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**California Law Firm Survey: Growth**  
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Volume 14 No. 1  
February 1992

**L P M**  
LAW PRACTICE MANAGEMENT

**What's old and what's new?**

**Are Law Firms Making Any Progress in Their Marketing?**

The question of whether law firms need to engage in marketing finally seems to have moved beyond the stage of debate. In a recent survey of law firm marketing efforts, nearly 87 percent of the 400 responding firms claimed to be "currently involved in marketing activities."<sup>1</sup> Of course, every firm is engaged in marketing; some just do not realize it yet. At this point in the evolution of law firm marketing, 15 years since the *Bates*<sup>2</sup> decision first allowed attorney advertising, and after an equal number of years of frustration and expenditure, it is interesting to reflect on how the marketing function is changing in law firms.

**Marketing Activities Tried in the Past**

What marketing activities have law firms undertaken in the past? According to the survey results, more than half (54%) of the firms that have marketed have produced announcements. Fifty-one percent have organized seminars to promote their services, and exactly one half have developed a brochure that describes the overall capabilities of the firm. Rounding out the top five activities that firms have tried in the past are providing firm-sponsored tickets to special events or functions (49%), and developing resumes or biographies of the attorneys (45%).

More than one quarter of the responding law firms have hired some assistance for their marketing efforts in the past, in the form of an outside entity, such as a public relations agency (29%) or a marketing consultant (26%), or as an internal resource—a firm marketing administrator (28%). The table below sets out the top ten marketing activities the responding law firms have tried in the past. These results are very consistent with those found in the previous year's study of law firm marketing.

**Table 1**

**Top Ten Marketing Activities Law Firms Have Tried in the Past**

<i>Past Marketing Activities</i>	<i>Percentage of Sample</i>
Announcements	54%
Seminars	51%
Brochures: Overall Firm	50%
Functions/Events/Open Houses	49%
Attorney Résumés/Biographies	45%
Firm-Sponsored Tickets to Events/Functions	42%
Advertising: Yellow Pages	40%
Formation of Marketing Committee	37%
Development of Firm Image/Identity/Logo	35%
Client Newsletters	35%

Source: "The State of Law Firm Marketing: 1991"

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Sally Schmidt, President of Sally Schmidt Consulting, Inc. in Burnsville, Minnesota, has an MBA in marketing and has consulted to scores of law firms across North America on their marketing efforts. She was the first President of the National Law Firm Marketing Association (NALFMA) and has spoken at more than 30 national conferences for the legal profession. In addition, she recently completed a book on law firm marketing entitled, *Marketing the Law Firm: Business Development Techniques*, published by the Law Journal Seminars-Press (1991). (612) 895-5797.

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**THE BOTTOM LINE**

## Are Law Firms Making Any Progress in Their Marketing?

*Continued from page 1*

Just as most marketing professionals would expect, and lament, the survey reinforces that the most popular marketing activities reflected in past law firm efforts are clearly promotional in nature: brochures, seminars, announcements, newsletters, open houses, and advertising, for example. While promotional efforts are perhaps the most visible aspect of the marketing activity, they represent but one small piece of the overall marketing puzzle. In its most strategic sense, the marketing function also includes all those factors involved in the development, pricing, and distribution of the legal service. Promotional efforts will not be effective without being part of a strategy or plan that integrates all of these components. Unfortunately, many law firms have learned this the hard—and expensive—way.

### Marketing Activities Being Undertaken Now

A look at the marketing activities the survey respondents currently are undertaking shows a shift in emphasis from the 1990 survey results. While certain promotional efforts, such as tickets, seminars and brochures, were also listed among the top ten activities in the previous year, marketing planning, both for the firm as a whole as well as for the firm's departments or practice areas, was a priority. In 1991, however, no form of planning appeared in the top ten activities, and firms appeared to revert to their promotional emphasis.

The number one current marketing activity, listed by nearly 60 percent of the responding firms, is the development of a marketing database or mailing list. This was also the number one activity of the previous year. Many law firms have come to realize that an effective marketing effort is reliant on information—from sending targeting mailings to tracking results.

Another interesting development is the appearance of proposals on the list of top ten activities. This reflects the increased use of requests for proposals and formal presentations ("beauty pageants") on the part of clients in the selection of outside counsel.

The top ten marketing activities presently being undertaken by the responding law firms are indicated in the table below.

Table 2

### Top Ten Marketing Activities Law Firms Are Doing Now

<i>Current Marketing Activities</i>	<i>Percentage of Sample</i>
Marketing Database/Mailing List	54%
Announcements	53%
Attorney Résumés/Biographies	53%
Seminars	52%
Advertising: Yellow Pages	50%

Firm-Sponsored Tickets to Events/Functions	50%
Client Newsletters	47%
Brochures: Overall Firm	46%
Functions/Events/Open Houses	46%
Writing proposals for new business	43%

Source: "The State of Law Firm Marketing: 1991"

### Marketing Activities Planned for the Future

If the survey sample accurately reflects the legal industry as a whole, law firms are quite uncertain about the future directions their marketing efforts will take. The most highly rated activity was seminars, listed by 38% of the respondents as a marketing activity they plan to undertake in the future. The second highest activity had not been among the top ten tried in the past or being done in the present—marketing training for the firm's lawyers.

