

# LAW PRACTICE

# Business

PRACTICAL STEPS IN MARKETING, MANAGEMENT AND FINANCE

# Marketing

## Things to Do in a Slow Economy: Investing for a Turnaround

**SALLY J. SCHMIDT** | When economic times are tough, there's a distinct tendency among the affected lawyers: As their practices slow down, so do their marketing efforts. Some intentionally withdraw from activities owing to scarcer resources. For others, the retreat seems more psychological, akin to burying their heads in the sand. But instead of playing ostrich, why not put some of your extra time into low-cost marketing efforts?

I guess it's true what they say: If you live long enough, history will repeat itself. I watched as the legal profession sputtered through the early 1990s, and again after the dot-com bust and 9/11. Over my 25 years in the industry, I've seen the waxing and waning of practice areas from antitrust to bankruptcy, bond work to products liability, and real estate to mergers and acquisitions.

Now many law firms are experiencing another slowdown or, at best, an inconsistent market for their services. Although some lawyers—such as those in immigration, intellectual property or estate planning—still seem to be busy, others are being hit by a lag in work. There are fewer transactions and financings for corporate lawyers, and many products liability and employment lawyers are feeling the pinch.

In areas where a downward trend may be permanent (like asbestos litigation), an entirely new game plan needs to be developed, of course. But most

practices are cyclical. So if you're in an area that is going through a painful yet temporary situation, what should you do? Like buying stocks or real estate at their lowest prices, the downturn offers terrific opportunities for investing in the future. Here are thoughts on some marketing initiatives that you can undertake today to position you for success when things eventually turn around.

■ **Spoil Your Existing Clients.** Existing clients are always important, of course—but when new business is hard to find, they become an even more valuable asset. This is the time to be sure your relationships are secure and your clients are more than satisfied.

*Continued on page 50*

### BUSINESS SNAPSHOT

#### The Pace of Law Firm Mergers

With firms seeking to position their practices competitively in a challenging market, no one should be surprised that merger activity continues at a steady pace. For the first half of 2008, there were 36 completed mergers involving U.S. firms, according to Hildebrandt International's MergerWatch. Of those, 14 were completed in the second quarter. The average size of the smaller firm in each combination remained consistent

with the prior year, with the average size of the firms acquired in first half 2008 at 42, compared with 45 for the first half of 2007. Globally, for the first half of 2008, there were a total of 58 completed international mergers, 13 of which were cross-border. U.K. firms alone completed 17 in the second quarter. It seems firms everywhere are seeking greater efficiencies of scale and productivity as a key part of their strategy. LP

**MARKETING** | *Continued from page 49*

Visit their Web sites weekly, monitor developments that affect them, and spot opportunities to communicate with them about pending regulations, new trends and the like. Visit every local client you haven't seen in a while. Take tours of their businesses and ask about their industries. Offer to provide free programs or workshops to their managers or employees. Ask what you could be doing better.

**■ Plan Other Face-to-Face Encounters.**

If you have some capacity in your schedule, use the time to see more people outside of your client base. The more top of mind you are, the more likely you are to get a call when someone has new legal work. Visit with accountants, lawyers, bankers or other good sources of referrals for your practice area. Plan some activities to introduce your best contacts to other people. Also, ask your contacts to make introductions for you.

**■ Attend Meetings.** My guess is that no matter what organizations you belong to, attendance at meetings is down. Some members may want to save the money; some may fear they can't afford or justify the time; still others don't like to attend meetings when they don't have as much to talk about in their work. So by continuing or even elevating your involvement, you will be more visible to your targets, be recognized



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for your commitment to the area, and boost your investment in your network.

**■ Do Something You Never Found Time to Do Before.**

A little free time can be a good thing. You can finally write that article that's been bouncing around in your head, put together that speech or better organize your Web site bio. You can also develop a list of your cases or transactions, or do some market research on a prospective client or two.

**■ Explore a New Area.**

On the strategic front, you can spend some time researching trends and potentially attractive market segments. For example, do you work with one company in the life science industry but would like to work with more? Then research the field: How big is the market? What are the market segments? Who represents the companies? What kinds of legal needs do they have? How can you get in front of them? What is your best opportunity?

**■ Meet with Consultants, Vendors or Other Professionals in the Desired Market Segment.**

Go to some industry meetings and get the lay of the land. Use your intelligence to develop a plan to expand your share of the field.

**■ Stay on Message.**

If you're interested in a niche area that's currently slow but you think it will present opportunities in the future, continue to build the perception of your expertise in that area. Remember: What you market doesn't have to be limited to the work that is your bread and butter right now. In other words, even though you may be keeping yourself busy by taking on different kinds of work, you shouldn't retreat from positioning yourself in your preferred field.

**■ Look for the Silver Lining.** If you find yourself in a practice area with poor prospects for the future, you may need to retool or change direction. For example, if environmental work for manufacturing entities has diminished, look for segments where environmental issues are growing, like utilities and energy providers. While residential construction may be down, infrastructure construction is up. If discrimination lawsuits are down, market your expertise in non-competes.

**■ Stay Positive.** Every lawyer would like to think that by doing good work and building strong relationships, he or she will always have business. And when that doesn't happen, it's easy to get discouraged. But if you appear to be frustrated or even depressed, it will hamper your business development efforts. Clients want to work with lawyers who are enthusiastic, energetic and positive. So give yourself a pep talk before going to an industry association conference, a one-on-one lunch or a bar association meeting. What will you say when people ask how you're doing? What specific activities can you discuss in a positive way? How can you convey enthusiasm to your listeners?

**■ Be Patient and Keep Marketing.** For many practices, it's just a matter of time before the market returns. But if you do find the need to change your service focus, realize that it often takes three or more years to build a new practice area.

Even when things seem dark, though, it's important to keep up your investment in marketing—and to remember that successful business development takes time *and* timing. By continuing to build your profile in an area (even if it isn't currently filling your plate), you will be ahead of the pack when business starts to flow again. LP