

Keys to Key Client Marketing

By Alan R. Olson

Note: This article is the second in a three-part series. It can be read alone, or in conjunction with the other articles: "Keys to Building Key Clients: The Key Client Principle" (published in the February 2007 edition of this newsletter) and "Transitioning Key Clients" (to be published in an upcoming issue).

It is axiomatic that key clients should never be taken for granted in terms of the quality of legal work and client service that is provided to them. Therefore, before contemplating client business expansion efforts for key clients, the law firm and its personnel should first ensure an ongoing win-win relationship with those clients.

Provided that such a relationship is being maintained and nurtured, key clients can offer significant opportunities for further business development. The advantages are clear:

- The key client is already familiar with your firm and personnel. While additional decision-makers might be involved in business expansion, the contacts and access for additional inroads should be easier to identify and pursue.
- Your firm's favorable history with the client should be well known and effective in promoting additional legal services. Barring internal client politics, your current contacts within the key client organization will be good references for their colleagues.
- In a cost-of-sales sense, expanding, and even diversifying, your legal business with an existing client is usually much less expensive than developing a new client.

Conversely, there may be potential disadvantages, economically and strategically, to expanding a key client. Keep in mind that:

- The additional services being pursued should meet profitability standards.
- If revenues from an individual client expand too much and represent too great a proportion of total work, an individual lawyer, practice group or the firm itself can become vulnerable.

- The additional services, especially if they represent a diversification, should fit the firm's strategic direction and image. For example, a high-end litigation firm would not want to diversify into high volume collection work, even if it could be accomplished profitably.
- There should be confidence that landing the additional services from the key client will not jeopardize current services by too thinly stretching the firm's resources, or create problems, for example, by diversifying into areas outside of the firm's core areas of work, service or quality.

Marketing to Key Clients

The potential advantages in pursuing key clients for more business are generally well worth it, and with a strategic approach, outweigh the potential disadvantages. Following are five important steps for marketing to key clients.

1. Marshal Your Client Knowledge

At the outset, marshal your organization's knowledge of the key client and use it to full advantage. This should include a thorough knowledge of:

- all the services being provided and by whom in your firm;
- the client entities and divisions for whom you are providing legal services;
- trends in the volume of your services to the client, billing rates, revenues and other major factors;
- trends or changes in practice mix – the types of services you are providing to the client, and reasons for the changes;



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- client information, including products and services, business units, growth history, strategic and growth plans, geographic locations, types of distribution, ownership, decision-makers, etc.; and
- potential conflicts between the key client and other clients.

2. Identify Potential Additional Legal Business

Systematically differentiate between a key client’s existing and potential new business. In dealing with a single entity and management team, the objective might be to provide all of the organization’s legal services, to provide all routine legal needs, or to be the “quarterback” for a client’s ongoing legal needs. In these circumstances, expansion of services might be primarily tied to the client’s expansion, as well as to continually adding value to the services being provided — encompassing technical quality, service quality, and strategic counseling.

With diversified clients, the objective might be to provide a higher proportion of particular services, to provide all real estate-related services, or to be the client’s primary “go-to” law firm for its litigation. In other instances, the objective might be to become the primary law firm for one major business unit, and expand to become the primary provider of a core specialty to a second business unit.

While goals and objectives should be established before strategy, the planning process should not be monolithic. As demonstrated in the next section, determining your routes to, and strategies for, growth with a key client can be factored into and used to help identify opportunities for growth, additional goals and objectives.

3. Determine Your Routes to Expansion

Determining your foundation and your route to expansion is a valuable exercise, because it can suggest your

most rational marketing strategies, and can also be used as a checklist to identify opportunities. In the examples below, identifying decision-makers leads one to determine what additional legal services these decision-makers might manage. Networking leads one to determine what other decision-makers are known by current decision-makers, and what legal services these other decision-makers might manage. Determining the foundation and route to expansion will often involve one or more of the following:

- *Decision-makers* — translating your contacts and relationships with current decision-makers into more services
- *Networking* — leveraging your contacts and relationships with current decision-makers into contacts with additional client decision-makers, in different business units, departments, etc.
- *Service expansion* — providing more legal services of the same nature, in the same geographic region (adding market share)
- *Geographic expansion* — expanding the services you provide over a larger geographic region, into new jurisdictions or locales
- *Expansion via branch offices* — a subset of geographic expansion— using identification of your firm’s branch offices to suggest new services or delivery models for an existing key client (see matrix below)

- *Diversification of services* — providing new services in the same geographic region

Two-step or combination routes to expansion can also be strategized, such as diversification *and* geographic expansion — providing new services into a new geographic region.

The main significance of a route involving more than one factor is that it might add difficulty. It is more difficult to *both* sell new legal services *and* expand into a new geographic region, perhaps even with the same decision-makers.

4. Use Matrices to Chart Expansion

A matrix is a vehicle that can be used to help chart a firm’s opportunities for expansion with a key client. The example below is designed to help multi-office law firms systematically identify key clients with business operations in more than one geographic area. Note that, while most of the routes to expansion identified above are client-centric and begin with a key client, this example is firm-centric, beginning with the firm’s office locations and identifying clients that have operations in more than one geographic area, which might be better served, or expanded, using multiple offices to advantage.

The results of this matrix are only a beginning, culminating with potential targets and synergies. Once these are identified, individual client’s operations in various locations, their legal needs, corresponding capabilities of the firm to deliver services,

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Expansion via Branch Offices – Client Office Matrix			
Client	Smithville Office	Jonesdale Office	Bigcity Office
Client A	Operations in Smithville; we provide services	Operations in Jonesdale; we don’t provide services	Operations in Bigcity; we don’t provide services
Client B	Operations in Smithville; we don’t provide services	No operations	Operations in Bigcity; we provide services

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client decision-making structures for retention of counsel, competition and other factors will need to be addressed before and during strategy development.

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5. Develop Specific Tactics

As with strategic planning, the tactics — concrete activities designed to implement strategies — should be developed after establishing goals and objectives, assessing opportunities, identifying the routes to expansion and strategy development. In the matrix on page 4, the targeting information can be used:

- to introduce the lawyers and services of one or more additional offices directly to the client for local services;
- to expand overall representation by team-selling of two or more offices; and
- to cross-sell specialized lawyers from another office into a branch office locale.

Regarding Client A, the firm can explore direct introductions or cross-selling the lawyers and services by offices in both Jonesdale and Bigcity areas. In addition, if we assume for this illustration that the law firm’s largest office is in Bigcity, there may be specialty cross-selling of Bigcity office lawyers and services for Smithville-based client legal services needs. To the extent that other Smithville and Jonesdale offices have specialists, the latter strategy would be applicable for

them as well. The tactical decisions follow: do we introduce the lawyers from our other offices in a team sales call, at a conference, or prior to a regularly scheduled meeting?

Client B may have locally-based needs in Smithville, warranting introductions of Smithville lawyers and service capabilities. Smithville office specialists can be cross-sold. In general, the firm’s local presence can be touted as a commitment to the community. Local offices can be used for Client B meetings and even offered to Client B for off-site meetings.

Conclusion

Success in identifying, landing, serving and expanding client relationships is one way to realize the successful practice of law. It also reflects the complexity and demands of the successful practice, which is magnified in serving key clients. Fortunately, there is unity of purpose, and of function, in providing top-of-the-line legal work and service to key clients, in client service planning, in developing transition plans that can transition the mutually beneficial relationship — the win-win — into the next generation, and in marketing to serve key clients’ future needs. ♦

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