

Best Practices in Legal Marketing

EDITED BY KATE CLIFTON



PUBLISHED BY **ark** IN ASSOCIATION WITH

mp
managing.com

Best Practices in Legal Marketing

is published by Ark Group



UK/EUROPE OFFICE

Ark Conferences Ltd
Paulton House
8 Shepherdess Walk
London N1 7LB
United Kingdom
Tel +44 (0)207 549 2500
Fax +44 (0)20 7324 2373
publishing@ark-group.com

NORTH AMERICA OFFICE

Ark Group USA
4408 N. Rockwood Drive
Suite 150
Peoria IL 61614
United States
Tel +1 309 495 2853
Fax +1 309 495 2858
publishingna@ark-group.com

ASIA/PACIFIC OFFICE

Ark Group Australia Pty Ltd
Main Level
83 Walker Street
North Sydney NSW 2060
Australia
Tel +61 1300 550 662
Fax +61 1300 550 663
aga@arkgroupasia.com

Head of content

Anna Shaw
ashaw@ark-group.com

Managing director

Jennifer Guy
jguy@ark-group.com

UK/Europe marketing enquiries

Robyn Macé
rmace@ark-group.com

US marketing enquiries

Daniel Smallwood
dsmallwood@ark-group.com

Asia/Pacific marketing enquiries

Steve Oesterreich
aga@arkgroupasia.com

ISBN hard copy: 978-1-908640-03-1

ISBN PDF: 978-1-908640-04-8

Copyright

The copyright of all material appearing within this publication is reserved by the authors and Ark Conferences 2011. It may not be reproduced, duplicated or copied by any means without the prior written consent of the publisher.

ARK1881

Chapter 7: The role of the partner in delivering a marketing strategy

By Andrew Hedley, founder, Hedley Consulting

WHILE IT may be self-evident that the law firm partner has a central role in the creation, development and implementation of a successful marketing and business development strategy, the nature of this role is less well articulated.

This chapter considers the nature of this role and the relationship between the individual partner, the business development department and the firm as a whole. It takes a holistic view of business development and the numerous interactions that are needed for effective delivery of a strategy. We are concerned primarily in this piece with the role of the partner in delivering a marketing strategy. This is not to say that input into the analysis, shaping, choice, directional decision making and planning do not require the central involvement of partners. However, in many firms such shaping activities will be carried out primarily by a smaller group of partners with management team responsibilities.

The success of any strategy can only be truly judged in its implementation and the results which flow from it. Implementation activities should engage the whole partnership and, to the extent which they impact on client experience, the activities of individual partners will be paramount.

The impact of the extended marketing mix

The four 'Ps' of the traditional marketing mix – price, place, product and promotion – have been extended in recent years (in part, as a reflection of the rise of the service sector as well as the increasing importance of the service elements of modern product marketing). With the addition of people, process and physical evidence the extended marketing mix allows a more realistic plan to be developed, implementation issues addressed and client experience managed.

Extended marketing mix

- Price
- Product
- Place
- People
- Physical evidence
- Process
- Promotion
 - PR
 - Advertising
 - Sponsorships
 - Personal selling
 - Direct marketing
 - People at the service interface
 - Brochureware

The extended marketing mix also serves to balance the role of marketing and business development in the eyes of many law firm partners. Traditional law firm marketing was heavily focused on promotion (also known as the marketing communications mix) with other elements being left to the discretion of individual partners or the managing partner. This is not to say that such issues were not considered by firms but rather that they were generally not conceived as being within the orbit of the marketing and business development function.

A good example of this historic approach is illustrated by the way in which pricing decisions were made and how this has changed with the maturation of marketing and increased competition between firms.

In the days in which work was undertaken on an hourly-charge basis, many pricing (or rate-setting) decisions would be based on conversations between the finance director and managing partner. The law firm acted on a costs-plus model using an algorithm which considered cost base, desired profits and hours targets to derive an hourly rate. Whilst competitor rates may have had some bearing on these decisions, the reality was that the firm told the client what he would pay.

