



HOW TO MAXIMIZE YOUR LAW FIRM'S MARKETING ROI

John Remsen, Jr.
President and CEO
The Managing Partner Forum

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TheRemsenGroup

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Association of Legal Administrators
Nebraska Chapter

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YOUR LAW FIRM'S MARKETING ROI**

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Omaha, Nebraska

BIOGRAPHICAL PROFILE

John Remsen, Jr., President

John Remsen, Jr. is widely recognized as one of the country's leading authorities on law firm leadership, management, marketing and business development. After serving as in-house marketing director at two major law firms, John formed TheRemsenGroup, a consulting firm that works exclusively with law firms to help them develop and implement long-term strategic objectives to improve cohesiveness, performance and profitability. Since 1997, he has worked with over 260 law firms and thousands of lawyers. Most of his clients are mid-size commercial law firms, ranging in size from 15 to 200 lawyers.

John is a frequent speaker and author on law firm leadership and marketing topics. He has spoken at national and regional conferences of the Legal Marketing Association, the Association of Legal Administrators, American Bar Association and numerous state and local bar associations. His articles have appeared in such well-respected publications as *ABA Journal*, *Asian Lawyer*, *Florida Bar News*, *For the Defense*, *Law Practice Management*, *Law Practice Today*, *Lawyers Weekly*, *Legal Management*, *Marketing for Lawyers*, *Marketing the Law Firm*, *Managing Partner*, *New York Law Journal*, *Rainmaker's Review* and *Wisconsin Lawyer*.

In the late 1990's, John served on the national Board of Directors of the Legal Marketing Association (LMA) and was President of its Southeastern chapter for three years. Under his leadership, the chapter was recognized as LMA's Chapter of the Year in 2001. In addition, he was Executive Editor of *Strategies*, LMA's monthly newsletter. He also served on The Florida Bar's Standing Committee on Advertising for six years and was the only non-lawyer appointed to serve on its 2004 Advertising Task Force.

In 2001, TheRemsenGroup launched The Managing Partner Forum, the nation's richest source of information and the most highly acclaimed conference series for leaders of mid-size law firms. More than 825 managing partners from 700 law firms in 41 states have participated in 22 leadership conferences. Designed exclusively for law firm managing partners, the MPF has expanded from its original geographic base in Florida to present programs in Atlanta, Boston, Chicago, Dallas, Denver, Houston, Philadelphia, St. Louis and San Diego.

In 2007, John was appointed to serve as a core member of the ABA's Law Practice Management Section. In 2008, he was appointed to serve on the ABA's Education Board. Since then, he has contributed numerous articles to various ABA publications and has been a featured speaker at ABA meetings and conferences throughout the country..

In 2013, John was elected as a Fellow of the prestigious College of Law Practice Management in recognition of his twenty five years of demonstrated expertise in law firm leadership and management. Founded in 1994, the College honors those who "inspire excellence and innovation in law practice management." Membership is by invitation only and includes just 200 individuals.

A native of West Palm Beach, Florida, John holds an MBA degree from The University of Virginia (1985) and a Bachelor's degree in Business Administration from the University of Florida (1980). Prior to attending graduate school, John was Executive Director of The Florida Council of 100, an organization consisting of Florida's top CEOs and business leaders.

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**HOW TO
MAXIMIZE YOUR LAW FIRM'S MARKETING
RETURN ON INVESTMENT (ROI)**

John Remsen, Jr.
President – TheRemsenGroup

*Your connection
to knowledge, resources and networking*

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About TheRemsenGroup

- Work exclusively with law firms
- Consulted with over 240 firms since 1997
- Strategic Plans, Firm Retreats
Client Feedback Programs, Recruiting Staff
- In-house at two larger commercial firms
- Frequent speaker and author
- LMA Chapter President, National Board
- ABA Law Practice Management Section
- Fellow, College of Law Practice Management

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**About The
Managing Partner Forum**

- Twenty-one (22) Forums since 2002
- Florida, Texas, Southeast, Midwest, Northeast
- 825 participants from 700 law firms
- High level participants
- Intimate, interactive format
- World-class faculty

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**ASK QUESTIONS
PLEASE, ASK QUESTIONS**

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***"Half the money I spend on advertising is wasted;
the trouble is I don't know which half."***

- John Wanamaker
Father of Modern Advertising

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***"You can't manage what you can't measure."
"What gets measured improves."***

- Peter F. Drucker
Author and scholar on management

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"Marketing is a contact sport."

