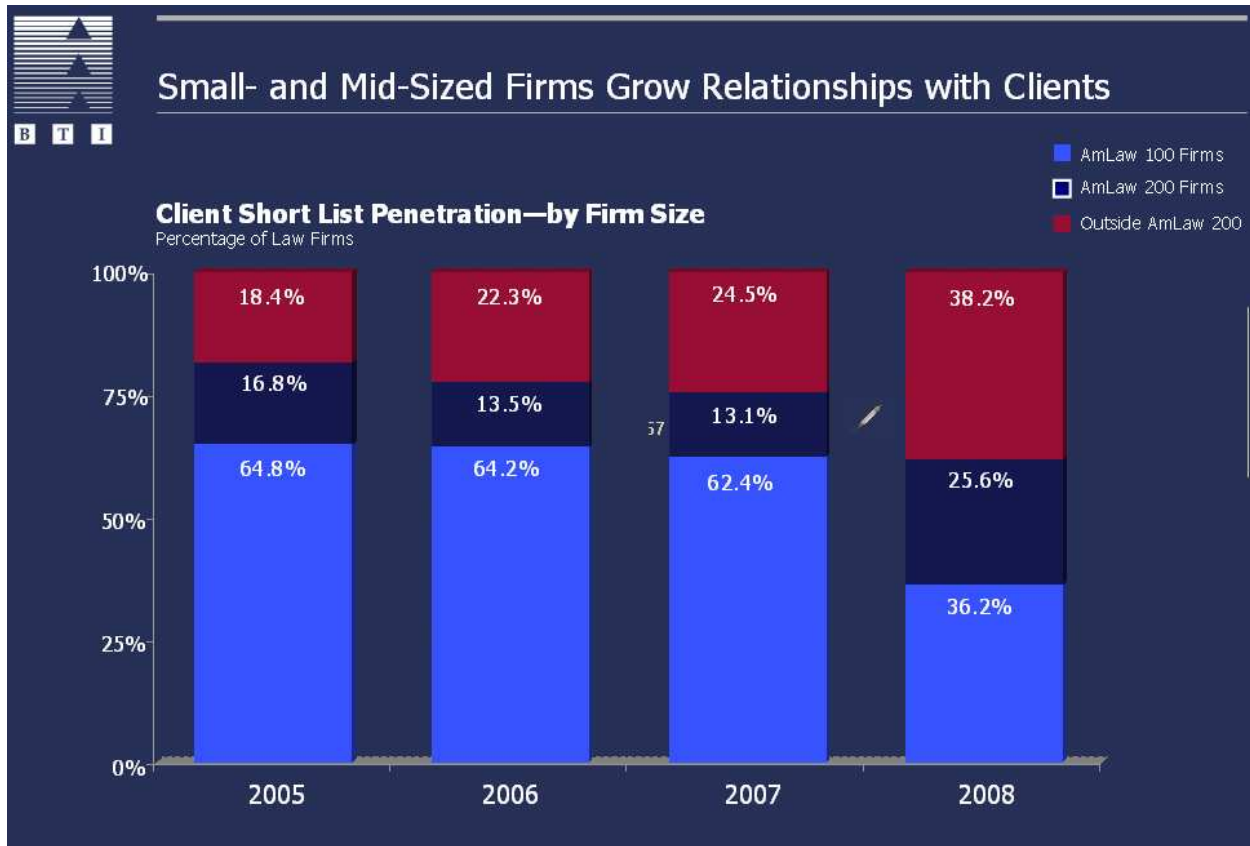


### Premeditated Business Development

By Larry Bodine

A new trend is underway in the legal profession: lawyers in smaller and mid-size firms are successfully luring away prize clients of large law firms by using what I call premeditated business development. Every business client already has a law firm, and during the recession, one successful way to prosper is to take advantage of weaknesses in the relationships that competing law firms have with their clients.



“In 2008 small and midsize firms increased their presence on corporate ‘short lists’ from 24.5% up to 38.2%. This is a staggering change!” said Michael Rynowecer of The BTI Consulting Group in Boston, reporting on new research in [BTI Premium Practices Forecast 2009: Survey of Corporate Legal Spending](#). “For a GC to bring one firm in is really quite easy; there is no shortage of law firms marketing to them or venues to meet law firms. But the big change is in the GC’s mindset: the corporate counsel we surveyed said, ‘I will open my pocket book to hiring small and mid-sized firm.’”

