

Making Cross-Selling - Yes, Cross-Selling - Work

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Cross-selling can be a gold mine for your practice, but it is an elusive goal at many law firms. **The idea is simple: to interest clients of other partners into using you for a new area of legal counsel. But the devil is in the details**, for common obstacles often keep cross-selling plans from succeeding. This article is about how you can succeed.

Caveat: Cross-selling is very difficult if your firm has an eat-what-you-kill compensation system or does not give an origination credit if you open a new file for another partner's client. In these situations you need to work out an informal credit-sharing arrangement with the partner you plan to pair with in cross-selling.

Making introductions

The best way to get a referral from a partner in your firm is to give one. The introduction you make to your partner comes with an invisible attachment: a sense of obligation to return the favor. You need to give in order to get.

Introducing your partners is not only a good business development strategy, but it's essential to keep your current clients. **If you are the only partner involved in the legal affairs of a client, the odds are that you'll lose the client within two years unless you bring in additional partners.** According to the Redwood Think Tank, clients represented by a single partner have a +40% attrition rate. The attrition rate drops to 30% if two or three partners are involved. And the rate drops to 20% if four or more partners are involved.

Preparing Yourself to Originate!

- Get active. The opportunities don't just arrive because they should.
- Make sure your firm recognizes the value of multiple services to clients and sets the rewards accordingly
- Do your homework before approaching clients or partners. Don't expect them to
- Look to be helping, whether it's your colleague or a client. It's not about what you want to sell; it's about what they need for their own success.

As Kris Satkunas of Redwood notes, "the more varied the legal services provided to a client, the less likely they were to leave. Less than 15% of clients using the firm for three areas of law left the firm in that same time period, and less than 5% of clients that had retained the firm for four or five areas of law ceased using the firm. "

And the corollary is that the longer you keep a client in this way, the less attrition you'll see. See the chart at the end of this article, and for more about the study see "Client Attrition Analytics: Firms Can Control Whether Clients Stay or Go" at <http://tinyurl.com/2w9zrb>.

Client research

Before you make any introductions, you need to research in advance what the business problems and legal needs of your clients are. No executive or in-house counsel wants to go to meeting where you say, "Here's my tax partner. Do you have any work you can send him?" Believe it or not, this actually happens.

The better approach is to Google the client company and read the trade magazines about it.

- Are they expanding? They might need help with incorporating new businesses or writing a shareholders' agreement.
- Has the company hit hard times? They'll need a bankruptcy or workout lawyer.
- Are their vendors not paying them? They'll need a contract lawyer who knows how to enforce them and who can execute on judgments.

Look for your mirror image

You can overcome a major obstacle by taking the trouble to know what your partners do and whom they represent. Most lawyers have a vague idea of exactly what their partners do. Look for a lawyer who is your mirror opposite – someone whose practice you complement. For example, if you are a transaction lawyer, look for a litigator. If you are a real estate lawyer, look for a finance lawyer. You can team up with partners who complement your practice and go hunting together. The point to remember is that cross-selling happens in pairs.

Continue this line of reasoning by visualizing who – what kind of person – your ideal client is. For example, a lawyer I'm advising in Illinois says they are "little old ladies" who just love and trust her, and give her estate planning work. Another lawyer in Denver says doctors are her ideal client, because most of her family works in medicine or nursing. Investigate which of your partners represent the same kind of people, because he or she will be an ideal cross-selling teammate. You are both looking for the same kind of person, but seeking to help the person in different ways.

An excellent way to carry out this approach is to join a trade association of clients together.

Be premeditated about this – don't just go to the meeting and hope you'll randomly meet a prospect. Instead, get the association member list ahead of time, and yellow-highlight people

you would both like to meet. This way when you attend the meeting, each of you is *looking* for someone in particular. As soon as you and your partner enter the meeting, immediately split up. Do not stand together or sit at the same table. Find your targets and ask them questions about their business. You can each say positive things about the other partner. You should also keep your ears open for ways your partner can help the potential client. Afterwards, meet to debrief, recount whom you met and what you talked about. Be sure to copy the information on the business cards you've collected into the "Contacts" folder of your Outlook email program. This way you can search your contacts and find the information later. Finally, follow-up – the *opportunity* for new business comes in the meeting, but the *money* comes in the follow-up.

Listening your way to new business

It goes without saying that before you approach a client about cross-selling, they must be completely satisfied. Really. There can't be an unspoken complaint about an associate, a bill or your responsiveness, or else you are wasting your time. Begin the conversation by asking your client what you could be doing better to serve him – and they'll be delighted to tell you.

Next, ask your client what changes are going on at the company. Science has found that no one can read minds, so you'll have to ask questions to find out what's on the other person's mind.

- Is there going to be a change in management – a new CEO or GC?
- Are the employees unhappy?
- How do the board of directors and the company's investors think the business is going?
- Are the customers happy or are they filing complaints?
- Is there a product or service that could be doing better?
- How are the company's competitors affecting the client?

You are probing for client "pain," which will make them need a lawyer. *Legal* problems are always expressed as *business* problems by executives. Keep the client talking and listen your way to new business:

- Don't bring anything with you. You don't need a firm brochure because the client already presumes you're technically competent.
- Be curious, don't pitch. There is no point that you have to make; you want the other person to keep talking.
- Take written notes, because this proves you are listening.
- Give verbal and visual cues, such as summarizing what the client said or leaning forward to show interest.

- Don't break eye contact. Absolutely do not answer your cell phone, fumble with your Blackberry or rifle through your briefcase.

Now call upon your issue-spotting skills, honed so finely in law school and practice, to identify business problems that your partners can solve. The idea is for you to “quarterback” a matter into the firm. It doesn't matter if you do the work, because you will still have the relationship. The main thing is that you brought a new file into the firm.

For more on this topic, call:

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