- John Remsen, Jr.
Law firm consultant

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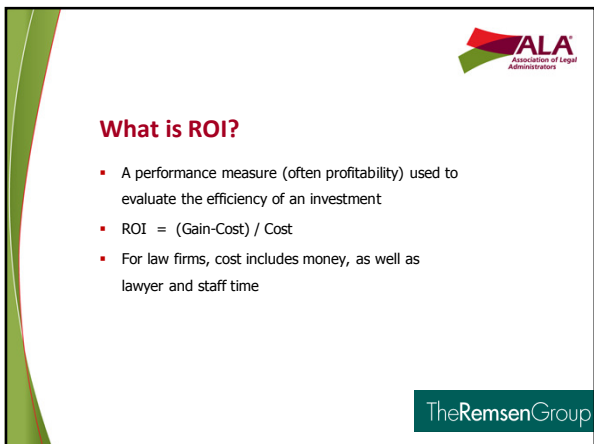
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What is Marketing?

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

- American Marketing Association, 2007

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What is ROI?

- A performance measure (often profitability) used to evaluate the efficiency of an investment
- $ROI = (Gain - Cost) / Cost$
- For law firms, cost includes money, as well as lawyer and staff time

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The Facts


- It takes 5-7 more time, effort and energy to generate a new matter from a new client than from an existing client
- 80-85% of next year's business will come from current clients
- 80/20 Rule – 80% of revenue comes from 20% of clients
- It takes 8-11 impressions to convert a prospect into a client





Conclusion

The highest ROI is achieved through efforts targeting your firm's current clients.





A Few More Facts

- Clients hire lawyers, not law firms
- Clients hire (and refer) lawyers they know, like and trust
- Great service (responsiveness) is the #1 reason clients stick with their current lawyer
- When shopping for a new lawyer, clients are looking for industry expertise



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Conclusion

Law firm marketing is all about lawyer reputation and relationships.








And Just a Few More Facts about Successful Firms

- Firm-wide vision and strategy
- Strong leadership and open communication
- Sharing, teamwork and cross-selling
- Lots of rainmakers and diverse client base
- Willingness to tackle difficult issues







Marketing vs. Business Development

- Major shift in past few years
- Marketing is the "stuff" and much of it can be bought
- Business development is the "time" invested in building relationships and trust, and it's hard to buy





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Marketing

- Website
- Brochures and collateral materials
- Advertising
- Directory listings
- Sponsorships
- Branding
- Public relations






Business Development

- Client site visits
- Organizational involvement
- Speaking and writing
- Client entertainment
- Social media
- Training and coaching






How Much?

Money

- 2.5-3.5% for midsize commercial law firms (LMA)

Time

- Partners: 200 hours per year (Maister)
- Associates: 100 hours per year (ABA)



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A Few Rules

- Nothing (I mean nothing) replaces face time
- Lawyers working in teams is good
- Mixing clients and prospective clients is usually good
- Small and intimate trumps big and loud almost every time
- Focus on a specific target audience works
- Persistence and patience is required

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Why so Tough to Track in Law Firms?

- Cumulative effect of marketing/business development efforts
- Difficult to isolate "but for" activity
- Lawyers almost invariably take the credit
- Sloppy intake procedures
- Few firms have a real handle on profitability

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**STRATEGIES AND TACTICS
WITH HIGH ROI POTENTIAL**

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IT'S ALL ABOUT THE IMPLEMENTATION

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Existing Clients

- Client service initiatives
- Client feedback program
- Client site visit
- Client appreciation event
- Client seminars
- Client e-alerts

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New Clients

- Industry trade organizations
- Speaking and writing
- Referral sources
- Social media – to get to face time!
- 8-11 impressions (damn it!)

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Training and Structure

- Industry practice groups
- Marketing plans and budgets
- Monitoring and accountability
- Sales training for lawyers and staff
- Marketing staff
- Rewards and incentives







Alyn-Weiss Survey

(125 firms, 39 lawyers, every other year)

- Website 77%
- Seminars 63%
- Trade Association 47%
- Networks 43%
- Ads, Newsletters, Entertainment





Alyn-Weiss Survey


Trends over last 5-6 years

Out

- Print, ads, public relations, Martindale


In

- Social media, SEO, Chambers




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Other Trends


- More firms are planning (40%) and budgeting (73%)
- Shift from "marcom" to "bizdev"
- Shift from print to online
- Alternative fee arrangements - ?
- Consolidation and convergence






IT'S ALL IN THE IMPLEMENTATION





Tracking ROI

- Define what to measure
- Capture the data
- Monitor results
- Analyze and report
- Make adjustments
- Take it the next level



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Case Studies

- PR/ad campaign
- Banking newsletter
- Client feedback program
- Client site visits
- Association golf tournament
- Industry seminar series

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PR/Ad Campaigns

- Target audience
- Frequency and consistency
- Have impact, long-term commitment
- Lawyers have to do very little
- Awareness, new clients/matters, number of mentions, ad equivalency, anecdotal

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Electronic Newsletter


- Brevity, relevance, timeliness
- Strong headlines
- Link back to website
- Subscribers, open/click-through rates, traffic to website

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Client Feedback Program


- About as direct as it gets
- Consider objectives and best methodology
- Can be very challenging to implement
- Do your homework, follow up with client
- Revenue, profits, cross-sell, client satisfaction





Client Site Visit

- Show thanks and appreciation
- Learn more about company and people
- Leave firm brochure at home
- This involves lawyer time! Train them.
- Revenue, new matters, billable hours





Association Golf Tournament

- Huge investment of time and money
- Thoughtful and strategic approach
- Teamwork required
- Little things make a big difference
- Revenue, new clients, new matters, cross-sell



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Industry Seminar Series

- Small, intimate group
- Interactive format on topics of interest
- Team approach works best
- Lawyer time required!
- Revenue, new clients, new matters

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Resources

- TheRemsenGroup.com
- ManagingPartnerForum.org
- DavidMaister.com
- LawMarketing.com
- LegalMarketing.org

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With an Eye toward the Future...

