

Focus on Business Development

Fundamentals for Effective Legal Marketing

by Kevin W. Brown, M.B.A.

Many firms struggle with their marketing programs. They believe that marketing is important but don't know how much financial and human resources to devote to it. Partners may decide to hire internal marketing personnel or outside public relations firms, yet end up wondering why their efforts do not meet expectations. Frustrated, they continuously change directions and never achieve their objectives. Is this how it has to be?

The answer to that question has deeper roots than a mere analysis of present marketing needs. In fact, current symptoms are indicative of problems that have been developing over the last decade.

The Changing Marketing Environment

While the business environment has changed dramatically, many law firms are still entrenched in the same marketing philosophies that were successful in previous decades. Partners may fail to realize that when they started their careers, business essentially walked in the door. Almost anything done in marketing, whether designed and implemented properly or not, seemed to work. This led to a false sense of security, a confidence that they know what it takes to bring in business, no matter the economic conditions.

However, attorneys are finding that marketing must now be a priority in order to survive and prosper. In fact, successful firms are hiring qualified marketing professionals, either as employees or consultants, to lead and coordinate their efforts. Why? Several factors are highlighting the importance of a professionally-managed marketing program:

- **Poor economy.** With more companies going bankrupt, significantly decreasing operations, and facing reduced profitability, their professional service providers are often feeling the financial impact as well.
- **Increased competition.** Layoffs and decreasing partner compensation have led to a rise in spin-off firms. Furthermore, both big and small firms are seeking and accepting work which they previously declined, intruding upon territory that was once

deemed as the province of specialist firms.

- **Client expectations.** Many clients now expect their lawyers, bankers, CPAs and consultants to provide great websites, e-communication and interesting seminars, whereas these were considered optional activities in the past. They anticipate and desire their law firms to be client-oriented.
- **Ethical acceptance.** Once considered "taboo" amongst attorneys and accountants, marketing has become accepted over the past 15-20 years. While some "old guard" partners continue to rely upon "country club marketing", and are very successful in it, younger partners and associates are seeking alternative routes to boost their efforts.

Because more and more competitors are aggressively implementing marketing tactics, attorneys feel compelled to do something on their own but often lack the knowledge or capabilities. Trained as analytical evaluators, they may find themselves ill-equipped to deal with intangibles that are inherent in marketing.

Marketing: A Definition

Marketing, in its simplest form, is actually everything your organization does in order to identify and satisfy the needs and wants of your "market" (actual and potential buyers of your product or service). It is understanding your market, adapting to meet its needs, and effectively communicating your capabilities.

Marketing includes:

- sales
- client service
- advertising
- promotion
- public relations
- publicity
- research
- product/service development
- competitive analysis
- pricing strategies

(continued on next page)

Fundamentals for Effective Legal Marketing (cont'd)

Although this definition is common in other industries, some attorneys might find it to be much broader than they anticipated. Lacking internal marketing professionals, they have defined marketing in many ways, such as only marketing communication activities, while attributing the term “practice development” to sales-related activities. For the purposes of this article, we will use the term “marketing” according to its proper definition.

Steps To Success

To avoid mistakes, let's compare the characteristics of a marketing program destined for failure with those of a successful program:

- **Fragmented vs. well-rounded.** Many firms lack a unified, cohesive, well-planned effort. Instead of designing a complete program, they try one method and then another, experiencing failure after failure. For example, they may try advertising for six months, yet when it fails to bring in immediate new business, they abandon it. From that disappointment, they go on to media relations, seminars, etc., without ever combining the unique effectiveness of each of these areas.

An effective program encompasses many aspects of marketing. The entire marketing process should be considered before determining the appropriate combination of methods to utilize. A critical aspect of this approach is to first determine short- and long-term objectives, since some marketing vehicles are better suited to achieving either immediate or long-range new business goals.

- **Unfocused vs. objective-oriented.** Effective marketing programs are based upon a pre-determined set of short- and long-term objectives. This mix has a direct impact upon the type and emphasis of available marketing vehicles. For example, a firm may devote 50% of their marketing budget to near term activities (i.e., expected to generate revenue in less than one year) and 50% to long-term programs (i.e., generate revenue in one to five years). Based upon budget amounts, their program may consist of networking efforts (supported by an appropriate level of sales training), a professionally-designed and written firm brochure, and a series of targeted seminars for prospective clients.

- **Inconsistent vs. constant efforts.** Marketing programs shouldn't be initiated only when you need a sales boost or have extra funds. Instead, law firms should market year-round, even during “busy season” or when sales are adequate.

Irregular efforts are particularly harmful because legal work is typically relationship-oriented, as compared to transactional. Businesses tend to work with their attorneys for many years and rely upon them as expert advisors, rather than using them for one project. This requires marketing efforts to be consistent, so that clients and prospects are continuously aware of a firm's commitment to building an effective business relationship.

- **Tentative vs. committed budget.** As competition amongst law firms increases, marketing expenditures will rise as a percentage of revenues. In retrospect, many attorneys will find that they have historically allocated a relatively insignificant amount of corporate resources to support marketing programs. The challenge is to change that approach, without wavering.

As indicated above, marketing programs should be consistent and objective-oriented, which both require an established budget. Surprisingly, many law firms lack specific allocations in their budgets for various marketing programs. Marketing budgets may be considered as “discretionary” items, available for reduction when financial difficulties arise. This “on again, off again” approach is devastating to the effectiveness of any marketing program. A good example is newsletters. Many firms start a “monthly” newsletter with a grand announcement to clients and prospects, only to produce it twice a year. This lack of follow-through is only too apparent to prospects and is often translated as indicative of a poor commitment to client service.

- **Unrefined vs. sophisticated management.** Attorneys are often called upon to assist clients with a wide range of matters. Yet attorneys rarely advise clients on marketing issues, recognizing their limitations. In the same manner, law firms should seek the advice of professionals who are educated and trained specifically for the marketing function.

Successful law firms utilize experienced marketing professionals, whether they have an in-house marketing department or hire outside professionals. These professionals should be educated and experienced in all aspects of marketing, rather than

Fundamentals for Effective Legal Marketing (cont'd)

one area, such as advertising or public relations. This background is critical in managing the entire process, instead of creating various marketing activities that act independently of each other. Since marketing is such a broad discipline, a narrow background can result in a myopically focused program that lacks a comprehensive integration of all relevant marketing vehicles.

Attorneys should also choose marketing professionals with a business education and background, rather than journalism, communication or art degrees. Since law firms value an understanding of fundamental business techniques, instead of purely attractive advertisements, they will have a more productive working relationship with a marketing professional who thoroughly comprehends and implements these concepts.

- **Unimportant vs. priority.** All too often, marketing has been subordinate to law firms' client service, administrative, and financial functions. In fact, it often is not even linked to the other functions, in that it has minimal impact upon decision-making.

Successful attorneys are making marketing a determinant for other organizational functions, albeit reluctantly in some cases. As indicated above, marketing is understanding your market, adapting to meet its needs, and effectively communicating your capabilities. Partners are realizing that they must first recognize what client needs are, then design their practices to conform to these needs. This doesn't mean a compromise of ethical standards, only understanding that their clients may value personal attention, for instance, over exceptional involvement in professional organizations.

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