Rates are a factor, according to the new research: 62% of GCs are not happy enough with their primary law firm enough to recommend them. “The ability to deliver value is main reason a GC will recommend a law firm. The thing that hurts major law firms is that clients see the \$165,000 starting salaries for big law firms. If client can see value, they will try a lower-rate law firm,” Rynowecer said.

Please note that I am *not recommending* violating ethical restrictions on direct contact with a party already represented by a lawyer, or unethical solicitation. Instead I am talking about the context of

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RPFs, where lawyers proffer and respond to requests about their capabilities, trade association meetings where a lawyer will naturally meet corporate executives and corporations that hire numerous law firms, big and small. In fact, your target may already be your client, which has engaged numerous law firms to handle its other legal affairs.

In a bad economy where there will be winners and losers, there are several premeditated approaches. Here are four.

**Probe for weaknesses in relationships that other firms have.** According to a 2007 BTI report, “Key Trends in Client Relationships and Satisfaction with Law Firms,” 61.1% of corporations had replaced at least one of their primary firms in the preceding 18 months. You can take advantage of this turnover and churn. When you meet with a prospect, the best way to sell legal services is not to “pitch” your credentials. Instead it’s better to *ask questions* a client’s business issues. In the course of a conversation, you should ask which law firms the company is using and inquire whether they are totally happy with their current law firm. This is your chance to inquire if there are any pricing or service problems with their current law firm. A good way to prepare is to read the news and seek a company that lost a case or failed to close a deal – they will be very unhappy clients who will be looking for a new law firm.

**Target the clients that have been with another firm for less than one year.** This is a time when the relationship with a new client is most tenuous, because the client will expect tip-top service and perfect results. Not enough time has transpired for the client to feel bonded to the law firm. Before the competing firm’s relationship is set in stone, an opportunity exists for you to inquire how the relationship with the competitor is going and whether the prospective client would like a second opinion on an aspect of the competitor’s work.

**Target clients where the lawyer or the client is about to retire.** Conduct an online search of all lawyers over age 60 or 65 in your service area, because the lawyer may be ready to retire. Chances are, the senior lawyer is the primary contact with the client, and when he or she departs the client relationship will be up for grabs. Incisive Media (formerly ALM or American Lawyer) collects voluminous information on the 200 largest law firms in the country; these are the competitors where a lawyer at a small or mid-size firm should look for aging partners. (Think of a wolf pack on the hunt – they always seeking out the very young and very old as targets.) If you have the budget, you can use the competitive intelligence services of LexisNexis AtVantage or the Thomson Monitor to actually look up the clients of a particular lawyer at a major law firm. In any event, lawyers are a tightly-knit community and you can make inquiries among your own clients, referral sources and friends to learn the senior lawyer’s clients. The next step is to create a situation where you can get face-to-face with the oldster’s clients. Simultaneously, look for senior GCs and executives at a target corporation. If the person is reaching retirement age, his or her successor will be looking to revise the list of law firms the company uses. This actually happened to a law firm that called on me to advise them – they had a 20-year relationship with a company executive who sent them nearly all the company’s work, and the law firm lost the client when the executive retired. It was the law firm’s No. 1 client.

**Target the clients of law firms where the profits per partner are going down and firms with partner defections.** Again, Incisive Media publications like *The American Lawyer* and Law.com focus on law firms that are in a tailspin. Start with Law.com’s [“Layoff List,”](#) which listed 47 major law firms as of mid-December 2008. These are weakening firms that have suffered financial setbacks because have service issues and can’t charge or collect their usual rates, they have a breakdown in internal management, or

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they have highly-paid lawyers with not enough work to do. Chances are good that there are service issues as well, because lawyers at a firm in turmoil will forget to call back clients or spend any time visiting clients. Again, check [www.Martindale.com](http://www.Martindale.com) or any of the numerous online sources and learn the clients of these law firms – they will be looking for stability, personal service and a better rate – all of which you can provide.

A final note: premeditated business development works both ways. You can be sure that your very best clients are the targets of the hungry major law firms. Be certain that your own client relationships are solid.