Isn't It Time that Your Law Firm Develops a Strategic Plan?

By John Remsen, Jr.

Today's law firm can either take charge of its future or sit on the sidelines watching the marketplace change around it.

In corporate America, virtually every successful company has a strategic plan guiding its future. Banks won't lend money without one. Shareholders and venture capitalists demand them. It gives an organization a competitive advantage.

Ask just about any managing partner or firm administrator whether his or her law firm should have a strategic plan and almost all of them would say "yes." After all, without institutional direction, the law firm is little more than a collection of sole practitioners sharing office space...or a "hotel for lawyers," as our friend Bill Flannery likes to say. Yet, according to a recent survey, fewer than 5 percent of the law firms in the United States have such a plan in place.

Why then, do so few law firms have a strategic plan? And what does it take for a law firm to develop and implement one?

What Is a Strategic Plan?

In short, strategic planning is a *process*, the result of which is a written document that sets forth where an organization wants to go and how it will get there. Many experienced law firm marketers suggest that a law firm's strategic plan should consider a five-year horizon. It should, among other things, state how big the firm will be, where it will have office locations, what its major practice areas will be, and what its client base will look like.

Once the firm's partners reach consensus on these big-picture issues, the firm can develop its three-year goals and objectives and then determine the strategies and tactics to achieve them. Strategies and tactics are more short-term in nature. They should be specific, measurable and achievable within a year.

If strategic planning is so important, why do so few law firms have a plan? The reasons vary, but the following obstacles are most common.

Denial that it's no longer business as usual

Despite everything one reads in *The National Law Journal*, *The American Lawyer* and just about every other publication on the legal industry, there is a continuing denial among many attorneys that the *business* of lawyering has fundamentally changed. Times are good right now and, generally, firms are doing quite well. However, it is the firms that long ago recognized the value of planning that are emerging as the new leaders in the global marketplace for legal services.

Focus on the short term

Strategic planning looks at the future, while most law firms have a very short-term view of the world. Compensation systems often reward today's billable hour, with little reward for non-billable time invested in the firm's future. That's very dangerous—shortsighted, to say the least.

Law firms need to measure and reward those activities—firm governance, associate mentoring and training, and business development—that are necessary to insure the firm's long-term prosperity.

Difficulty Establishing Consensus among Partners

No doubt, lawyers like their autonomy and tend to resist institutionalization. Many firms like to refer to themselves (with pride) as very democratic institutions. They operate very much like a collection of sole practitioners sharing office space. They want to be left alone. On top of that, there are often very different philosophies among the firm's owners about the future of the firm. So it's easier not to talk about it.

Certainly, getting everyone to buy-in to a specific plan is challenging. There is a tendency among lawyers and law firms to want to be "all things to all people." In this type of culture, lawyers often resist any plan to move in a particular strategic direction and toward a more institutional way of thinking.

Lack of leadership

Inevitably, the strategic planning process leads to change. And change requires leadership. Often, firm leadership is simply not willing to make the tough (and not always popular) decisions necessary to make the firm a stronger,



■ John Remsen, Jr. is the principal of The Remsen Group, a marketing consulting firm that works exclusively with law firms. He is the past president of the South-eastern chapter of the Legal Marketing Association and served on its national board of directors. He can be reached at jremsen@theremsengroup.com.



more profitable institution in the long run. Managing partners and executive committees must realize that they can't please everybody.

Failure to implement

There are many firms that have made a half-hearted attempt at strategy planning and, for one reason or another, it has failed. The reasons are many and varied. Nobody seems to have the time to get things done. The plan exists, but it collects dust on a corner shelf. Inadequate resources were allocated to achieve the goals set forth in the plan. Or there was a lack of leadership. Or the plan was too ambitious. Or there was no accountability. And so on and so on.

The common refrain is, "We tried that, but it didn't work here." Chances are, the firm went through the motions, but there was never a genuine commitment to make implementation a priority. Without implementation, the planning process can be a frustrating waste of time, effort and money.

Keys to Successful Strategic Planning

Now that we've discussed why so many firms have not gotten around to developing a real strategic plan, let's examine the keys to making it happen.

