

## A FORMULA FOR WINNING BUSINESS

This article explains why the best way to retain clients and to win new business is to put the client at the heart of the law firm's business development strategy.

"The performance in the panel reviews was generally very poor. Most were mediocre and some were absolutely abysmal" intoned one General Counsel of a major international corporate summing-up the law firm panel review that he had recently undertaken. How had the prestigious law firms managed to get it so badly wrong? The General Counsel had no hesitation in pin-pointing the fatal weakness in their pitches: "most firms didn't really understand what it was that we were trying to achieve through the panel review...they didn't have a clear idea about what was important to us".

It is unlikely that lack of effort on the part of the pitching teams was the cause of the firms' poor performances. Darren Francis, a consultant specialising in bid and tender management estimates that firms will often spend over 100 hours preparing for a single pitch. It is more that firms' efforts may be misdirected. Whereas lawyers often assume that to win business they need to enumerate their firm's many services and technical capabilities, clients are more impressed by firms that spend time listening and take a keen interest in their clients needs. Given the constant pressure on individual lawyers and their firms to win business and the investment of time and money that each pitch requires, it pays for firms to take note of these typical client comments and to use them to refine their pitching and business generating skills.

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In order to be even considered for selection, a firm will have passed objective tests of capability. The client will have already determined that the firm has adequate skill and experience in a particular practice area or the requisite local presence. The selection will therefore be made from a pool of similarly qualified candidates. The client's decision will be made on softer, more ephemeral criteria, which can be reduced to one simple question: "do I want to work with them?" This does not have to be a matter of chance. By evincing the right attitude, the law firm can significantly enhance its likelihood of success.

The starting point, for the firm, is to understand why the particular client is looking to review its roster of legal advisers. A previous law firm relationship may have broken down or been conflicted out. The client may be looking for more competitive rates, enhanced value added services or a technical specialism. Perhaps all of the above – as one General Counsel commented of his recent panel review "it was interesting to see what people were prepared to offer and not just from a financial perspective". A firm that understands these motivations will be able to deliver a tailored and effective proposition which provides the solution that the client is seeking.

It may be harder to penetrate the emotions of the individuals leading the selection process but it is worth bearing in mind that the client may be unenthusiastic or uncomfortable with the process for a whole host of reasons. They may feel threatened by the need to bring outside experts into their realm, fear exposure of their work to outside scrutiny, and dislike ceding control. They may doubt that the law firms can live up to their promises and predict battles over fees. The more the law firm listens to the client, the more likely they are to be able to detect the client's sensitivities and earn their trust. As law firm management guru, David Maister says, "If I'm talking, telling you about my company and my needs, you're ahead: if you're talking you're losing".

**"A conversation will be much more successful than a lecture"**

A lawyer or pitch team tasked with providing a presentation to a potential client faces a dilemma. How should they fulfil this request whilst simultaneously following the advice to "listen rather than talk"? The answer lies in the manner of presentation which should be as inclusive as possible. Ideally, the lawyer or pitch team will distribute their materials to the client and then walk through the topics together, pausing to answer questions, rather than appearing to deliver a standard, pre-prepared speech. In fact, the way in which they handle any questions will make a far greater impression on the client than any recitation of law firm facts and figures. Although the dialogue should feel conversational and un-forced, the law firm can and should take time to prepare for the meeting, ensuring that they are well briefed on the client individuals and organisation, performance and sector. A conversation will be much more successful than a lecture and provides the lawyer or firm with the opportunity to demonstrate their understanding of the client's business and sector by asking pertinent questions and sharing ideas without presuming to teach the client his own business.

**"Hard sell techniques should be avoided at all costs"**

The firm should not expect to seal the deal during the meeting and hard sell techniques should be avoided at all costs. The client will normally need time for reflection and consultation before arriving at any decision. However, that does not mean that the firm should walk away from the meeting empty-handed or that all the impetus has to come from the client. A successful meeting is one in which some degree of progress is made. This could take many different forms such as the client agreeing to meet a partner from a particular practice area or to introduce the firm to a senior executive. Each of these small steps enables the firm to understand the client better and raises the firm's profile with the client.

**“The formula for winning business is, in essence, to take a client centric approach”**

The formula for winning business is, in essence, to take a client-centric approach. The beauty of this formula is that it can be adapted to suit any client from a global conglomerate to a government department and whether the decision making individual at the client is a Finance Director, a General Counsel or an IP specialist. Decision making panels respond equally well to the same techniques.

The methodology also holds across practice areas and client sectors. It does not matter whether an individual IP specialist is seeking to win new business for himself alone or as the client relationship partner for a broader, firm-wide relationship. One lawyer at a global elite firm noted for its corporate and banking practice groups recently commented on the role that specialist departments, such as IP, can play in securing new clients for the firm. She had observed that large corporate and institutional clients might “start cutting the cord” from their old firms on a discrete, specialist piece of work as a prelude to moving the relationship wholesale.

The client-centric approach should be applied whether the law firm is targeting a totally new prospect or hoping to maintain an existing relationship, either through a formal tender process or via more informal channels. It is all too easy to focus on obtaining new clients at the expense of existing clients. A lawyer at a UK magic circle firm described how the firm had come close to losing a major investment banking client because “they had the impression that we weren’t interested in them”. However, looked at rationally, targeting new relationships at the expense of the old does not add-up. David Maister has written that the cost of developing new business is estimated to be between 4 and 7 times higher than the cost of developing business from an existing client. Therefore, taking the time to think about and listen to what existing clients really want makes very good financial sense.

The best way to retain clients and to win new business is to put the client at the heart of the law firm’s business development strategy. Lawyers are recommended to get to know as much as they can about their clients, to demonstrate their interest in their clients and to listen to them at every opportunity.

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