

GETTING MARKETING across-the-board and into the boardroom

By KEREN LAVELLE

Aggregated views from both clients and in-house marketers demonstrate scope to improve marketing in most law firms.

HOW DO YOU GET A marketing focus across the totality of a law firm's activities? How can marketing get 'a seat at the table' (that is, a voice in strategic decision-making)? And is it more important to build up individual lawyers' profiles, or the brand of the firm as a whole? These are some of questions which have been bouncing around in professional services marketing forums in Australia this year.

To get an across-the-board strategy under way, the partnership structure is often a barrier. "The important thing in law firms," according to Colin Jasper, strategy consultant for Beaton Consulting, "is not just making decisions, but gaining agreement on decisions so that they are implemented."

"We often see firms who spend an awful lot of time discussing and debating strategy, but nothing ever changes ... if individual partners don't buy into it, then it doesn't happen. The strategy development process needs to be an inclusive one, so that people understand and reach their own conclusions and therefore are committed to the strategy."

US legal marketing guru Ed Wesemann, who visited Australia earlier this year for presentations and workshops, told *LSJ* that he thought it was important for firms to support entrepreneurial business development with recognition and reward for individuals.

"The real issue," said Wesemann, "is



"One of the trends we are now seeing is a shift in the training and development budget, which historically has been focused on CLE, into other areas, such as client relationship management, rainmaking and those softer skills which actually play a large role in the success of lawyers": principal of Beaton Consulting, Colin Jasper. PHOTO: GREG BARLOW

that there's a transformation from marketing to business development. What that means is that just going through the motions of branding, having advertisers, having collateral marketing materials, that sort of thing is insufficient, to actually going out and getting business and managing that process."

In Wesemann's view, "Australian law firms have done a much better job than US firms in creating a market identity for their firm, as opposed to marketing individual lawyers within the firm. The cost of that has been that it's one of the reasons why you have a lot of panels and RFP (request for proposal) programs for the

purchase of legal services, that we don't have in the States, because of the branding of the lawyer we have there. In the US we think individual branding is a bad thing, but there's good and bad aspects of both".

Both Wesemann and his fellow-US marketing guru Mark Maraia stressed the importance of lawyers developing skills which generally aren't taught in law school: how to work collaboratively for the good of the team (Wesemann), and how to network productively – be good at rainmaking (Maraia).

Yet, on the face of it, Australian lawyers must be doing something right. A high

level of satisfaction of clients with their law firms is a feature of Beaton Consulting's Annual Professions Study 2006. The study measures client satisfaction with and performance of professional services firms, including accounting, actuarial, engineering and consulting firms. The study's report to its respondents reveals that the firms with the greatest levels of satisfaction were patent and trademark attorneys, closely followed by legal firms, with on average over 40 per cent of a given law firm's clients rating them as "excellent", from a survey of 10,000 consumers of legal professional services.

"The chances are that existing clients are fans of the firm, otherwise they would have walked," he said. "The other thing we found the hard way, by doing a lot of work for many firms over the years, is that the messages we would get would be very consistent. Most clients would say they are very happy with their existing law firm ... the things they would complain about would be that the firms weren't innovative enough, and that they cost too much."

Consultants' tips for small firms

Focus

"The most important thing is to focus. Focus, not necessarily to get bigger, but focus on a particular area of practice, a specific industry."

ED WESEMANN
Principal
Edge International

Everybody's job

"Marketing needs to be everybody's job – in a small firm every person needs to be generating revenue. Step into marketing at a pace you're comfortable with, perhaps with the help of a part-time consultant to bring in additional skills and expertise. It's about taking to the next level your ability to focus on your clients."

JENNIFER SMOKEVITCH
Managing Director
Roundtable Consulting

Go for a high score

"Think about what you can be particularly good at. If you imagine a dartboard and imagine mapping all of your prospects

way, it's no differentiation."

To improve upon such inward-looking, circular research, Jasper said the Annual Professions Study goes to the market as a whole, asking what is important to them as clients, and then exploring how firms are performing based on those client expectations.

"To answer the question: 'does client service pay off?', one of the things we often hear from firms is 'our profitability is strong, so why are you telling us our performance isn't?' In reality, it's intuitively obvious that if you are not performing well in servicing clients, you will not keep them. Attempts to improve profitability in the short term ... can have detrimental effects on your long-term profitability," he said.