Establish a sense of urgency

A sufficient number of lawyers in the firm must believe that it is no longer business as usual and that strategic direction is necessary if the firm is to survive and prosper in the years ahead. They must instill and constantly reinforce a sense of urgency that change is necessary.

Commitment from firm leadership

Firm leadership (or at least a critical majority) must have a genuine commitment to develop and implement a strategic plan. Without strong leadership and passionate commitment, it is still "business as usual," despite the rhetoric. Under these circumstances, the firm's efforts are doomed to failure.

Involve all partners in the process

At the end of the day, the owners of the firm must buy into and support the plan.

By involving each of them in the process through a series of one-on-one meetings and/or in a group brainstorming session, each partner will feel a part of the planning process. The likelihood of success jumps dramatically.

Associates and staff must also buy into the future of the firm. Special programs that enlist their support will add to the plan's successful implementation.

Keep the plan simple and focused

If the firm is developing its first strategic plan, it should keep the plan simple and focused. Most firms try to take on too much, too fast and wind up accomplishing little. With a realistic plan and by starting slowly, the firm is able to maintain its focus on the most important projects. The firm can always add to the plan later. A law firm is wise to start slow, publicize success and grow from there.

Create a plan that lives and breathes

Once a strategic plan is adopted, it does no good to set it aside, never to be looked at until the following year, if at all. The plan should be a flexible and dynamic instrument. Its principles should be incorporated into the firm's day-to-day operations. Firm leadership should communicate the goals and objectives of the plan often and in a variety of ways throughout the firm. Make sure everybody has a copy. Review it at internal meetings. Update it often. All important decisions should be considered in the context of the plan. If the firm makes decisions contrary to what is contained in the plan, it needs a new plan.

Establish accountability

Nothing happens without accountability. For most firms, this is best accomplished at monthly meetings of small groups (5-6 individuals) of attorneys, often organized by practice group. There must be a strong group leader and meetings should have an agenda and meeting notes. Assignments must be made and progress must be monitored.

Measure and reward desired behavior

Simply stated, the firm needs to measure

and reward desired behavior. If the firm wants its partners to spend time training younger associates, the investment of non-billable time in the firm's future must be measured and rewarded. If the firm determines that business development is important, it should reward it through recognition, origination credit, and/or by measuring and rewarding effort. Otherwise, behavior changes will not occur. Without incentives (or disincentives), it's business as usual and there is little change.

Does everybody have a role to play?

There is no right or wrong answer here, but the firm must determine up front if all of its attorneys have a role to play when it comes to investing in the firm's future. If so, what is the role of each attorney? What about associates? Is it the same for everybody or do we ask different attorneys to take on different responsibilities?

Making it happen

The strategic plan is not an end, in and of itself. It is a *process* through which a law firm contemplates its future and determines how it will allocate resources to take it where it wants to go.

Without implementation, a strategic plan is worthless. Planning should never replace and distract from the *doing* part of the equation. Implementation must be given the highest priority.

Conclusion

Many sole practitioners and attorneys at smaller firms seem to think that strategic planning is for larger firms. However, any firm with an eye toward the future can benefit from the process. Planning can help a firm develop consensus on key big-picture issues, promote internal communication within the firm, inspire attorneys to get out and do things they wouldn't otherwise do, and help the firm allocate its resources more effectively.

With leadership, commitment and a good strategic plan, any firm can develop a profitable practice working with clients it enjoys and in the areas of law it finds most appealing.





BUILDING AND SUSTAINING A MARKETING AND SALES CULTURE AT YOUR LAW FIRM (Or, How to Make Marketing Really Matter)

By John Remsen, Jr.

Getting lawyers and law firms do things differently is not an easy task and instilling a marketing mindset among lawyers is a major effort for most firms, resembling the proverbial challenge of “herding cats.”

A national consulting firm recently examined personalities of lawyers from around the country using the Caliper personality index and was able to quality what many of us have known for years. Compared to the rest of us, lawyers

- Hate change, respecting precedent because it was drilled into them at law school;
- Are highly skeptical of new ideas and concepts, demanding proof that change will work;
- Love autonomy, preferring their own judgment over that of any hierarchy or policy; and
- Have a high sense of urgency, expecting immediate results on even complex efforts.

It's not surprising, then, that most law firms (especially smaller and mid-size firms) operate much like fraternities. Governance and decision-making are often difficult and time-consuming, because everyone wants a voice in the process. However, the most profitable firms are moving closer to a corporate model of governance, with institutional goals, strong leadership and streamlined governance. They are also starting to embrace marketing, recognizing the need to get closer to existing clients and invest time and resources on focused, proactive strategies to go after new ones.

So why try to roll the marketing boulder uphill? Simply because any firm that wants to survive in today's increasingly competitive marketplace must support a marketing and sales culture. Mergers, acquisitions and consolidations, rising associate salaries and operating costs, and client cost-cutting are making lawyers run their firms more like a business, and less like a profession. Failure to market brings red ink, irrelevance and an “out of business” sign on your door. Marketing is what enables a firm to attract and retain desirable clients, and it puts the firm in a position to fire the ones it no longer wants.