Outside the profession, the idea of the marketing function not being engaged in pricing decisions would be regarded as highly curious – price, after all, is decided by how much a client is prepared to pay for a service in the light of their perceptions of value when judged against competitor offerings. It is then incumbent on the organisation to either improve its

value proposition in some way that encourages the client to purchase at the price they set or to engineer their costs of production to achieve profitability at the price that the client is prepared to pay for the service that is currently being offered.

Increased levels of deregulation, competitive pressures and more sophisticated approaches to purchasing have moved the client from the periphery of pricing decisions to centre stage. Concomitant with this has been the increasing influence of the marketing professional in such decisions, in conjunction with partners and the wider management team.

Of course this has implications for the skill sets needed by marketing personnel with larger teams and increased levels of specialisation being found across the industry but, in particular, within the larger firms. The modern firm has a marketing team with a broader skill set and which has input across all elements of the extended marketing mix. Engagement with partners is more comprehensive and the marketer is working much more collaboratively with partners as part of the service definition and delivery team than has ever been the case in the past.

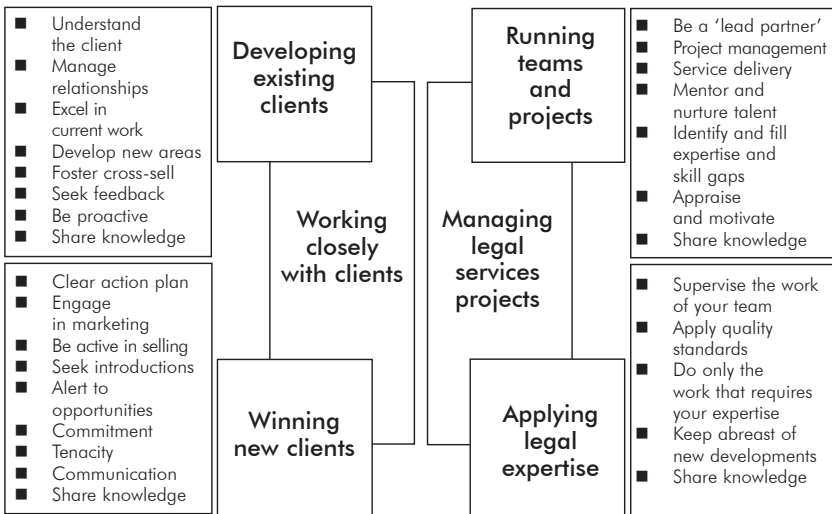
The impact of a new philosophy on expectations of the role of the partner

By considering more centrally the role of people and process in the marketing mix of the firm, the strategy impacts directly on partners and the way in which they manage their client relationship and deliver their legal services. In turn, an ability to influence the actions and attitudes of partners (both individually and collectively) represents one of the most important skills of the marketing and business development director.

No matter how well-crafted or intellectually robust a strategy may be, it will only succeed with the collective will and individual commitment of the firm's partners. Without their buy-in to the route that is proposed and preparedness to change the way in which they relate to clients and their own colleagues, significant progress and change will be impossible.

Central to the delivery of any marketing strategy is a clear understanding of the role of the partner in managing and developing client relationships.

In a modern firm, I suggest that this role has four primary components which are represented in Figure 1, which looks both internally and externally.



© Hedley Consulting

Figure 1: Primary components of the partner role

Internally the partner has a clear responsibility for managing legal services projects, which in turn means running teams and delivering projects alongside the application of legal expertise. Externally the partner's role is that of client developer, maximising the opportunity that is latent in the existing client base, and new client acquisition by focusing on winning new clients that are 'on strategy'.

The internal aspects of effective marketing

Internal aspects may be further sub-divided into the partner's role as a lawyer and that as a project manager.

It should be clear that the manner in which partners manage their teams, apply direction and governance to projects and ensure that the advice provided is both technically accurate and tuned to their client's commercial objectives are all very significant factors in walking the talk of the firm's brand promise and delivering its marketing strategy.

Effective marketing starts and ends with the satisfying of client requirements at a price which is both commercially competitive and sustainably profitable.

