

Building Client Relationships In an Age of Change

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Any lawyer who has attended a seminar or read a book on marketing has learned that marketing efforts should start with existing clients. Why? First, client retention has a direct impact on a firm's bottom line. Acquiring new clients is expensive—some say it's up to five times more expensive than retaining clients. In addition, clients who are dissatisfied will tell between 10 and 20 other people about their bad experiences, driving away potential business.

Perhaps more important, existing clients are the best source of new business, either by generating matters in new areas or by providing referrals. Some estimate the odds of obtaining new business from a current client are 50-50. In times like these, that kind of return should be enticing.

Obstacles to Relationship Building

Most lawyers recognize the importance of cultivating client relationships. Yet these days, many lawyers are finding it increasingly difficult to build strong relationships with clients. The obstacles include the following:

Policies that discourage or prohibit social interaction, entertaining and gift giving. Insurance companies, government entities and other large enterprises often forbid lawyers to spend personal time with, or money on, employees.



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Consolidation of industries and specific client businesses. After a merger or acquisition, companies often move their headquarters, making it difficult to see clients face-to-face.

Company restructurings that result in staff turnover or changes in key contacts. A solid relationship with a good source of business in a company can be wiped out with a single revision of the organizational chart.

Economic downturn. A slow economy results in more than companies that restructure or go out of business. It also results in clients pulling back their legal work or pressuring firms to lower fees.

Turnover in the lawyer ranks. A 1998 study by the National Association for Law Placement (NALP) Foundation confirmed what many practitioners already knew: Most new associates are unlikely to be with the firm seven or eight years down the road. Even partners are similarly mobile. The lack of stability within the profession makes it

As the saying goes, a bird in the hand is worth two in the bush. Developing strong ties with existing clients is vital to success in down or up economies. Build client relationships and loyalty regardless of contemporary impediments by following these seven pointers.

difficult—or risky—for lawyers to introduce other colleagues to clients.

Responses to Changing Times

If you are facing any of those obstacles, here are steps that will help you continue to build client relationships.

Stay in frequent touch with clients. Perhaps most effective is a visit to the client's place of business. This allows you to show an interest in the enterprise, learn about the business and meet people you might not ordinarily meet. If an important client is located out of town, you need to invest in the relationship. For regular communication or smaller clients, e-mail can be a terrific way to stay in touch. It is quick and less formal, and recipients can reply to it at their leisure. Also, don't minimize the value of a periodic "check in" phone call.

Respond to personnel changes immediately. Any change in the client's decision makers or contacts should prompt communication from you. Attempt to introduce yourself to new people ASAP, even if just by telephone. Fill them in about your firm's role and past relationship with the company. Ask what information would be helpful to them, and inquire about how they would like to work with you.

Focus on substantive information if a client prohibits entertaining. For example, offer to give an in-house training program in a brown-bag luncheon format. Send substantive alerts to keep clients posted on issues of interest. E-mail is particularly effective for updates because it is fast and can be forwarded.

Build as many relationships as possible at the client's place of business. Include a number of the client's people and a number of your people in the relationship mix. The more relationships, the tighter the client's bond with the firm will be. Put together an organizational chart or book of bios of your firm's team—lawyers and staff—and

give it to the client. Enlist everyone on the team to build relationships with their counterparts or peers at the client's business. You may lose individual lawyers, but you won't lose the client if you've done a good job of institutionalizing the relationship.

Talk about the relationship. Ask clients for input on how things are going. Set up meetings or schedule regular phone calls to formally discuss the relationship. Put together regular status reports on the firm's results, or develop an annual report that outlines the firm's efforts on behalf of the client.

Add value to the relationship. Look for things you can do to help the client outside of legal assignments. For example, introduce your client to a potential customer or secure a spot for the client on a prestigious board.

Be loyal. If a client is having business or financial trouble, evaluate the long-term potential of the relationship. If contacts represent a good investment but are not currently sending you business, continue to call them, take them to lunch and invite them to your firm's events and parties. Clients will remember the lawyers who didn't forget them in difficult times. ■

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- *Marketing the Law Firm: Business Development Techniques* by Sally J. Schmidt. Law Journal Press, updated semi-annually.
- *The Complete Guide to Marketing Your Law Practice* edited by Hollis Hatfield Weishar and James A. Durham. ABA Law Practice Management Section, 1999.
- *Through the Client's Eyes: New Approaches to Get Clients to Hire You Again and Again*, 2nd edition, by Henry W. Ewalt. ABA, 2002.
- "Keeping the Keepers: Strategies for Associate Retention in Times of Attrition," study by the NALP Foundation, 1998. (202) 835-1001.
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