That said, a marketing culture can't be implemented overnight - it must be slowly, gradually fostered through basic, focused, step-by-step efforts. Overcome typical lawyer impatience and resistance by showcasing successful pilot programs. A communications effort that presents the proof, demonstrates a successful result and validates the judgment of the participants, will appeal to lawyers' lemming instinct: “If Jim can do it, so the hell can I!”

The key, then, is to create the initial success that will make everyone in the firm believe marketing matters. I mean *really* matters. As marketing consultant to thousands of lawyers at hundreds of firms, I've seen that ten key

elements are absolutely crucial to generate marketing momentum. Neglect even one of them and your legacy will be, "We tried *that* before, it didn't work."

1. Find a Passionate Leader. If a firm's leaders - those lawyers who have the most clout and the greatest respect - aren't committed to marketing, no one will be. Convince them that marketing is an investment in tomorrow, not just an expense for today. Cultivate a senior level marketing czar who is passionate about marketing and inspires others. Don't waste your time on naysayers or junior associates. Convince an alpha male, and the herd will follow.

2. Apply Some Structure. Attorneys are the world's worst visualizers. Vague generalizations about how marketing works won't motivate them. Your marketing effort has to involve concrete, tangible benchmarks and requirements that show the firm is serious:

- Set clear expectations for non-billable time devoted to marketing. Set a target of 200 hours a year for partners and 100 hours per year for associates. Overcoming the billable hour fixation is crucial for marketing efforts, which often take years to generate results.
- Incorporate marketing into partnership requirements. Derail the partnership track of grinders who sit at their computers all day and don't have a book of business.
- Create marketing plans at every level - attorney, industry or practice group, the entire firm. The marketing plans should be written, simple and focused, and should set short-term goals (have lunch with two media industry prospects per month) in the pursuit of long-term objectives (double billings with media clients).
- Communicate marketing successes by every tool at your command. Meetings, emails, newsletters, bulletin boards in the lounge, Intranet postings, monthly status reports, and more.
- Monitor marketing performance. Hold the laggards accountable and reward the performers. Most marketing initiatives must be repeated ten or more times over a period of two-plus years before they pay off. Rewarding only the ultimate result isn't enough incentive. Peg some compensation to *efforts* that emphasize and support the marketing plan.
- Eliminate the time and expense wasters. Scrap "random acts of golf and lunch" and "powerful partner pet projects" that don't support firm-wide marketing objectives.

3. Provide Training and Resources. Sales techniques aren't taught in law school. There are, however, plenty of sales training programs for lawyers that emphasize the basics: if you've taken a prospect to lunch seven times, *ask* if you can handle their contract work. One-on-one coaching sessions can be supplemented by attendance at the Marketing Partner Forum and the Legal Marketing Association annual meeting, participation in the LawMarketing listserv, and circulation of marketing newsletters. Help lawyers overcome their marketing insecurities by exposing them to best practices.

4. Create a Forum of Accountability. The best way to generate marketing momentum is through face-to-face discussions - but *not* with marketing at the tail end of a long agenda. Create specific marketing forums where groups of 10 to 20 attorneys can report on their initiatives, share leads and ideas, and be held publicly accountable for their marketing efforts. Meetings should be held at least monthly, scheduled well in advance for a set time and place, with mandatory attendance and a leader committed to marketing in charge. Distribute minutes and make sure the results are publicized through reports, newsletters and retreat presentations. The only way to overcome resistance to these forums is to make clear that they are about results and accountability - and then use them to reinforce both.

5. Invest Time and Money. Every firm's needs are different, but certain rules of thumb apply - for example, one in-house marketer for approximately every 40 lawyers, and a marketing budget roughly equal to 3% of gross revenues. Lawyers in their skepticism will ask, "Is this *really* necessary?" Appeal to the lemming instinct by demonstrating which other firms are doing at least as much.

6. Identify Your A, B and C Clients. Law firms often fail to identify the clients and the business they want, making little differentiation in attorney time and effort between getting the \$5,000 real estate contract and the \$5 million IPO. You should identify your A-List clients, the frequent flyers you really want to encourage, and emphasize winning more business from *these* guys. Then target them: Go visit them at their place of business, solicit their feedback on your services and act on it, invite them to events and seminars, join their trade associations, wine and dine them. Showing that you really do care about them is the essential step to getting more work from them.

7. Focus on Industries, Not Area of Law. Too many law firms practice marketing by trying to market their practice. Clients don't think that way. They focus on their business and industry concerns, and want their law firm to do the same. Competent legal technicians are a dime a dozen; law firms that talk the language of the hospitality industry are valued much more highly. Focusing on industries targeted by your marketing plan prevents wasting time and effort by trying to be all things to all people. It also promotes cross-selling among practices, as you identify which real estate, corporate, tax and other services you can tailor to clients in specific industries.