It therefore follows that external elements of the marketing strategy must dovetail seamlessly with the firm's ability to deliver. This is particularly evident in instances where the external promise conveyed by the promotional aspects of the marketing mix jars uncomfortably with the client experience. In some firms one could even believe that external promise and internal delivery are viewed as two separate and unlinked activities – make the promises that you need to make to win the work regardless of the capabilities to deliver them.

Of course, getting the law right is fundamental. Ensuring that the lawyering is done at the right level (from a costs and efficiency perspective) and properly supervised is also critical to delivering successful outcomes for both firm and client. This is something which can be eloquently described but is far more challenging for partners to deliver in practice. The firm must put in place the necessary support infrastructure and training across its lawyer base to enable this to happen. Partners also need to be prepared to challenge their historic approach and adopt new ways of working.

It should also be clear that a very significant proportion of the overall client experience is created by aspects of service which not defined by legal technical ability but rather the service wrapper, communication and project management skills required for the effective execution of the project.

Many of the skills that are required to run teams and manage projects are not taught in law school. It is therefore inevitable that professional development will be needed to support partners in discharging these duties and, indeed, the building of these skills forms part of the career path of lawyers from associate upwards. It may be surprising to some that issues such as these are featured in a discussion centred on the role of the partner in delivering a marketing strategy but, if one accepts Peter Drucker's definition of marketing as "not a specialised business activity... (but) the whole enterprise seen from the customer's point of view",¹ then the relevance of these internal skills to marketing is clear.

Working closely with clients

Turning to the responsibility of the partner in working with clients and developing business, I like to separate these into two distinct areas – the

development of existing clients and the winning of new clients. We shall consider each in some detail here, since it is at this level of granular that business is won (or lost) and where the investment made in other aspects of the marketing strategy bear fruit.

Developing existing clients

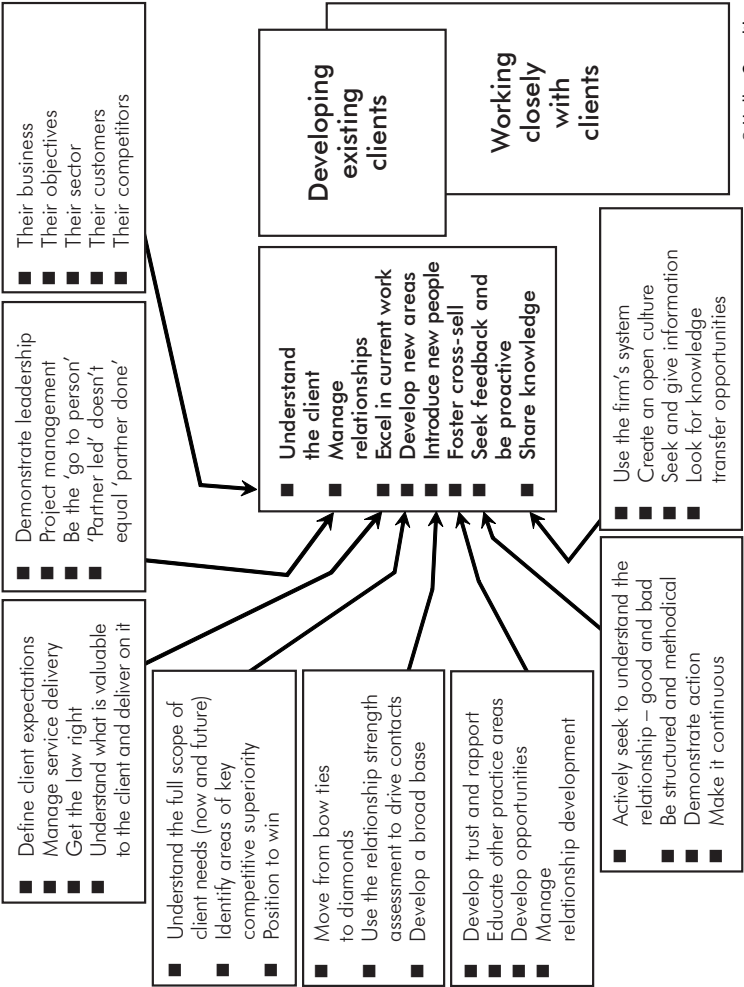
Figure 2 explores what each dimension of the partner's role may mean in practical terms, if the strategy is to realise its anticipated benefits.

