

Business Development Strategies for Partners and Fee earners

STEPHANIE F. DALE



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Executive summary

IT HAS been a number of years since law firms have suffered the tremors of uncertainty in the marketplace to the degree they are now facing, affecting fee income and profitability.

Pressures from the economy, the credit crunch, implications of the Legal Services Act 2007, the emergence of non-traditional competitors and changes in the provision and payment of legal advice, are having a major impact on the business development strategies of law practices.

This report examines the strategies firms are adopting in the light of moving into 'unchartered territories', as described by one firm, to remain robust and thrive in a challenging marketplace. The chapters in the report make reference to: up-to-date research studies of the legal sector, individual firms' and lawyers' anecdotal evidence including a US firm's approach to business development (BD), clients' views and trends in the legal profession and wider economy.

This report is aimed at senior and managing partners, heads of departments, business development directors, practice managers and those responsible for the ongoing profitability of their law firm. It is also aimed at in-house counsel and clients, providing tips on how to achieve the best return from external lawyers.

The introductory chapter examines external factors and trends affecting law firms and their implications for new business development (NBD) strategies. The report

continues with an assessment of clients' attitudes towards law firms' approach to NBD. Case study clients are analysed to identify similarities and differences in their relationships with law firms and their expectations of them. Common themes are drawn out, which will reassure some firms of their approach, and indicate to others how to alter their dialogue with existing and potential clients. This report is also aimed at law firm clients, providing advice drawn from clients' experiences, on how to make the best use of their lawyers.

Chapter 3 defines the composite parts of a NBD strategy. It considers the issues to address prior to writing the strategy, including an internal assessment of the firm. It covers the issue of creating a strategy that is sufficiently responsive to opportunities, while ensuring it is still aligned with the firm's strategic goals. Examples of how to measure returns on investment in BD are explained.

Chapter 4 provides ways to create and enhance a BD/sales culture in the firm, so that everyone in the practice treats client development and identification of opportunities as second nature. The shift of BD activity, from being a function of support staff to one ingrained in lawyers'/partners' agenda, is critical in encouraging a client development culture. The leadership and example given by senior figures and the expectations they have of their teams, play an important part in the success of the BD strategy. The use of BD specialists and the roles they play are also evaluated.

BD does not come naturally to many. Chapter 5 considers how to identify and hone lawyers' natural BD skills through training given from induction, in-house, external providers, to cascade learning and coaching. Training provides the skills needed to identify business opportunities, nurture relationships and ultimately secure instructions. It also helps in addressing lawyers' general resistance to BD. Chapter 5 explores one of the major challenges for lawyers of undertaking BD – balancing fee-earning with BD activities.

Chapter 6 discusses the need to be innovative in order to attract attention and gain and retain clients, and provides an insight into what firms are doing to achieve that end. It refers to the case study example of commercial firm, Lewis Silkin LLP and its innovative approach by one partner to gaining a client base in the music and entertainment industry. It also considers other examples of firms that have taken an innovative approach to NBD to strengthen their base and appeal to clients.

Chapter 7 addresses the issues to consider prior to implementing tactics to target existing and potential clients. It considers the practical aspects of BD tactics, and innovative ones emerging into the mainstream.

Tips on tendering are provided in Chapter 8, as well as different perspectives on what makes a firm stand out during the selection process.

Chapter 9 analyses the post-transaction relationship with clients. It examines the role played by partners/lawyers to maintain status with their clients over a period of time. Identifying the factors that drive clients to switch firms and the early-warning signals of discontent by a client are also discussed. Internal BD – by cross-referring clients to colleagues – is a central plank of BD strategies, and is also discussed in this

chapter. It reports on resistance by some lawyers to cross-refer clients and provides solutions to improve the level of cross-referrals given.

This report incorporates a number of case studies which act as real-life examples of how firms approach BD in the UK and the US. As BD is a client-focused activity, four case studies are included of clients in different sectors. These reveal clients' perspectives on their relationship with law firms, how they evaluate them, as well as providing an insight into what is effective and what is not, when it comes to gaining work and cross-selling their services.

The four clients included as case studies in this report are:

- KPMG LLP: professional/financial services sector;
- Bristol Port Company: a commercial/ industrial client;
- Woodland Trust: a charity; and
- Plymouth City Council: a public body.

In addition to the four client case studies, further contributors include:

- Norton Rose LLP;
- Bevan Brittan LLP;
- Lawrence Graham LLP;
- Lewis Silkin LLP;
- BPL Solicitors Limited; and
- US firm, Givens Pursley LLP.

About the Author

STEPHANIE DALE has been a marketing consultant since 1987 when she established Customised Marketing, primarily advising property developers and law firms. She has an MBA, and is a Chartered Marketer. After lecturing in law and training delegates from many FTSE 100 companies in London, she established Customised Professional Development (CPD) in 1997 to provide CPD training for solicitors, in addition to management and marketing consultancy for law firms. She is a Solicitors Regulation Authority authorised trainer on management, business development and client care topics for 'high street', national and London-based firms. She regularly writes articles for the legal property press, and is also author of *Profitable Conveyancing – a practical guide for residential conveyancers* (Law Society Publishing 2005).

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