

Relationship Marketing at Law Firms: Four Best Practices



by Wilbur Swan

Relationships are the lifeblood of law firms. Strong relationships help retain big clients and open doors to the next big clients. The typical attorney develops relationships to about 1,000 contacts, and a firm of 300 attorneys has hundreds of thousands of contacts in its extended network. But, paradoxically, the larger the organization, the harder it is to identify, coordinate and leverage these relationships. Leading firms have realized the need for and importance of a more systematic process for mapping and managing global relationships. One firm that implemented enterprise relationship management (ERM) described the challenge well: “Our attorneys have developed relationships with thousands of firms and organizations, but before implementing an ERM system we had no way to systematically catalog, search and leverage that information.”

For those unfamiliar with ERM, it is software that identifies contacts within the extended networks of all employees, mapping “who your firm knows” by analyzing address books, email traffic patterns, time and billing systems, CRM systems and other corporate data. This thorough, systematic approach has been proven to yield important benefits for the firm: 1) a far more complete picture of strategic relationships than what can be assembled from blast emails, CRM systems, spreadsheets and poking the old-boys network; 2) more detailed information about each contact, benefiting from the combined “wisdom” of your firm’s systems and employees; 3) better understanding of the relationships that matter, through use of sophisticated algorithms that rank contacts by “strength of relationship;” and 4) improved efficiency, as ERM systems require no data entry from attorneys or others.

Once firms have a mapping of their extended relationship networks, they are able to market in ways that were not previously practical. Here are four best practices that are quickly becoming standard business development procedures for leading firms—and these firms are willing to speak with peers about their practices.

[1] Collecting Strategic Intelligence on Prospective Clients

Preparation for important meetings with prospective clients continues to become more sophisticated each year. There are fantastic new sources of information, ranging from online public data sources to custom news runs to specialized legal databases. Typically, a key step in the preparation process has been to understand the available relationships. This may have been attempted with a firm-wide email (“Does anyone know the general counsel at...”), or a search of a CRM system. Finding these relationships is important. Firms don’t want to step on the toes of other partners who are already in contact with a prospect. They also want to coordinate efforts and take advantage of every bit of information and goodwill that exists.

One firm had an interesting experience while preparing for a significant meeting with a strategic target client, a large international commercial bank. It made a major firm-wide effort to uncover existing relationships. Over a 10-day period, several staff sent blast emails, called colleagues, checked with the leaders of the financial service practice area and searched the CRM system. They found 16 relationships with the bank, which was considered very helpful. At that time, they had recently installed an ERM system, which had not yet launched. One of the members of the pilot group checked the ERM for relationships to the target bank and discovered 64 relationships, which included all 16 found previously. And this took one minute, instead of two weeks.

[2] Capitalizing on Event and News Triggers for Prospecting

Breaking events and major news (ranging from lawsuits to merger talks) create opportunities to discuss legal services. But many opportunities require an immediate response, and there isn’t time in the day to track down all pre-existing efforts regarding a potential client. Attorneys want to pursue interesting matters in their specialty, but

without an introduction they are just too busy with their billable work to make a cold call. Several proactive firms are using their ERM system when they see an opportunity to identify their connections to key decision makers.

At one large firm, a partner read a breaking story about a food company blamed for selling a tainted product. He then logged into the firm's ERM system to see which of his colleagues knew people inside the food company. By the end of the day, the firm's litigation unit had signed up the new client.

[3] Helping Laterals Leverage Pre-existing Relationships

Firms already actively leverage the new relationships that a senior lateral hire brings into the firm. Most likely, that was a key reason that person was hired. Creative users of ERM have implemented an additional process to greatly enhance the impact of lateral hires, and at the same time help integrate them among their new partners. Marketing users of ERM are running relationship reports for these hires, focusing on their areas of functional expertise, their geographic location and/or their industry focus. These reports give the lateral hire a quick and easy way to see which colleagues to contact to begin discussions and avoid overlapping, uncoordinated efforts.

One regional firm hired nearly the entire energy practice group from a larger national firm. To increase the impact of the lateral partners and integrate them, the regional firm welcomed their new colleagues with a first-day report of pre-existing firm-wide relationships to firms and contacts in the energy industry.

[4] Retaining Strategic Relationships When a Partner Leaves

Every firm knows the pain of a partner leaving to join a competitor. Departing attorneys will actively attempt to take clients and prospects with them. The affected firms should have an equally timely strategy to secure and retain these relationships. After all, they paid for the partner to

develop them. Previously, it was just impractical to undertake systematic proactive retention, because the firm didn't have a complete picture of the relationships at stake, and the departing attorney would be working his network within the first week of joining a new firm. But firms with a map of their relationships have now implemented a client-retention process to instantly assign each contact to an alternate attorney.

For example, a firm learned that several attorneys in its bankruptcy team were leaving for a competitor. The ERM system allowed the firm's leadership to understand quickly the bankruptcy team's network of existing and developing relationships. Most importantly, the ERM identified the strongest alternate relationships to each contact, so the right attorney or team could be assigned in each case to work on retention. The firm developed a communication plan for each client in an effort to retain business. The success of this initiative has led to a standardized process with every significant departure, planned or unplanned.

Many firms now have several years' experience with ERM systems. The initial uses of the system were typically ad hoc and driven by particular business development opportunities. The number of use cases continues to grow, and firms are now using ERM in many creative ways to leverage the power of their network of relationships.

Each of these cases represents a best practice that is now becoming a standard, repeatable step in the business development process. Relationships, while intangible, are one of the most valuable assets of any firm. As the legal industry continues to mature, the sophistication of using relationships as a strategic asset is amazing. Firms put these assets to work in ways that were previously not practical, and the results can be truly impressive. ■

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