8. Get an Identity. Emphasize that you're not just another law firm. Making an impression captures share of mind, then share of market. All the effective marketer's tools apply here: a logo, a short and memorable firm name (no more than two words), sharp web site, readable collateral materials that are not mind-numbing exercises in lawyer-ese, email templates with links back to your web site, promotional items that clients will want to use. Remember that a nice brochure or impressive web site constitute just a small part of a *total* marketing effort.

9. Hire "People People." Lawyers are trained to be good communicators before groups, whether juries or boards of directors. They typically aren't good at establishing interpersonal, one-on-one communication. Rather than trying to turn an introverted lawyer into a rainmaker, it makes sense to hire lawyers with a focus on personality as well as on grades and law journal experience. Look for outgoing types who are flexible and embrace change, and they can become missionaries for your marketing efforts. The same applies to everyone in the organization - receptionists, administrative assistants and (yes) marketers.

10. Manage Lawyer Expectations. All the steps that we've discussed here take time, and the marketing plan they support will continue to evolve. Make sure the lawyers at your firm know and understand this from the start. Set a limited number of priorities and don't try to move too far too fast. But make absolutely certain that you deliver everything that you promise - which, in the end, is a good definition of effective marketing.

#

About the Author

John Remsen, Jr. is the principal of The Remsen Group, a marketing consulting firm that works exclusively with law firms. He is a Past President of the Southeastern chapter of the Legal Marketing Association and has served on its national Board of Directors. He can be reached at 404.885.9100 or jremsen@theremsegroup.com.

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WASTED TIME AND MONEY

The Top 10 Ways That Firms Squander Precious Marketing Resources

by John L. Remsen, Jr

At the conclusion of a recent presentation I gave to a local bar association, an attorney in the audience asked how law firms are wasting their marketing dollars. "After all," he said, "our firm only has a limited amount of money for marketing, and I want to make sure we are spending it wisely." I was honest, and told him that, in my opinion, many fine firms are squandering their marketing dollars by the bucketful. And it's often in the same familiar ways.

Let me begin with the assertion that, for most lawyers and law firms, effective marketing is all about personal relationships. It's not about brochures, advertising or other marketing gimmicks. It's especially about relationships with *existing* clients and referral sources. Consequently, I almost always recommend that a law firm begin "marketing" by making darn sure its clients are satisfied. If they are, they'll be loyal to the firm and come back when they need legal counsel. Beyond that, they'll tell their friends and business associates about you. Too often, firms get caught up chasing prospective clients, forgetting about solidifying and expanding relationships with the clients they already have.

After ten years of experience marketing legal services, I have developed some strong views on what firms are doing right and wrong. But before writing this article, I thought I'd post that attorney's question to the 1,000-member lawmarketing listserv, a cyber-community of law firm marketing directors and consultants. The responses came back fast and furious and I'd like to share our collective opinions with you.

So here we go - the "Top Ten Ways To Waste Money Marketing Your Practice," in David Lettermanesque ascending order of wastefulness.

#10 - Random Acts of Golf and Lunch

Golf and lunch are fine marketing activities, very conducive to relationship building. But playing golf with an endless array of acquaintances who don't have the ability to hire or refer you is hardly an effective use of your marketing time. Nor is that monthly "skins" match with your brother-in-law and his drinking buddies. The profession's top rainmakers have a plan -- even if only in their heads -- when they go on their boondoggles... er, I mean, marketing ventures. They have determined who they want to get to know better and, from there, they develop a systematic plan to go about building and enhancing relationships with them. The key word is *plan*.

#9 - The "Really Big Show"

Reminiscent of Mickey Rooney and Judy Garland deciding to "put on a show," your firm decides to present the mother of all seminars. Over 300 people spend a half-day listening to you and your partners talk about the latest changes in state law. It was great. Problem is, there was very little follow up. When it comes to seminars and similar events, we suggest that you consider smaller, less formal and more interactive sessions. Think about a seminar *series*, focused on a particular industry, where participants get together repeatedly. This way, the follow-up is built-in.

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#8 - Other One-Shot Wonders

Come to think of it, forget about any marketing activity that does not include follow-up. All the marketing events that your firm sponsors -- seminars, open houses, holiday parties, and the like -- should be looked upon as relationship building platforms. And personal follow is the key to making them work. All participating attorneys should follow up with at least two or three people at each event, focusing on folks who can help them achieve their objectives.

#7 - Brochures and Newsletters That Cure Insomnia

Good brochures and newsletters have their place among effective marketing tools. But who wants to read mind-numbing tomes about the history of your firm and its 14 practice areas? Not me, and not your prospective clients either. Keep the copy concise and easy-to-read. Use bullet points whenever possible. Hire a talented graphic designer who will produce sharp, attention-grabbing marketing material.