In general, although none was listed by half or more of the respondents, the top ten marketing activities planned for the future emphasize many of the areas that are fundamental to the success of a marketing program: training the lawyers to be more effective marketers; marketing planning for the firm, practice groups, and individual lawyers; surveying clients to determine their satisfaction with, and perceptions of, the firm; and developing a marketing database or mailing list. The activities listed as future priorities by last year's respondents that do not appear in this year's top ten activities include holding a marketing retreat, developing a logo, changing the compensation system to reflect or reward marketing, and conducting marketing training for the staff. Table 3 below lists the top ten marketing activities that law firms are planning for the future.

Table 3

### Top Ten Marketing Activities Law Firms Are Planning for the Future

<i>Future Marketing Activities</i>	<i>Percentage of Sample</i>
Seminars	38%
Marketing Training: Attorneys	37%
Client Surveys/Audits	34%
Marketing Plans: Individual Lawyers	33%
Marketing Plans: Overall Firm	33%
Marketing Plans: Departments/ Practice Areas	32%
Client Newsletters	32%
Marketing Database/Mailing List	31%
Functions/Events/Open Houses	30%
Brochures: Overall Firm	30%

Source: "The State of Law Firm Marketing: 1991"

## Variations in Marketing Activity

Certain marketing activities are more likely to be undertaken by either a corporate or a consumer law firm. For purposes of this analysis, participating law firms were asked to indicate the approximate percentage of gross fees attributed to their corporate practice (defined as corporate, litigation, tax, securities, municipal, commercial real estate, etc.) and their consumer practice (defined as divorce, personal injury, estates, residential real estate, DUI, etc.).

For example, firms that classify themselves as 100% corporate are far less likely to use the Yellow Pages to advertise, and more likely to use public radio or television sponsorship than a consumer law firm. From a marketing perspective, this makes perfect sense, distinguishing between regular consumers and upscale business audiences.

With respect to geography, there are also variations in activities undertaken by law firms representing different regions. For example, firms in the Midwest, which are considered by many (including the author) as being more advanced in their integration of marketing, have few variations from the norm, because they seem to be "on track" with the "state of the art" of law firm marketing. On the other hand, firms in the Southeast, when compared to the total sample, are less likely to be doing print advertising and more likely to be forming a marketing committee, which seem to indicate a lag in marketing efforts.

In California, firms are less likely to conduct promotional efforts such as print advertising, Yellow Pages advertising, and client newsletters than the norm, with variances over 10 percent. California firms' marketing efforts are concentrated more towards financial strategies, such as changing the pricing of fees and changing compensation systems to reward marketing efforts.

## Conclusion

It is difficult to know where law firms will go from here. Interestingly, the marketing activities that the greatest number of law firms claim they have not done and are not planning to do include some of the more innovative approaches to the practice. Participation in prepaid legal plans, the addition of nonlegal timekeeper personnel, advertising, and direct mail are seen by many marketing professionals as possible marketing breakthroughs of the future. Yet an amazingly few law firms apparently are comfortable with these techniques to date.

The results of the survey seem to indicate that law firms have spent the last year—one that was clearly difficult economically—basically treading water. Instead of beginning to move beyond the implementation-oriented, tactical aspects of marketing to consider more strategic initiatives, as the previous year's future priorities may have suggested, firms have appeared to slip back into the comfortable promotional activities of the past. Hopefully, as the economy improves, law firms will once again begin to make the commitment—in terms of both money and time—to move into the next level of marketing sophistication.

## Notes

1. "The State of Law Firm Marketing: 1991" Methodology and Demographics. The survey was conducted by Sally Schmidt Consulting, Inc. in Burnsville, Minnesota, a recognized leader in the field of law firm marketing. A total of 5,461 comprehensive written surveys were mailed to a geographically representative sample of law firms across the United States. The surveys were directed to the person in charge of marketing or the managing partner in each of the firms. The recipient firms represented a broad range of size, practices, and sophistication with respect to marketing. The surveys were mailed in July 1991, and the recipients were offered incentives to participate. More than 400 surveys were returned, resulting in the following demographics:

### Geography

Geographic Area	Percentage of Sample
Northwest	4%
Southwest	2%
California & Hawaii	13%
Texas, Oklahoma & Arkansas	10%
Southeast	13%
Midwest	25%
Mid-Atlantic	13%
Northeast	15%
Canada	5%
Total	100%

### Size of Firm

Total Number of Attorneys (including branch offices)	Percentage of Sample
1-10	27%
11-25	25%
26-50	17%
51-100	15%
101 or More	16%
Total	100%

### Number of Offices

Number of Offices	Percentage of Sample
One	57%
Two	19%
Three	8%
Four	6%
Five or More	10%
Total	100%

The survey report, entitled "The State of Law Firm Marketing: 1991," which analyzes the responses based on size of firm, length of time engaged in marketing and other factors, is available for \$395.00 by calling or writing Sally Schmidt Consulting, Inc., 1601 East Highway 13, Suite 106, Burnsville, MN 55337. (612) 895-5797.

2. *Bates v. State Bar of Arizona*, 433 U.S. 350, 97 S.Ct. 2691, 53 L.Ed.2d 810 (1977).

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