

Managing partners appreciate Strategic role of marketing department

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A law firm or law office managing partner wears many hats. Some managing partners are able to dedicate themselves full time to leading the law firm, but many others fulfill management responsibilities on a part-time basis while also representing clients.

Anything that a marketing professional can do to decrease the load that rests on the shoulders of these busy individuals is greatly appreciated.

The Great Recession of the past few years has greatly affected not only the relationship between lawyers and clients, but also the relationship between managing partners and law firm marketers.

With law firm operating budgets under the knife, short-sighted law firms have cut marketing staff and programs. Savvy law firms, on the other hand, have taken this opportunity to re-energize their strategic marketing function.

“Industry-wide, we saw a drop in demand of 24 percent in the fourth quarter of 2008,” said Kenneth Lund, managing partner of Denver-based Holme Roberts & Owen (www.hro.com). “In that kind of environment, you are not able to raise rates to make up the difference. By responding quickly, we stabilized the firm and focused on our core practices and market demand -- and aggressive marketing activity to meet that demand.”

“Usually, when the economy suffers, businesses become more contentious and we see a rise in litigation,” said Cole Finegan, managing partner of Hogan Lovells’ (www.hoganlovells.com) Denver and Boulder offices.

“This time, the economic devastation was so complete that clients pulled back everywhere,” said Finegan. “On the bright side, we are starting to see a pick-up in corporate work. Cautious clients who have been sitting on their cash are once again looking for deals. We also anticipate growth in regulatory work surrounding the growing field of alternative energy.”

“Our firm saw little change in the *amount* of litigation,” said Tiffanie Stasiak, partner in charge of the Denver office of Lindquist & Vennum (www.lindquist.com) and chair of the firm’s construction litigation group, “but we did see a change in *what* the litigation was about, and *how* it was resolved. When we met with our clients, after the economy turned, our rate structure became very relevant.”

“In the area of litigation,” said Lund, “our clients are pushing back not only on rates, but also on how we plan to manage their cases. They want to see a much shorter case lifecycle – with early evaluation, rapid resolution and reduced fees.”

This panel of law firm and law office managing partners discussed the economy and what they expect from their marketing departments at the monthly educational program of the Rocky Mountain Chapter of the Legal Marketing Association (www.legalmarketing.org/rockymountain), held Nov. 9 at the Ritz-Carlton Hotel in downtown Denver.

The panel was moderated by Lisa Simon, chief marketing officer at Brownstein Hyatt Farber Schreck (www.bhfs.com).

Marketing less tactical, more strategic

In this economic climate, elevating the role of marketing and business development from reactive afterthought to proactive strategic weapon is essential. The successful marketing professional will generate good ideas based on the marketplace and advocate for these ideas at the management and practice group level. “Don’t come to me or these decision-making bodies with a list of problems,” said Finegan. “Come to us with solutions.”

“Marketing played an important role in our strategic planning and execution during the economic downturn,” said Lund. “Over the years, we had gotten soft about how we used our resources. When these resources became limited, marketing helped us focus on (and compete strongly within) our core practices. During troubled times, it is important to think of marketing not as an expendable cost center – but as an enhancement.”

“Hogan Lovells is a global law firm with 2,500 lawyers located in branch offices around the world,” said Finegan. “Just one-quarter of these offices are located in the United States. In Denver, our marketing staff helps us focus on what we do best – and then ‘sell’ these unique services to Hogan Lovells’ offices and their clients around the world. We have made ourselves successful as an ‘exporting colony’ that is much beloved by the ‘mother country’ in Washington, D.C.

“We market internally to our 44 offices as well as externally to the world of clients in need of our unique services – like energy law,” said Finegan. “Our energy expertise is a hot commodity not only in Colorado, but also in Beijing and other energy markets. At a recent retreat attended by 600 firm lawyers from around the world, marketers at the Denver office created a placemat for each place that listed our energy lawyers.”

“Lindquist & Vennum is a 180-attorney law firm headquartered in Minneapolis,” said Stasiak. “Our Denver practice has 21 lawyers and focuses primarily on commercial litigation, construction, insolvency and restructuring. As partner in charge of the Denver office, I rely on Minneapolis for marketing support on an as-needed basis.

“Too many lawyers can’t see the value in marketing because they do not understand legal marketing,” said Stasiak. “It is up to you to enlighten them. Come to us proactively with a recent newsworthy development in our area of the law – along with a plan for a useful seminar on that development we can present to our clients. Execute the seminar flawlessly. Now, you’ve concretely demonstrated the value of the marketing department to your internal lawyer/clients.”

Miscellaneous comments from managing partners

Alternative fee arrangements -- The jury is still out. In an hourly fee arrangement, there is no “upside” for the client. Clients want to discuss arrangements that benefit both parties – up front but also during the course of a representation. Emphasize effectiveness and efficiency over billable hours.

Associates – Associates are a mixed bag. On the one hand, they are more focused on themselves, their families and their lives outside the office. They are more likely to attend networking events that are age-appropriate. On the other hand, they are more likely than their older colleagues to be interested in and support the “business” side of a law firm – and the marketing endeavors that are part of running any good business.

Budgets -- Clients must live within their departmental budgets. When we blow our budget, they blow their budget. As a result, clients want predictability. Unfortunately, lawyers are lousy at budgeting. Project and budget management is the “next big focus of improvement” between clients and law firms.

Client service interviews – CSIs are absolutely the best way to find out what your clients want in the areas of skill and service – and then give it to them. We have been unbelievably impressed. “We’ve done more than 100 CSIs over the past few years with our law firm clients. Watch out, because now we are starting in on YOUR clients!”

Future – More mergers, bigger law firms, more global law firms.

Priorities – Marketing and business development priorities are a moving target. You can meet weekly or monthly to measure progress and priority, but there is always going to be a crisis or special need (one lawyer who is feeling slighted) that wreaks havoc with your calendar. The trick is to solve this problem and get back on track as soon as possible.

Sales – Local law firms are not seeing a “sales” function separate from marketing and business development. “The lawyer/client relationship is still relationship-based. It is very difficult to artificially insert a third party into that relationship process.”

Social media – Panelists use and see the potential, but feel “over-socialized.”

In summary, legal marketers can lighten the load for managing partners by devising a focused, strategic marketing plan; building and maintaining a firm-wide image; skillfully obtaining firm-wide buy-in for marketing initiatives; and putting plans into action in a way that makes each lawyer at the firm feel like your most important client.