

Attrition—Don't Just Watch Your "Product" Walk Out the Door

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When experts first tried applying marketing principles to law firms, they quickly made an important discovery: Unlike other business enterprises, law firms had few tangible products to sell. Legal documents—the estate plan, the closing papers, the brief—were certainly important. But in some cases, clients paid dearly for hours and hours of legal research and strategy that was reduced to a single page of verbiage. It became clear that what clients were really buying was the lawyer's advice and counsel. In other words, *people* are the "product."

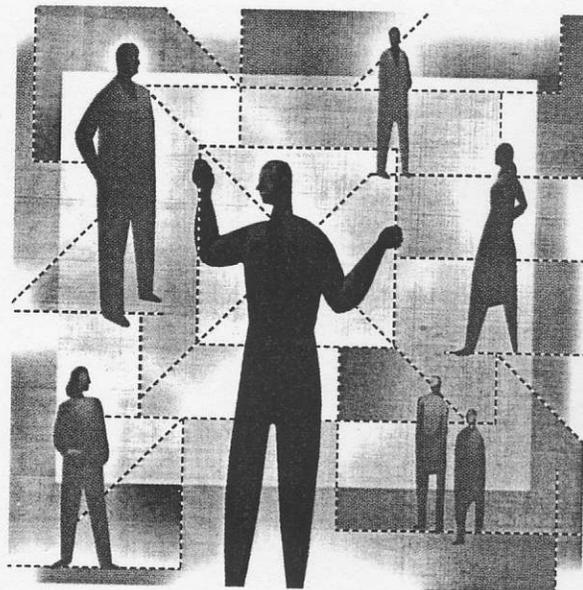
Yet inherent in that premise are many uncontrollable factors, such as quality, consistency and stability. In one of the most troubling issues, lawyer attrition has grown substantially in recent years. Firms have come to view turnover as another inevitable and uncontrollable factor in their businesses.

Lawyer Attrition and Marketing

Lawyer turnover has dramatic implications for a firm's marketing program. In some cases, partners are reluctant to introduce clients to colleagues for fear the other lawyers will leave the firm



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(and maybe take the clients). Firms are unwilling to invest in the professional development of associates, whom they suspect will leave.

Lawyer attrition has an important effect on client relations, as well. Clients express concern about continuity in representation, or the firm's need to orient its new people to the clients' ways of doing business. Some clients may prefer to have senior associates, familiar with their guidelines yet with a lower billing rate, handle their matters in lieu of a partner.

Attrition has an obvious financial impact on the firm. If a firm loses an associate after the first year, all the recruiting costs are lost (most experts say an associate begins to produce a profit in the third year). And high turnover levels affect the firm's future ability to recruit (students believe the "buzz" about a firm on campus more than any recruiting brochure).

High lawyer turnover rates affect your marketing program, client relations, your firm's bottom line and morale—and your ability to recruit replacements. A new study offers strategies for reducing turnover and "keeping the keepers."

Attrition also has a demoralizing effect on both lawyers and staff.

Nationwide Attrition Study

How bad is the problem? In fall 1997, the NALP Foundation for Research and Education undertook a national retrospective examination of associate retention. NALP, the National Association for Law Placement, is the professional organization serving law schools and firms; its mission is to "advance knowledge about law careers and the law as a profession."

The study included a quantitative examination of the retention status of more than 10,000 new associates hired between 1988 and 1996. Among the troubling findings were that:

- Nearly 1 in 11 associates left their firms within one year;
- 75 percent of the new hires left their firms within seven years;
- Attrition rates for women and minority lawyers were even worse than the averages.

The study also included a qualitative aspect, delving into the key issues behind these startling turnover levels. Working through the bar associations in Atlanta, Chicago, New York and San Francisco, NALP organized 13 focus groups, which I moderated, involving

more than 80 lawyers three to five years after law school graduation. Their observations, along with the survey data, are reported in the NALP Foundation report, "Keeping the Keepers: Strategies for Associate Retention in Times of Attrition."

Responding Within Your Firm

Some turnover is natural. Still, if you would like to improve your lawyer retention or understand its effect on your firm, the NALP report outlines literally scores of activities, attitudes and responses. From a marketing perspective, you might consider the following advice:

■ **Use marketing techniques in recruiting.** Recruiting is a process of marketing to law students; successful recruiting strategies therefore require an understanding of the students' needs and priorities. For example, one law firm conducted focus groups consisting of newer associates and summer associates to provide insights into effective recruiting materials.

■ **Use market research tools (e.g., surveys, focus groups) to gather input from associates and staff** about trends, issues and good ideas. Associates report that "being heard" contributes to job satisfaction.

■ **Provide associates with marketing training and development opportunities.** Associates understand that client relationships and business development are

important factors in their ability to make partner (and money), in most law firms. Yet, they are given few chances to learn how to network, write an effective proposal or ask for business. Even inexperienced associates indicate they welcome support and encouragement in these areas—particularly opportunities to learn firsthand from skilled attorneys.

■ **Communicate with your internal markets on things that affect them.** When marketing-related changes occur, such as losing an important client or merging with a new group of lawyers, tell your professionals what impact might be felt, positive or negative.

■ **Use market research tools to understand your firm's relationships with clients.** Through a client survey, you might find that clients do not consider the firm's officially designated "responsible partner" as their primary contact. Rather, another lawyer (maybe even an associate) "binds" them to the firm. These lawyers should be rewarded for their contributions to client satisfaction and retention.

■ **Finally, unless the circumstances were particularly difficult or uncomfortable, view former firm lawyers as another target market.** Many law firms are developing alumni marketing programs, using traditional tools like newsletters and social events to maintain relationships with former colleagues who now may be potential or current clients, or prospective referral sources. ■



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Keeping the Keepers: Strategies for Associate Retention in Times of Attrition, NALP Foundation for Research and Education, 1998; (202) 667-1666.

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