

Budgeting for Legal Marketing in the New Year

By Les Altenberg

Most of us begin 2013 with hopes and plans for a *big* year in terms of generating new business, more revenue and greater profit. With that however, comes the unavoidable task of determining how much should be allocated for the law firm's marketing function.

There are several ways to answer this, the most common being the standard 2-5% of the firm's anticipated revenue. However, much more effective is to take a *task* approach in which the firm's marketing budget becomes a function of its objectives.

In taking such an approach, it is important that several difficult questions be addressed:

1. Are the marketing activities designed to generate new clients over the short term only or should some of the funds be more long-term focused? This will dictate the types of activities utilized and the relative costs involved. For example, a new firm brochure or web site may not get the phones to ring immediately, but can set the stage for significant success down the road.
2. How are *resources* being defined? If it only includes dollar outlays, then certain marketing vehicles such as search engine optimization and social media may make good sense. If the term "resources" is broadened to include "time," then the drain on manpower may make such activities prohibitive. (Of course, an outside service can be handled to manage these efforts, thus again skewing the allocation of resources to being more dollar-focused).
3. Is the concept of *frequency* being taken into account? Generating awareness and new business requires that prospects be continuously exposed to the firm, and often through a multiplicity of channels. To do anything less is money wasted.
4. Will a *better* year only be a function of obtaining new clients or will it also be a function of higher rates and/or the cross-promotion of firm services? Both initiatives may require investments of time and/or money.

Ultimately, once the determination is made as to a) the firm's objectives and b) the strategies it will employ to reach these goals, only then can the specific dollar amount (and or internal costs) required to achieving them be determined. The budget allocation of 2-5% of firm revenue is really only a guideline. Actual budgets must look at a wide range of variables, including the current image of the firm and the level of its awareness it enjoys among its target group.

Les Altenberg is the President of A.L.T. Legal Professionals Marketing Group, which provides integrated marketing services to law firms nationwide. He can be reached at 856-810-0400 or online at laltenberg@LegalProfessionalsMarketing.com.

