Dear Reader:

This month our articles focus on marketing. We would like to welcome Suzanne Lowe as a new contributing author. Her article, *Transforming Your Law Firm Into a Competitively Effective Marketing and Business Development Engine*, outlines a program for transitioning a law firm's culture and practice into a business-market-focused organization. Trey Ryder also returns with an article, *Attorney Marketing: Define a New Niche to Seize a Big Competitive Advantage When Marketing Legal Services*, in which he lists specific steps on how to begin to develop and market a niche-based practice.

Other management tidbits are included in the News Releases, Book Notes, Management Miscellany and Product Notes sections.

We thank our authors for their contributions. Contributions from outside authors will continue to be the foundation of the journal. While submissions from outside consultants and academia serve a key educational role and are vital to the journal, submissions providing solutions to the day-to-day problems of managing a law practice are also important to our readership. I would like to see more articles, or short solution briefs, from lawyers, administrators, office managers, and other law firm professionals involved in the day-to-day management of law firms. I welcome any suggestions that you may have concerning additional improvements to the journal.

Enjoy the journal.

John W. Olmstead, MBA, PhD, CMC

Editor-In-Chief
In the economic models of yesteryear's law firms, a group of like-minded practitioners could hang out a shingle and enjoy relatively untroubled, satisfying careers.

The leaders of today's professional service firms—law firms included—though, are becoming aware that they must transform their partnerships into real businesses in order to survive and thrive. Often, this epiphany surfaces when the enterprise faces an economic recession, unexpected competitive encroachment, or the departure of a big client, rainmaker or practice.

The most critical mandates for a grown-up company are to make meaningful marketplace gains, grow the “right” revenues, and continuously improve the value proposition for clients. In order to accomplish this mandate, managing partners and executive committees must transform their organizations into competitively effective marketing and business development engines.

There are four main factors that can guide a law firm to transform into a real business.

Diagnose first, verify with facts, and develop solutions later. Law firms often feel tremendous pressure to hurry-up their responses to significant marketplace shifts. But making organizational changes is hard enough without first discerning—and confirming—the enterprise's real barriers to change. When I started researching and writing The Integration Imperative, I was at first overwhelmed by the breadth of people's opinions about why their marketing and business development functions weren't as effective as they could be. It was only after grouping their thoughts into logical categories that I was able to see a set of patterns, verify them with facts, and envision potential solutions. (For an online tool to help you diagnose your firm, see www.expertisemarketing.com/integrationimperative/assessments.)

The leaders of today's professional service firms—law firms included—though, are becoming aware that they must transform their partnerships into real businesses in order to survive and thrive.

Remember the combination of structure and culture. Transforming a law firm into a real business will require an overarching look at the organization's structure (tools, processes, or policies). Transforming into a real business also requires a dispassionate look at the enterprise's culture—its informal customs, norms and standards—and unabashedly redefining them. Real businesses aren't afraid to redefine the meaning of "the way we do things here."

Think about functions. Law firms sell the collective brain power of their people. This focus on people, while understandable and laudable, has prevented many leaders from thinking about their firms as businesses. Tomorrow's successful professional enterprises will harness people according to the functions required to gain market share and compete effectively. Real businesses do this well, including reconfiguring reporting relationships, functional accountabilities, and reward structures.

Reconfigure, on three dimensions. Transforming into a real business will require executive managers to address their firms along three dimensions:

* The left-to-right dimension is manifested in a firm's processes. In what ways could professional firms improve their management of the
handoffs in selling and other processes?

- The bottom-to-top dimension addresses the way professional organizations develop their individuals’ skills. In what ways could they improve the competency growth of every person, so that each individual (regardless of seniority or function) becomes more effective at growing the firm’s market share or value proposition?

- The diagonal dimension is manifested in a firm’s management of its support structures. Professional firms rely heavily on a pleasant but ultimately unreliable network of personal relationships that accounts for the firm’s marketplace progress. In what ways could these enterprises formalize their support functions’ “diagonal” sharing of accountabilities, for example, between marketing and IT, or finance and human resources? How about between nonrevenue-generating administrative functions and revenue-generating practitioners?

**How Does a Real Law Firm Transform Itself?**

Baker, Donelson, Bearman, Caldwell & Berkowitz’s story is a good example of how a law firm can transform itself into a real business. The firm developed two new personal productivity programs to help attorneys gain a sense of accountability and improve their skills in marketing and business development. This story illustrates how attorneys can not only be expected to gain skills (that’s the easy part!), but also to grow a shared sense of personal accountability for the firm’s marketing and business development functions, and to be monitored as they achieved their new goals. The direct result was higher billings for attorneys who participated in the programs.

**Diagnosis: When Overachievers Underproduce in Marketing and Selling**

From 2002 to 2007, through mergers and acquisitions, Baker Donelson more than doubled in size. The skills and experience needed to generate leads and grow revenues varied widely among the firm’s newly incorporated professionals. They simply didn’t know each other well enough to market and sell business together as effectively as they could.

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Moreover, Baker Donelson’s most senior attorneys—even as talented as they were—weren’t as productive in marketing and selling as they should have been. “Many of our most experienced attorneys had gotten set in their ways and were not experiencing the same growth in their books of business as they had experienced in years past,” commented Jerry Stauffer, the firm’s chief operating officer.

