

Marketing to the Middleman

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In the past 15 years, law firms have increased the level of activity and the money invested in what we call “institutional marketing.” From branding to advertising, from exhibiting at trade-shows to sending direct mail, efforts to market the law firm as an entity are clearly on the rise.

While it is unquestionably important to position the law firm per se and create positive perceptions among target audiences, most legal business—particularly the most desirable legal business—comes through referrals. And referrals, generally, pass from individual to individual.

The sources of referrals vary dramatically depending on the practice area. Personal injury practitioners may get their business from body shops or chiropractors; bankruptcy lawyers may get their business from fellow members of the bar. But virtually every lawyer would benefit from a more targeted and sustained effort to cultivate relationships with referral sources.

Identifying Your Targets

Developing an effective program of marketing to referral sources first means defining the target market. In other words, who is in a position to make a



referral? This may sound like a simple question, but lawyers often expend time and energy on people who are not in a position to send them business. Estate planners should focus on other professionals in the financial services industry; employment lawyers may want to develop relationships with trade association executives and officers.

One way to identify potential referral sources is to look backward. Take an inventory of your client base. Even if this information hasn't been tracked through a database, you can review significant matters from the last year or three years to determine who sent business, who sent repeat business and who sent the best business. This will allow you to categorize individual sources as well as types of sources (for example, consultants). Young lawyers without a book of business should interview partners in the same practice area to inquire about their best sources of business.

There's scattershot marketing and then there's targeted marketing. Have you been targeting the right people to send you the right kind of business?



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Understanding Your Targets

Assuming that those you have identified are indeed in a position to refer legal business, you need to determine what is important to them. Is it hiring criteria or something else? Generally, referral sources consider the following factors:

■ **Competence.** To send a client, colleague or friend to you, someone will need to trust you and your ability to service the party referred. This could take the form of good word of mouth, good results (a record of personal injury settlements, for example) or a good resumé (a credible law firm, top law school or years of experience in the practice).

■ **Relationships.** Rapport is built through personal contact with the referral source. You need to treat the referral source as you would a client. I conducted a survey on referral sources to law firms—which included doctors, lawyers and accountants—that revealed the things they like least about their contact with lawyers. These include (in order):

- Slow response
- Arrogance
- Not returning telephone calls
- Making things too “lawyerly” or complicated

■ **Performance.** Future referrals will be based on the value you provide to your referral sources. Value could take two forms: (1) Your ability to service the client (for example, feedback the referral source receives from people who have worked with you); and (2) your ability to reciprocate with referrals.

Keep in mind that the situation will determine the relative importance of these factors to the referring party; the more significant the matter, the more risk your target faces in making

the referral to you. A loan officer with an important customer has more on the line than someone receiving a casual workplace inquiry about a residential real estate closing. In many cases, however, your competence or the quality of your work is either assumed or unknown. As a result, your relationship becomes more important.

Developing a Marketing Strategy

Once you have identified past and potential sources of referrals, you can design a marketing program that provides for regular contact and reinforcement of your practice. The components could include

- Designing a process for thanking and tracking referral sources and for communicating about the referred matter after it is concluded
- Sending periodic updates that apprise your targets of relevant issues such as physician privacy matters
- Conducting focus groups or personal interviews to learn more about the group or clients’ needs or their perceptions of your practice
- Sending information about your practice—recent results or professional activities
- Going on-site and conducting substantive educational programs or workshops (such as a seminar for insurance agents)
- Placing ads in specialized publications (for example, one targeted at financial planners)
- Planning one-on-one contacts, such as lunches or events
- Being visible in their profes-

sional or trade organizations—writing, speaking or serving on committees or on the board

- Forming a study or networking group
- Collaborating on articles, presentations or seminars

When designing your program, as well as your specific activities, take into account the sophistication of the referring party; this will affect both your message as well as your medium. For example, referring lawyers may appreciate timely substantive case summaries, while nonlawyer targets may not. Owners of auto body shops think ads are effective, while chiropractors find seminars very valuable.

Striving Toward Long-Term Success

The bottom line in developing good referral sources is to find a mutual benefit. The benefit to the referring party usually will be taking good care of the client or customer or, in some cases, reciprocity.

In addition, your efforts to follow up will be the most important determinant of your long-term success. Develop a program to ensure you stay in touch with people who have, or could, send you business. ■

ACTION

- “Developing New Business by Developing Relationships,” *The Practical Lawyer*. Sally J. Schmidt. ALI-ABA. June 1999.
- *Marketing the Law Firm: Business Development Techniques*. Sally J. Schmidt. Law Journal Press. Updated semi-annually.
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