

Which Metrics Matter the Most?

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By Adrian Dayton



Marketing partners and chief marketing officers gathered in Miami in January for the Marketing Partner Forum. The most popular session was about metrics — standees packed the back of the room, demonstrating firms’ desire for a firmer grasp on which metrics to watch and which to ignore.

My tablemates and I had no trouble compiling a list of two dozen metrics being measured within the law firms represented. Billable hours, non-billable hours, profitability, collections, profit margin — the list went on and on. Some seemed obviously important, other trivial. Which really matter the most?

Steve Bell, chief client development officer at Womble Carlyle Sandridge & Rice, proposed the following: “The amount of time in face-to-face meetings with centers of influence, prospective client and, especially, clients” offers the best prediction for business development success. “The No. 1 way that buyers find lawyers is via relationships,” he said.

Yet the amount of hours spent on client development is the most overlooked metric at law firms, according to Bell.

Not all hours spent on business development are created equal, though. That point was driven home by James Stapleton, chief marketing officer at San Francisco’s Littler Mendleson, who moved to the legal industry from accounting years ago. He brought with him a devotion to finding and measuring the right metrics.

Stapleton has devised a graph that assigns a numerical value (from one to seven) to distinct marketing activities on the X axis, and then shows the effect on new business on the Y axis. When a lawyer spends time developing brochures and marketing materials, that is worth one point; an hour pitching a prospective client is worth seven points. This chart illustrates the direct correlation between high-scoring activities and rainmaking success.

The most important factor is much simpler, however. “An attorney must ask for the business,” Stapleton said. “Clients want to be asked, and asking clients is a function of pursuit. Clients want to be pursued. Many, if not most, attorneys confuse the relationship and try to turn it to the reverse — their ego gets in the way and they want the clients to pursue them. It doesn’t work that way.”

How to measure this “most underrated, most overlooked” metric? When Stapleton entered legal marketing, his mentor explained that the vast majority of lawyers neglected follow-up. “But substantial relationships often took more than a year to develop and close, so follow-up was particularly important. We would not go more than five weeks between contacting the client and adding something of value to them.”



Since 1986, Stapleton has measured “follow-up frequency,” expressed as a percentage of follow-up activities that attorneys plan and execute. “If they complete at least 2/3 of their follow-up activities, the results should be substantial,” he said.

Silvia Hodges, director of research services for TyMetrix Legal Analytics and adjunct professor at Fordham University School of Law, prefers a more client-focused approach, the “net promoter score,” obtained by asking clients to report on a 0-10 scale whether he is extremely likely to hire you

again or not at all likely. A high net promoter score means you're keeping clients happy and earning referrals.

Which option is your firm using? If you lump all business development into the non-billable hour column, you have what I call a "measurement problem." Talk about a disincentive to business development!

There is a saying in management circles that what gets measured gets managed. Firms need to avoid less productive metrics like non-billable hours and start measuring hours spent on business development, follow-up frequency and quality touches with centers of influence.

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