For example, whilst it is straightforward to have an ambition to understand the client, it is somewhat more challenging to achieve this in practice. It will require a structured approach and continuous monitoring of a client's changing business environment in order to demonstrate true understanding and to be in a position to apply this knowledge. All too often, lawyers ring-fence their interpretation of what it means to 'understand a client's business' to encompass only the legal issues and challenges that they face today. This is insufficient and will not create any added value in the relationship.

Leading practitioners are always looking to the future and anticipating needs which may not yet have emerged. By being proactive they are able to position themselves as more rounded business advisors and not simply 'people who deal with your immediate legal needs'. In turn, this positioning increases client trust and allows the firm to expand its relationship into as wide a range of service lines as possible.

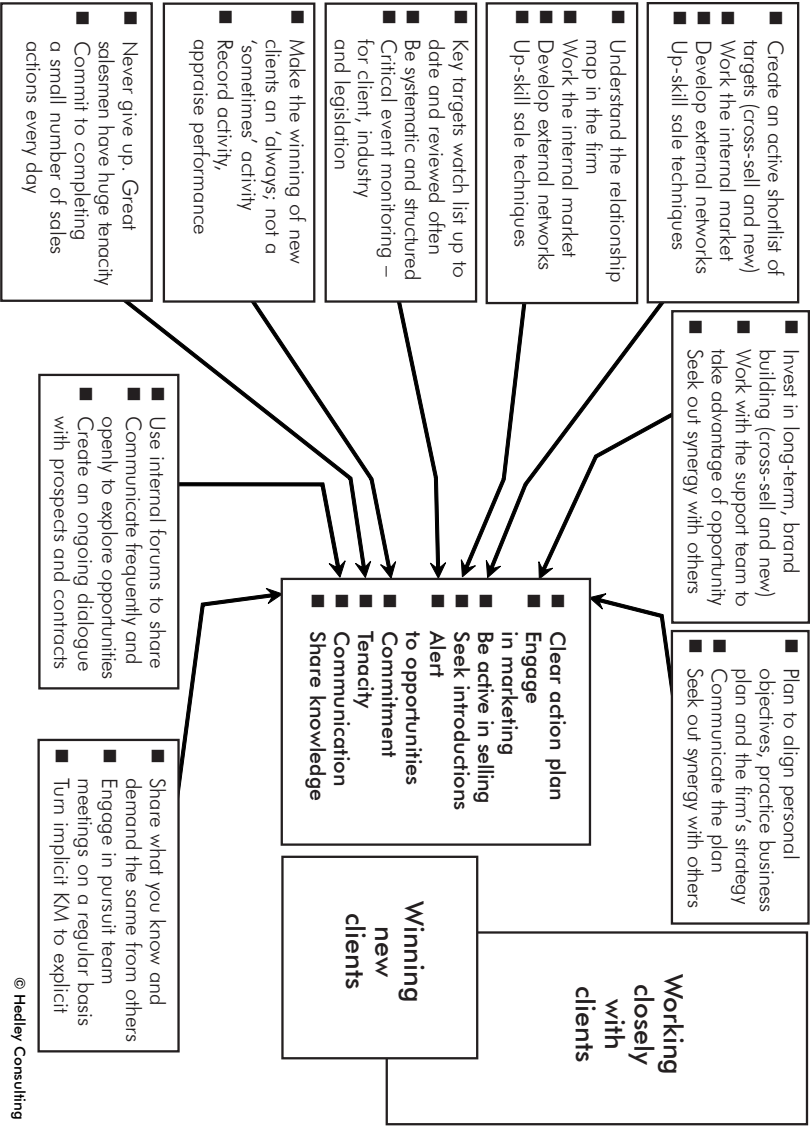
Winning new clients

In the same vein, when considering marketing activities centred on the winning of new clients, the importance of a personal sales action plan cannot be over-stated. In order to create momentum across the firm it is crucial that is consistent with the firm's overall strategy, the business plan of the practice area in which the partner practices and any sector initiatives with which they are involved. The logistical challenge of achieving this across a large partner base should not be underestimated but it is by combining the efforts of many in a coordinated way that real progress is achieved.