Perhaps more importantly, there are lessons that lawyers can learn from other

on that dartboard, in terms of the types of clients, types of work, and how they overlap, what is at the black dot at the centre? The more you can pinpoint exactly what that is, the more it helps you focus on what your internal capabilities need to be, what you need your brand to stand for, what prospects you need to be talking to, and what's the communication message about your firm. The firms which succeed, in my opinion, have a very strong black dot."

COLIN JASPER
Principal
Beaton Consulting

Do the things that matter

"Principals of small firms should decide what they're going to do (in terms of specialisation), understand who they enjoy working with, try to segment their market by types of clients, find out what their clients care about, and do those things that can matter, that can make a difference."

SUE-ELLA PRODONOVICH
Principal
PTB & Associates

professions. Jasper is keen to share what clients appreciate: "Law firms can learn a lot from accountants and engineers. Accountants tend to be seen by their clients as more commercial ... The primary focus of accountants is to say 'how can we add value to this firm?' Lawyers often get lost in the detail of the legal matter, to the detriment of the business outcome, and the business outcome should be first and foremost with the legal supporting that."

Also: "Engineers score particularly well on things like practical judgment and cost consciousness, areas where they recognise that the services which they provide to their clients are an input cost to the products that their client provide. They look for ways to structure their offerings."

The voice of the marketers

A different survey perspective is pro-

vided by Jennifer Smokevitch, the managing director of Roundtable Consulting, a business consulting firm which, in collaboration with the Australasian Professional Services Marketing Association, surveyed marketers in professional service firms last year. Nearly half the survey responses were from marketers in law firms, made up of a mixed cross-section of different-sized firms. In some cases the legal marketers' responses differed from those in other professions. The survey identified four key gaps:

1. The alignment gap: 42 per cent of all respondents thought their firms' marketing plans were not strongly supportive of the longer term strategic goals of the business. Fifty-one per cent of legal marketers reported thinking that way.

2. The participation gap: only one-third of all service sectors reported that marketers participated in the strategic planning process, and nearly 15 per cent reported

no participation at all. The legal segment reported better participation than the average (but see below).

3. The planning gap: respondents thought that marketing planning was not pushing high enough nor deep enough. Thirty per cent reported no formal marketing plan at the highest firm-wide level, and 35 per cent lack plans for individual clients. (There was no great statistical difference here for the legal marketers.)

4. Measurement gap: a quarter reported that they were not measuring results at all. Nearly 80 per cent lack a rigorous approach to evaluating either return on investment or any longer term impact.

"In terms of having 'a seat at the table' on a regular basis and being a formal member of the strategic management team, the legal segment (along with the accounting segment) reported the highest gap, with only 30 per cent claiming that they did," Smokevitch told *LSJ*.

Rigour important in a large firm

THE LONG MARCH, IS HOW Libby Maynard, general manager of marketing at Phillips Fox, now DLA Phillips Fox, describes the transformation over the past seven years of integrating marketing into her firm's strategy. When Maynard joined the firm in 1999, Phillips Fox was in the throes of massive change, from a federation of branch offices to a fully integrated firm with a centralised reporting system, with all lines reporting to an executive which reported to a board. It was critical for the firm's continued success to integrate marketing from a local-office perspective to a firm-wide one. The consolidation required was necessary, but in no way easy.

Speaking to an Ark Group conference on strategic marketing for professional services held earlier this year, Maynard described the development in importance and credibility of a service firm's marketing role as a step-by-step one, from functionary (responding to 'do as we tell you') to assistant ('how can you help us?') to advisor ('how should we do it?') to consultant (what should we do?).

Maynard credits her predecessor at Phillips Fox, Kathleen Bailey Lord, as being a pioneer, who championed the marketing team's vision of it becoming a highly valued professional team making a significant and measurable contribution to the firm's overall business objectives, and made it a reality. This came about partly by changing the firm's perception of the value of the marketing team's role and contribution. The first year of the new regime in 2000 saw a lot of diagnostics and

analysis, using outside consultants where it made sense, to build a platform for strategic business-building.

The diagnostics involved a brand audit, a strategic review, a client satisfaction survey, and values workshops which led to a rebranding project and a focus on key clients. This "diagnostic and creation" phase lasted three years, and was followed by an implementation phase, in which the firm underwent a market repositioning, developing its corporate/commercial, financial services and government clientele and services, and developing and refining a key client program.

The marketing department, now approaching its full complement of around 30 staff, restructured so that it had marketing teams for each business unit, local office teams for each branch office, with centralised key account program and communications/graphic design teams, with a view to "baking them into the business".