In 2006 the firm embarked on a joint initiative to help all these professionals improve their delivery of excellent client service, time management, and business development. Called PracticeAdvance, the program offers year-round training classes to all attorneys at all levels. The monthly sessions focus on how to build relationships with clients and improve individual marketing skills and how to become more proactive in seeking new business for the firm.

Within the first 12 months of the PracticeAdvance program, more than 350 attorneys had participated. After each program, a survey was submitted to gauge the overall response to the program. The comments were incredibly positive. One lawyer stated: “The program today caused me to rethink the way I manage my contacts and the importance of keeping those contacts up to date and staying on top of how often I am interacting with each client, referral source and prospect. Thanks for the idea!”

In 2006, Tea Hoffmann (now chief business development officer), went to COO Jerry Stauffer to suggest an extension of the PracticeAdvance program. Hoffmann believed it was time for the firm to develop an initiative to enable Baker Donelson attorneys to work together more effectively to market and sell.

She asked Stauffer for funds to take the firm’s senior attorneys through her customized version of the FranklinCovey “7 Habits™” and “FOCUS™” programs. They agreed the program would be voluntary, available to attorneys who wanted to increase their personal and professional productivity. They developed a six-month program called “20 Over 40,” and geared it toward twenty senior-level attorneys aged 40 and older. Almost immediately, the participation roster swelled to four groups of about 20 each, with a waiting list.

**Combining Structure And Culture**

The program began in October 2006, and featured some
clearly defined rules. Everyone was required to attend a class on how to obtain “focus” and develop goals. Each participant was asked to develop two professional goals and one personal goal in conjunction with a randomly selected “accountability buddy” who was also at the retreat. The goals were then shared with the rest of the group. Each goal had to include a fully developed plan of execution and designated timelines.

The training was intense. Attorneys revealed many of their personal aspirations to the entire group, and in most cases many of them were meeting in person for the first time. This cultural bonding experienced by the entire group was perhaps one of the most beneficial outcomes of the entire program.

There were structural aspects of the program too. Once goals were set and openly stated, the accountability buddies were selected. Progress was measured monthly. In addition, participants had to attend monthly training and refocusing classes and receive personal coaching from Hoffmann on how to keep on track.

Examples of the positive impact of Baker Donelson’s “20 Over 40” program include:

- An attorney who set a professional goal of personally visiting existing clients, for no reason at all, conducted more than 30 visits during the course of the six-month program. In doing so, he opened up 13 new matters and received two referrals for new business.
- An attorney decided he wanted to launch an International Franchise Association (IFA) networking group for the state of Tennessee. He worked with one of the firm’s marketing professionals to set up a series of events to facilitate franchise leaders’ discussions about current industry topics and to help them access valuable educational opportunities. More than 30 people came to his first IFA meeting, and only 13 were existing clients. He now offers these sessions once a month to five offices within the firm and averages more than 50 attendees per month. He has built his book of business to nearly $1 million a year with this new focus.

A female attorney, who had recently joined the firm after serving as general counsel for a publicly traded company, found the road to rebuilding her book of business more difficult than she had anticipated. The program allowed her to meet attorneys throughout the firm and share her expertise. Within a few months, she was not only able to meet her goal of rebuilding her book of business, but also gained referrals from members of each of the 20 Over 40 groups that enabled her to meet her productivity goals sooner than expected.

**Integrating a Firm’s Functions**

Baker Donelson also experienced the positive effects of the shared accountabilities between the firm’s revenue-generating attorneys and its nonrevenue-generating marketing and business development professionals. Marketers and business developers gained a better understanding of the business world in which their professionals operated. The lawyers learned how to better support the firm’s marketing initiatives. And they gained a greater appreciation of the value provided by their nonrevenue-generating marketing and business development staff.

For example, while most of these talented lawyers knew of the firm’s competitive analysis abilities, many had gotten lazy about researching their existing clients and prospects. One program session featured Baker Donelson’s competitive analysis manager, who did a report on one client or referral for each participant. Working with their accountability buddies, participants were asked to look for one “unexplored” opportunity and develop a plan to explore that opportunity.

**Reconfiguring on Three Dimensions**

Baker Donelson’s “20 Over 40” program simultaneously addressed three critical dimensions that factor strongly in a professional firm’s transformation into a more competitively effective business: its left-to-right process handoffs from a marketing initiative to a selling initiative. Even more compelling, it combined the bottom-to-top dimension of growing people’s competencies with the diagonal dimension of shared accountability among attorneys and the firm’s nonrevenue-generating marketing and business development staff.

“The program greatly exceeded my expectations,” said Stauffer. “Not only did more of our lawyers participate than I expected, but the level of genu-
ine enthusiasm and deepening of personal relationships was something truly unique.”

In their six months of participating in the program, this inaugural group of “20 Over 40” members increased their revenue productivity by nearly $3 million compared with the same six months of the previous year.

Transforming into a Competitively Effective Marketing and Business Development Engine

The bottom line: the services marketplace is maturing, and many recognized professional sectors, including law, are recognizing this shift. Are you ready to transform your law firm into a real business, with an effective marketing and business development engine?

It will soon be a competitive imperative.

Suzanne Lowe, the president of Expertise Marketing LLC, is the author of two books for leaders and marketers at professional service firms: The Integration Imperative: Erasing Marketing and Business Development Silos—

Once and For All-- in Professional Service Firms and Marketplace Masters—How Professional Service Firms Compete to Win. For more information see http://www.expertisemarketing.com.

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