MARKETING

Results of Marketing Activities Can Be Measured

By SALLY J. SCHMIDT

By defining specific and measurable objectives and carefully tracking activities, you can find out what works.

MANY LAWYERS COMPLAIN that they really don't know if their marketing efforts have been successful. It's true that the benefits of some activities, such as brochures or open houses, are just plain hard to measure. And it's also true that, in most cases, it is a combination of things which produces new business. But for most marketing activities, if the proper steps are taken, results can be measured.

Step One: Define Specific Objectives

For every marketing activity, whether seminar, open house, newsletter, or formation of a new service, a firm should state quantified, measurable objectives prior to implementation. In other words, ask: what does the firm expect to achieve from the program?

For example, if a firm plans a seminar on hazardous waste for existing and prospective clients, its objectives might be to get:

- 150 attendees.
- Five inquiries from prospective clients.
- Ten inquiries from existing clients.
- Five new matters in the environmental area in one year's time from attendees.

For a firm newsletter, objectives might include getting a certain number of calls regarding specific issues addressed in articles; getting a number of new matters generated from existing clients in areas addressed in the newsletter; or just getting a certain number of returned postcards requesting additional information.

For an open house, objectives might specify a number of attendees, a cost per attendee, or a number of thank you notes received.

Sometimes firms undertake activities simply to gain visibility or goodwill among certain groups. But even if an objective is not related directly to new business development, it should be clearly defined, because only then will you know if you reach it.

Step Two: Set Benchmarks

A major reason a law firm is unable to measure results is that it has not established benchmarks. By establishing "before" measures, you can compare them to "after," and thus gauge results.

In specific areas of practice, it is useful to generate certain internal statistics for periodic comparison:

- Number of timekeepers in the practice area.
- Number of files or matters in the area.
- Number of clients in the industry or area.
- Number of matters per client.
- Average revenue per client.
- Total revenues represented by area.
- Total billable hours in the area.
- Percentage of total firm revenues.
- Billable hours per lawyer.

Say, for example, that a firm is undertaking a marketing program to build its financial institution practice. It is actively pursuing new banking clients, sending out a firm newsletter, holding seminars, becoming active in the Bankers' Association, and so on.

If it begins the process by getting the numbers outlined above, after one year's time (or longer), it can recalculate to judge progress or improvement.

A firm can establish more external kinds of benchmarks by doing research. For example, it will be useful to know such things as the firm's level of visibility, its reputation and perceptions about its practice areas, client satisfaction levels, or the degree to which clients even know about specific service areas.

One mid-sized midwestern firm was interested in developing its real estate practice. It discovered through a random telephone survey of real estate developers and others that it was virtually unknown in the industry. After implementing an aggressive two-year marketing program, the firm repeated the survey, to discover it had become the third most frequently-cited firm in the field.

Step Three: Track Contacts

The "Rule of Five" in sales states that 80 percent of sales come after the fifth call. This same formula holds true in the legal industry. It is unlikely that a prospective client will approach a lawyer after one contact and say, "I want you to be my attorney." Regular contact, however, may do the trick.

Because of the need for continual reinforcement and follow up, it is very important to track contacts made with clients and prospective clients, to ensure that the "five calls" are made. Some attorneys use a client/prospect tracking form, such as the one printed below, to keep a record of exposures to the firm (an exposure might take the form of a newsletter received, seminar attended, an invitation to holiday party, entertainment, or correspondence). Other attorneys keep notes on a Roladex or 3" x 5" card. Firms with especially good marketing systems record this information in a computer database—names of seminar attendees are coded automatically on the mailing list, for example.

CLIENT/PROSPECT TRACKING FORM

CLIENT/PROSPECT LAWYER: ______

Name: ______ YEAR: ______

Title: ______ ACTIVITY/CONTACT:

Company: ______

Address: ______

______

Telephone: ______

Breakfast	Lunch
Dinner	Article
Seminar	Brochure
Note	Newsletter
Letter	Phone Call
Visit	Open House
Gift	Entertain
Drinks	Other

Personal or Miscellaneous Information:

DATE	ACTIVITY CONTACT	COMMENTS FOLLOW UP	RESULTS

Step Four: Track Results

Sometimes surveys or research can be used to measure the success of particular activities, like seminars or newsletters. One large eastern firm included a written questionnaire in its quarterly newsletter. The respondents, representing over ten percent of the mailing list, evaluated the various sections, provided ideas for future topics, and suggested names for new "subscribers."

For most marketing activities, however, the most important thing a firm can do to measure results is to *ask the lawyers where they got the business.*

The most effective place to gather this information is on the firm's "new client/matter intake form." For each new client, lawyers should be asked to indicate:

- The source of the business (such as referral from accountant, acquaintance, or friend; response from seminar or presentation; or referral from existing client.
- Client information (such as industry represented, or areas of law used or with potential for use).

This information is very useful, both in an aggregate form (as in, "Eighty percent of our bankruptcy clients come from referrals from out-state lawyers"), or more specifically ("client X was responsible for sending the firm three new clients over the last two years").

There are three things a firm can do to make sure the needed information comes in: make the information easy to provide, through boxes which attorneys can check; ask the support staff to help fill the forms in completely, and, most drastically, refuse to assign file numbers until all information is provided.

The collection of information on the "new client/matter intake form" is critical to the measurement of marketing program results.

Step Five: Add It Up

Firms can use all this information to determine whether programs or activities are successful, comparing objectives to actual results, comparing original benchmarks to subsequent calculations, analyzing results of research, and tracking client or prospective client contacts and new business as it comes.

Finally, the information can be kept on an activity or project tracking form to calculate return on investment (ROI). You should list the original objectives, the activity or project costs (actual dollars and nonbillable time spent), and the results over time (inquiries, exposure, and new business).

In most cases, if a law firm claims it cannot tell if marketing is working, it means that it has not made the committment to establish and enforce the systems and procedures needed to measure results.

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