#6 - Invisible Advertising

No doubt, print and broadcast advertising works for attorneys with consumer-oriented practices (like family and personal injury law) and I'd recommend an ad in the Yellow Pages in a heartbeat. But things like traditional "tombstone" ads and "one-time" ads in a newspaper or magazine are practically worthless. Studies show that it takes 7-11 impressions before somebody will recall seeing your ad. Consistency and frequency are essential. Here again, hire a good graphic designer and stay light on copy to make sure your ads are noticed. If you want to advertise, do it right.

#5 - Holiday Tchotchkes

Ahhh, the holidays. Talk about getting lost in the shuffle! Effective marketing strategies get noticed and stand apart from the crowd. The holidays are far too busy a time for your cards, parties, and gifts to be fully appreciated. However, if you must send holiday cards, by all means, sign them personally!

#4 - Directories, Directories and More Directories!

Over the past ten years, law firm directories have sprouted like cattails in the Everglades. Unfortunately, most have little marketing value. Decision-makers simply don't use them very much. In fact, our friends on the listserv think that only a few directories, such as LawOffice.com, Martindale-Hubbell and Best's (for insurance defense counsel), are worth the money. Bottom line....hold on to your cash.

#3 - Vanity Letterhead

We're talking about the kind that features every lawyer's name on the masthead. Every letter becomes two-pages long, and each time a lawyer joins or leaves the firm the old supply gets chucked and a new supply is ordered. Often, the new letterhead is out of date even before it comes back from the printer! Most firms have abandoned this practice and yours should, too. Consider adding a snappy firm logo and/or a splash of color. Don't worry, it's OK.

#2 - PPPPs (Powerful Partner's Pet Projects)

Our #2 money waster was sent in by Bev Davis, chief operating officer for a well-known Oregon law firm....and you know exactly what she's talking about! The firm's \$5,000 contribution for a table at the "Belles of the Confederacy" Dinner Dance, for example. Powerful Partner Jim thinks it's a great idea. (So happens his wife is on the Board of Directors.) PPPPs are rarely budgeted and are hardly ever consistent with firm-wide marketing objectives. They

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tend to consume vast quantities of money and staff time. A firm-wide marketing plan goes a long way toward reducing the number of PPPPs. Show Jim the plan and just say no!

#1 - Consultants Who Don't Know ** About Law Firms**

Law firms are a different kind of beast -- big egos, lots of democracy, convoluted compensation systems and, in many cases, a disdain toward marketing. Yet, I see it happen time and time again. "We hired Sally because we liked the work she did for our big banking client. But she never could manage to implement much of anything around here." When it comes to building consensus for a new idea or getting people to focus on non-billable activities, there is nothing quite like a law firm. It takes someone who's been there to make it happen. If you decide to hire a consultant, hire somebody who has a successful track record working with law firms like yours.

Well, that's it for now. I hope you enjoyed this round-up of marketing blunders. Perhaps you recognized one from your own firm's recent efforts on the list. My objective was to help you think about how you and your firm can more wisely spend your marketing dollars. After all, you have limited resources. My best advice....develop a proactive, firm-wide marketing plan. See you at the 19th hole!

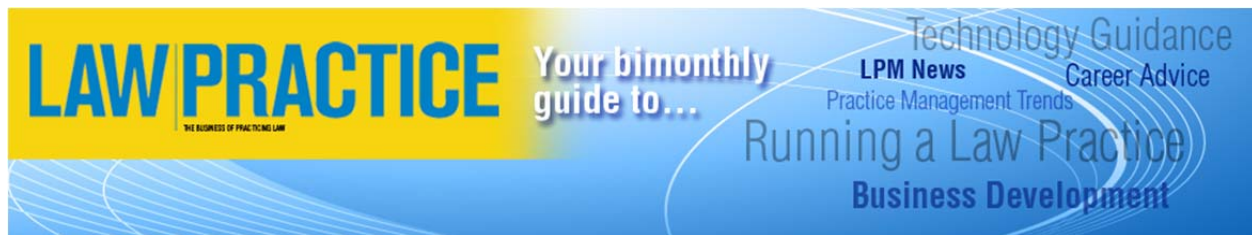
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About the Author

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Law Firm Marketing: What's the ROI?

Law Practice Today - November/December 2011

Christopher Petrini-Poli, Chief Operating Officer with HBR Consulting.

Paul Grabowski, Senior Director of Business Development and Marketing with HBR Consulting.

Those experienced in utilizing a defined marketing strategy effectively understand that there is a way to track and quantify the dollars earmarked for law firm marketing, while others still view any monies allocated to these non-billable efforts as a "black hole."

Overall, it is safe to say that law firms as a whole have taken a hard look at all operating expenditures over the past several years in order to keep pace with the changing economy. Yet, according to a study produced in the January 6, 2011 edition of the *Law Society Gazette*, 42% of law firms were planning on increasing the amount of spending on marketing in the coming year.

