

Avoiding Dead Ends in Your Business Development

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A highly skilled lawyer I've been coaching discovered a problem with a new client. The client sent him all the relevant documents; however they kept delaying the signing of the engagement letter. The lawyer kept following up, but the executive said it would "cause trouble" to tell the home office that they were hiring a new lawyer. This went on for months, as the executive remained reluctant to submit the lawyer to the parent company to get on the approved counsel list.

I told the lawyer there was no way to close the deal, and that he was doggedly pursuing a business development dead end. I advised him to move on to a better prospect. He was distraught. How could this happen to him?

Persistence is ordinarily a good thing in business development, because it can take months for a corporation to decide to change its outside law firm. But you must recognize when you're making progress in the right direction or just arriving at a dead end. Some clients can't make up their minds and others don't have the authority to make a decision. Both are to be avoided.

We all need a kind of GPS system for avoiding pursuits that never reach a result. Here is some guidance on how you can avoid business development dead ends:

» Know when to fold 'em.

Start a business development log on your computer or open a file on every prospective client. If the prospect has a specific legal need, discuss the situation; determine if there is anything that can be done and the possible strategies. (To protect yourself from liability, make it clear that the consultation does not establish an attorney-client relationship.) Explain that you have a 30-day deadline to open a file, because the law and your fees are subject to change. You don't want to be stuck with a fee you quoted a year ago anyway. If they don't act or respond, close the file and send a letter that you've done so.

» Be certain the prospect has a legal need.

Legal services are *not sold, they are bought*. In business development, you are looking for buyers. Avoid the temptation to pitch a client and persuade them to hire you because of your great credentials. This puts you in the talking role, when instead *the prospect should be doing the talking* – telling you what they need. You should be asking questions and getting the client to tell you about their business “trauma” – the disputes and business problems that drive them crazy. If they have no trauma, they have no reason to buy your legal services. This is not your fault and you should move on to the next prospect.

» **Make sure you’re talking to the decision maker.**

There’s nothing more frustrating than investing time and effort with an executive at a company, only to discover that she is just an “influencer,” someone who can merely recommend you. Early in the relationship, you must ask the question: who decides which lawyer to hire for the company? If it’s not the person you’re courting, ask him for an introduction to the decision maker.

» **Learn the decision-making process.**

No matter what stage of discussions you’re in with a prospect, always be sure to nail down what the next step is and the criteria for getting to it, particularly early on. Often there are multiple people you need to interest in hiring you. For example you may need to get on an “approved” list, submit a proposal for consideration, or make a presentation at a board meeting. Find out which law firms the company uses now, and what they like about them. If they only hire megafirms and you’re in a 10-lawyer practice, cut your losses. If they have a fee cap, as insurance companies do for defense cases, and it’s below your minimum – it’s time to walk away.

» **Don’t give free legal advice.**

Many executives want to run their situation by you to see how you would handle it. You may have the answer and be tempted to give it away. You can likely give a few peanuts or tidbits that they find helpful – but don’t give legal advice. If you answer in detail, you could be killing your chance to get their work on a paid basis. All too often, a prospect will take your advice and give it to their current lawyer. Besides, you could be setting yourself up for malpractice liability if the person takes your advice and relies on it to their detriment. And don’t become a “phone lawyer,” who talks a lot to prospective clients but gets no work. In business development, your job is to spot the issue and get them to come to your office to sign an engagement letter. Giving it away doesn’t get there.

» **Avoid clients who want to “check out” what another lawyer told them.**

These clients are likely shopping around. They have already demonstrated weak loyalty, and will likely question all the advice you give if they become a client. These prospects will also call you repeatedly, just to ask just one more question. Another version of this undesirable client is

a prospect who wants you to re-explain what you told them to every member of their family or company. Don't invest time in a shopper unless you already have an existing relationship with them. Tell them whether you think they have a case, spot the issues and give them 30 days to sign a retainer agreement.

Here's a good kiss-off line: "I understand that you want to hire the best attorney for you. I will tell you that I have a top rating from services that rate lawyers, and in my 10 years of practice, I can't think of a single dissatisfied client. But I have spent a lot of time talking to you, and I really don't feel comfortable giving you advice when I am not your attorney. I'm sorry, and I'd love to represent you, but I am terribly busy and just don't have time for this."

» **Remember to ask for their business.**

Sad, but all too true...a Midwest lawyer I was coaching was a prominent elected official, and well connected with a myriad of business people. These executives loved him, but when they had legal matters, they hired other lawyers they had met. *The problem was that he was waiting for the clients to come to him and say they would retain him.* In sales, it doesn't work that way – you are the one who wants the legal business so you must *ask for it*. When the lawyer started telling interested prospects that he wanted their legal work, and inviting them to come to his office to sign, he doubled his revenues.

So switch on your business development GPS, and move happily on the right path to a successful practice.

For more on this topic, call:

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