© Hedley Consulting

Figure 2: Breaking down practical aspects of the partner role



© Hedley Consulting

Figure 3: Partner expectations and activities

It should also be clear that there is a high degree of overlap between these client facing facets of the role. It is important for the leadership team to consider fully how the firm's strategy should support partners in discharging these responsibilities and also how recognition and reward systems should measure performance in these areas.

There must be an alignment of objectives, strategy, operational practices and performance management to maximise the chances of success. We consider the performance management aspects in the next section. This is a complex task but one which cannot be underestimated in the crafting of strategy.

Models such as those seen in the preceding diagrams can be very powerful tools; both in detailed development of strategy and also in working with partner groups to make the strategic actions real in practice. It is all too easy to say to partners that the firm requires them to be better at managing relationships as a core stream of a marketing strategy. Without examples of what this means in practice and engagement of the wider partner group in the process of change, such broad statements will not result in any behavioural realignment or change in client experience at the most important touch points with the firm regardless of the eloquence of the strategy document.

Adopting a commercial orientation

At their core, many aspects of the partner's role in delivering the marketing strategy are about behaving more commercially than many have been accustomed to in the past. There are four areas in which a commercial approach should be considered.

Legal advice

Unfortunately, the phrase 'commerciality' is often only partially understood by lawyers, being conceived to apply primarily to the nature of the legal advice that is given. This is, of course, correct and clients will seek (and hold in very high regard) a commercial approach from their lawyers. But this is only part of the challenge.

Client relationships

A commercial approach must also be applied to the relationships with the client in terms of agreeing service standards, formalising sensible terms of

business, arriving at a fair price for the work and ensuring that payment is received. This aspect of a commercial approach is one with lawyers often find less appealing to deal with but which lies at the core of operating a successful legal services operation.

Internal management

A third aspect of commerciality concerns the way in which the firm runs its own internal processes, teamwork and project management. There must be as high a commitment to deliver for the internal client as the firm aspires to externally. This applies to both lawyer teams servicing a complex piece of work by providing subsidiary services to the 'lead department' with the primary client contact as well as the multiplicity of business support departments charged with ensuring that the firm can go about its business efficiently and effectively.

Suppliers and third parties

A final aspect of commerciality centres on the way in which the firm manages its external suppliers. Developments over the past few years mean that these now potentially include outsourcers providing legal services, freelancers, providers of support services and other law firms as well as the more traditional supply chain. The way in which firms engage with third-parties and suppliers needs to be managed carefully since any negative impact that these have on the client experience will be damaging to the reputation of the firm.

Partners delivering the marketing strategy

Within a law firm environment (regardless of the enthusiasm, drive and commitment of the management group) it is only through the day-to-day actions of partners on the ground that real changes in behaviour, improvements in client experiences and step-change business results are achieved.

As Louis Gerstner² noted: "Good strategies start with massive amounts of quantitative analysis, hard, difficult analysis that is blended with wisdom, insight and risk taking. Truly great companies lay out strategies that are believable and executable. Good strategies are long on detail and short on vision."

Finding the balance between that which is truly stretching and that which can be achieved in practice is the key to success.

While some aspects of marketing strategy can rightly be delivered with aplomb by the firm's business development and marketing professionals, it is through the actions of partners at the coal face that most client experience is formed. The firms which recognise this and do not skirt around the challenges that it raises – partner behaviour, performance management, skill acquisition, client engagement and business process re-engineering to name but a few – will capture the high ground.

In the final reckoning, the firms which are best able to fully engage their partners, placing them at the core of the delivery of its marketing strategy, and fully utilise this powerful resource will emerge as the market leaders of the future.

References

1. Ducker, P., *The Practice of Management*, Harper & Brothers, 1954
2. Gerstner, L., *Who Says Elephants Can't Dance?: How I Turned Around IBM*, HarperCollins, 2003