"You need a dedicated project team focused on building the foundations of the core programs," Maynard explained, "otherwise the urgent will overtake the important." The year 2003 saw the marketing team engage in a process-mapping exercise, "looking at areas where we needed to develop logical processes to support the delivery of programs". A lawyer herself before doing an MBA and branching out into management, Maynard noted that, "Lawyers respond well to processes". The best client program has been "chunked" into a series of processes taking a life-cycle approach to the relationship: client planning, client listening, client team management and proposals.

Top of her team's agenda at the moment



After a 'long march', Libby Maynard, general manager of marketing at DLA Phillips Fox, is now focused on rebranding the firm as a global entity. PHOTO: PATRICK BYRNE

is behavioural change management. "We're spreading the word," Maynard said, "that 'we are fanatical about the client.'" To lift service quality standards, the firm has developed an interactive game approach which is employed to take everyone in the firm through the business plan objectives so that everyone has a consistent view of where the firm is going.

A more recent challenge for the team has been the firm's rebranding as part of a global group. "The rigour and process approach applied to date have prepared the firm for its new global service delivery," said Maynard of its exclusive alliance with DLA Piper, one of the largest legal services organisations in the world. □

Fixing firm focus

DENISE EASTABROOK IS THE chief executive officer of boutique firm The Argyle Partnership. When she joined it 12 years ago it was a much smaller firm, sending confused messages to clients and the market with its mixed practice areas. "It also offered cut-price conveyancing, but cut-price conveyancing and expensive premises in the CBD don't really gel," Easterbrook explained to *LSJ*. "When I got here, I decided there had to be a change – a practice and market focus was needed."

For its growth strategy, the Argyle Partnership settled on the expanding financial services legal market. Its legal practice areas, such as litigation and taxation, have been tailored to that industry. "We're much better known in financial services and accounting than we are in the legal industry," Eastabrook said.

Many managing partners reluctant about managing would no doubt relish having someone like Eastabrook in charge, focused on managing all the firm's systems, including marketing and client care. "One of our marketing strengths is that about 25 per cent of the work in the firm is cross-sold from another partner in the team. This is pretty consistent each week – we measure it," she said.

Eastabrook is strong on measurement and corrective action: "We recognise that client satisfaction is the lifeblood of our firm, which is why we survey our clients at least annually with questions on their satisfaction with our services," she said. The response rate is around 30 per cent, and Eastabrook can identify and follow up if there are any areas of dissatisfaction.

Financial services in-house legal counsel as well as accountants and financial advisers are a strong source of referrals to the firm. The firm hosts seminars and

Smokevitch followed up the survey with seminars focused on the question "Does marketing have a seat at the table?" in Australia's major capital cities, asking marketers how would they address the gaps the survey revealed.

Seminar participants recognised that marketers needed to engage in marketing on their own behalf. They also felt that they "really need leaders of the firm to be very clear about the vision and the strategy for the firm as a whole," Smokevitch told *LSJ*. "The first step to becoming more marketing-focused is to be clear about such strategy. Being marketing focused is really no more than being client-focused. Marketing can help in bringing discipline and rigour to how a firm focuses on their clients," she said.

There also needs to be clarity about



CEO of The Argyle Partnership Denise Eastabrook pays close attention to surveying the satisfaction levels of the firm's clients and taking corrective measures when necessary.

discussion groups for them, allowing the younger lawyers an opportunity to present updates on the law. The firm is also careful not to oversell to such referred clients. "We've got quite a good reputation for treating referred clients ethically by returning the management of the client to the referrer," Eastabrook noted.

Another strength is the scorecard reward system for partners. Points are awarded for cross-selling, knowledge transfer and mentoring, client-base growth, publishing and presentations to build and maintain the firm's market presence. Also recognised is product development, personal development, and maintaining the firm's quality assurance system. "Fifteen per cent of the points are for complying with the firm's policies and procedures," Eastabrook said. Certainly, it seems to be working – profit has increased by 16 per cent annually. □

what marketing's role is. "Depending on the firm's size, whether it is a national or local firm, etc, there can be a whole spectrum of what marketing can do ... it can be equally valid to say that marketing's role is just to manage events, but whatever it is, needs to be clear." Once the role and accountabilities are agreed, marketing must be empowered. "This will all help ensure that marketing is truly adding value, which is the outcome that both marketers and the law firm partners alike wish to achieve."

Smokevitch recognises that the cultural step, to relinquish a bit of control, is hard for some to take, yet her advice to law firm managers is certainly clear: "Deal with marketing professionals in the same way as you would like to be treated yourself, and seek their advice". □