

MARKETING

Narrow Your Target

By SALLY J. SCHMIDT

INCREASING MARKETING ACTIVITY at law firms might lead one to think that marketing is paying off. Unfortunately, most law firms will admit that the results of their marketing efforts have been uneven — or worse.

A quick observation of garden variety marketing programs currently being implemented by law firms leads to a ready explanation for the low success rate: lack of focus. While newsletters, seminars, brochures and other activities can be effective marketing tools, most law firms continue to see virtually everyone as a potential client — whole industries or geographic areas are their targets — and they suffer from an inability to focus their programs on particular, identifiable companies and people.

Target marketing is the process of identifying specific business opportunities which the law firm has a good chance of obtaining. This means that the prospects, whether existing clients with additional work or entirely new clients, have a need for the law firm's services as well as a high likelihood of using the firm. At the same time, the law firm has the contacts, capabilities and desire to get the work. While the concept sounds simple — and in fact it is — most law firms fail to extend their marketing efforts to the tactical level necessary to accomplish this activity.

Here are the basic steps in "targeting":

Identify target areas. Ideally, members of firm management first make the strategic decision regarding which practice areas or markets to develop. Unfortunately, this preliminary activity rarely takes place. Lacking this firm-wide vision or mission, departments, practice groups, offices, or even individual attorneys often set their own priorities.

Target markets can be:

- Geographic (e.g., a firm considering a Washington, D.C., branch office).
- Industry-specific (e.g., health care, high tech, or banking).
- Practice related (e.g., an insurance defense firm setting out to develop a business practice).

Members of the target market can include existing or potential clients.

Research each market. Once the target markets have been identified, the "research" component of the process comes into play. Research involves using internal and external sources to gather information about the target market. Internally, the research process requires the participation of all firm attorneys to identify opportunities. The assignment for those attorneys directly involved in the effort is to:

- Define as narrowly as possible the target group (e.g., for-profit health care facilities with over \$XX million in annual revenues within a five-state region).
- Undertake a candid assessment of the firm's strengths, weaknesses, and key competitors in the new area.
- Identify some realistic goals for the group (e.g., a number of new clients or new matters to be obtained, an increase in visibility, or percentage growth in annual billings).

Firm attorneys who do not practice in the area being targeted are needed to elicit names and other information regarding:

- Existing clients with potential work in the area.
- Prospective clients in this industry or area.
- Potential or existing referral sources for this area.
- Other marketing ideas, contacts, or other useful information.

The second phase of the research, an external market study of the target group, will help the firm identify specific companies with needs or opportunities in the target area.

The external research can be "secondary," using existing sources such as directories and mailing lists, or "primary," which allows the firm to tailor its own study of the market.

Identify specific targets. Based on the information obtained through the internal and external research, specific companies (or individuals) will emerge as offering the highest potential for the firm. The attorneys involved in the target marketing effort then can undertake to screen this list down to a few excellent prospects. The best candidates are those about whom you can answer "yes" to the following questions:

- Can we do the work they require?
- Will they use our firm?
- Do we want them as a client?
- Do we have good contacts with key decision-makers?
- Are they unhappy with their existing counsel?

The next step is for attorneys to develop a company profile for each of the surviving prospects (the short list). The profile would include, among other things: information on the company; names of officers and directors; industry information; office locations; existing legal, accounting, and banking relationships; and primary contacts at the company.

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Sally J. Schmidt, principal of Sally Schmidt Consulting in Eagan, Minnesota, works with law firms in the areas of marketing and planning. She is chair of the ABA's Marketing Administrators Committee and was the first president of the National Association of Law Firm Marketing Administrators (NALFMA).

Create plans of action. For each of these good targets, attorneys then can develop a tactical action plan: what will we do to get this company's business?

The potential activities cover a wide range of marketing tools, including sending brochures, setting up meetings, entertaining, inviting them to seminars, making formal presentations, and mailing legal updates. The possibilities are endless. For each action, it is important to record who is responsible, what the timeframe is, and what resources are necessary.

Establish internal systems of measurement and control. Before implementing any activities, the lawyers should first get their internal systems in place to facilitate the process and measure results. Here are some steps and procedures which may need to be created or revised:

- A conflict check system, so names of prospects are checked and added before expending development effort.

- A referral "buck slip" (a referral form which attorneys can use to record and route incoming and out-going business for the firm.

- New matter forms, which allow attorneys to indicate where the new client came from, whether it was a target, and other pertinent information, such as the industry represented.

- Benchmarks, such as the number of timekeepers in the area, annual billings, or percentage of firm revenues represented by the area, or other measures to gauge improvements.

Implementation and measurement.

With the targets narrowed and internal systems in place, a firm is ready to put its program into action and evaluate its results.

By focusing attorney efforts on achievable business development goals and well-defined targets, a law firm is rewarded by more frequent and ready results. If there is one caveat to the target marketing process, it is that no marketing effort will be successful without the commitment of the lawyers to follow through on their assignments. Legal services are, and will continue to be, a very personal professional service. In almost all cases, the "buyer" (client) and "seller" (attorney) need to become acquainted and achieve a level of comfort and trust.

With the attorneys' cooperation, however, target marketing results in a low risk, high result marketing effort. **117**