It is also true that for most professional services firms, marketing and business development allocations do not produce immediate recognizable results. So how does a lawyer or law firm track any return on investment (ROI) for its marketing efforts? The answer is having a plan in place prior to engaging in these efforts and preparing for a longer period of examination.

Define Your Goals

Lawyers are no strangers to having a plan in place for helping their clients evaluate the safest, most cost-effective course of action to resolving their problems. It is this same approach that should be taken to any marketing and business development effort so that upon reflection and analysis, a measurable return on investment can be determined.

Before embarking on any marketing and business development effort, it is critical that the lawyer and law firm first define the goals of these efforts. Knowing what you want to achieve from the sponsorship of a particular conference, developing an advertising campaign for a particular practice or clarifying your overall efforts with the firm's strategic plan is critical. This requires time, effort and input from multiple areas of a law firm including the marketing department, accounting, practice group leaders and individual attorneys. Taking the time on the front end will allow you to calculate your return on investment.

Efforts Across the Board

Marketing is not placing a one-time advertisement in a legal publication because you have been recognized by the latest "outstanding lawyers" list. Likewise, being the "title sponsor" of one event in a particular practice area will not lead to recognizable or quantifiable ROI.

An effective marketing and business development program is one that works across platforms to target your client audience. A workable plan should accommodate multiple opportunities including, but not limited to, advertising, sponsorships, interviews and third-party commentary, and other brand placement events that increase name recognition and association with a targeted industry or economic segment.

Marketing efforts include both an investment of time and monetary resources. On average, a law firm should project spending approximately 2.5% to 5% of revenues on its marketing and business development efforts. The marketing plan will detail how this allocation is to be divided up. From an ROI perspective, it is best to project marketing expenditures in budget categories for specific areas (e.g. advertising, events, print materials, etc.). Creating these

budgetary categories will allow you to produce a year-to-date spreadsheet allowing for both projections and review of actual expenditures.

Advertising

Advertising is typically the largest budget expense and does not produce direct, quantifiable results for most professional services firms. However, from a branding perspective, it is important to consider how you want to be perceived in the marketplace or a particular industry segment. Before entering into such a major expense, there are several items to consider including target audience, geography, niche markets, frequency and rotation. Most publications can produce audited readership statistics. Online publications or your own website can provide readership statistics with the use of an analytics program to track click-throughs to your site.

Track What You Do

With any marketing program, the most effective method to determine your ROI for marketing and business development is to track your efforts and quantify your results. For example, if your firm sponsors a particular program, track how many of your attorneys attend the event. More importantly, take the time to evaluate all aspects of the program in relation to your plan. If the program takes two hours of an attorney's time to participate, determine how many contacts and referrals were generated from the program. After conducting specific follow-up, determine what business (either new or recurring) was generated from that sponsorship.

If the referrals are promising or actually lead to new business, then you can weigh the cost of the sponsorship against the hourly rate charged by the attorneys and determine your ROI. This method can be utilized in a number of instances such as client meetings, lunches, dinners and other firm sponsored activities. Track how many of your attorneys participate (as ultimately, in a law firm, the money allocated is "their" money) balanced against the overall success in generating business from that program. This will not only allow you to determine whether or not your dollars are being spent effectively, but also help in the budgetary planning going forward.

Conclusion

All professional services firms need to implement effective marketing and business development ROI tools. With the advent of technology, these efforts have become somewhat easier. However, whether in boom or tough economic times, by knowing your target audience, understanding effective marketing practices, and devising the tracking programs for implementing your plan, you can show quantifiable results for your marketing and business development activities.

Calculating ROI

With all the marketing and business development activity that is generated by a law firm or a professional services firm, it can be very difficult to find a starting point to track ROI. A good place to start when determining your marketing ROI is to measure for any direct mail or e-mail marketing. A great tool to use is a marketing ROI calculator. You can follow the instructions below for creating an ROI calculator, or use one of the many free calculators available on the Internet. An ROI calculator can let you test various assumptions about changing your advertising program costs to achieve different response rates.

There is a free ROI calculator tool provided on the helpful blog Marketing Today, a publication of Peter DeLegge Consulting. www.marketingtoday.com/tools/roi_calculator.htm

If you have an active marketing and business development program that includes advertising, print or electronic mailers, are generating some type of information that is distributed to clients and prospects and/or are using specific URLs in your advertisements, one of the simpler ways to track ROI for these types of costs consists of the following:

1. Track the number of pieces you are mailing or sending electronically. For advertising, use the number of impressions either in print or electronic form.
2. Determine the overall cost for production of the piece, including costs for graphics and staff time.
3. Divide your costs by the total number distributed or impressions.
4. Track your responses from recipients. Divide this number by the total number distributed to provide you with a percentage of impact.
5. Depending on the response from the recipient, if it is a request for work to be performed (or if actual work is completed), estimate the revenue generated versus the cost to produce. This will give you an expected ROI.