

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