

# Prospecting for Clients

*Attorneys will waste time and money if they try to market to everyone who needs legal help. They have to learn to select the proper targets for their marketing efforts. The following outline can assist in training attorneys to qualify their prospects.*

**By Sally J. Schmidt**

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Many lawyers tend to think that everyone is a potential client. For example, the marketing committees of corporate law firms frequently will take the list of top companies from their local or regional business journal and proclaim it as their list of targets. Similarly, estate-planning lawyers see every wealthy person in their community as a prospect for their services.

Yet the truth is that there are many reasons an individual or company will never use the services of a particular firm. One critical skill attorneys need to hone regarding business development is "prospecting," i.e., determining whether someone is a viable prospect for the firm's services.

If lawyers qualify their prospects, they will not waste their valuable time, resources and energy on efforts that are bound to fail (and damage their egos). Through effective prospecting, lawyers will avoid appearing too blatant or aggressive in their approaches, because they will be addressing only those people who are potentially in need of, or interested in, their services.

The following outline can be applied when training attorneys to qualify their prospects.

## I. UNDERSTANDING YOUR PROSPECT

Before soliciting business, you should research several factors about potential clients, including:

- their current situation;
- their awareness and knowledge of you and your firm; and
- their risks in employing your firm.

Proper research and analysis of these issues will lead to an informed decision as to whether to pursue a prospect. If you do decide to go ahead and court the business, you will have sound research upon which to base your approach.

### **A. PROSPECT'S KNOWLEDGE OF YOU**

Clients go through several stages when deciding which attorney to use—or whether they should switch attorneys. There must be a level of comfort before people entrust you with their legal work; for this reason, cold calls are virtually always ineffective for lawyers.

First, the prospect must be aware that you and your firm exist. To raise the prospect's awareness, you can invite the prospect to firm seminars, send the prospect substantive articles or cases, or become visible in trade or industry groups.

Next, the prospect must believe you are qualified. In other words, do you have the expertise that his or her problems require?

Once the prospect is familiar with you and perceives that you are qualified, he or she will look at the interpersonal aspects of the relationship. Quite simply, this means determining whether you are someone with whom he or she wants to work. It is very important to understand that you may not click with everyone; certain prospects will be more comfortable with other lawyers. On the other hand, firms with many lawyers should use this factor to their benefit, matching client styles to lawyer styles.

### **B. PROSPECT'S CURRENT SITUATION**

Before talking to a prospect about his or her legal needs, you should learn as much as you possibly can about that prospect's situation. Try to uncover the answers to the following questions:

- What firm does the prospect currently employ to complete the legal work that is being targeted?
- What relationships does the prospect have with other outside counsel?
- Does the prospect have an in-house legal staff?
- Who is involved in making decisions about legal work, and what are their positions?
- Has the firm had any previous association with the prospect?
- Do other lawyers in our firm have any other relationships with or knowledge of the prospect (e.g., as opposing counsel, neighbors, fellow members of organizations)?
- What do we know about the entity, its business and its legal needs?
- Do we understand the prospect's industry and competition?
- Will working for the prospect present a real or perceived conflict?
- Is the required legal work of the caliber sought by this firm?
- Are there things about the job that makes it less attractive (e.g., price concessions)?
- Does the prospect have any stated or unstated priorities for selecting legal counsel?
- Do you have the capabilities the prospect needs?
- How strong are your relationships with the prospective client's decision-makers?
- What other business or professional relationships does the prospect have (e.g., banking, accounting, vendor)?

Although most lawyers will agree it would be helpful to know the answers to these questions, many fail to find them before engaging in their efforts. Perhaps they don't know how or where to seek the answers. The following are some of the many sources at your disposal.

#### **1. Secondary Research**

Through electronic media (LEXIS/NEXIS or WESTLAW), the firm's library or a public library, governmental services or departments (e.g., the secretary of state) or organizations (e.g.,

chamber of commerce), you can avail yourself of an enormous amount of information about public entities, private companies and business executives. When doing your research, you should look for:

- Dun & Bradstreet profiles;
- recent newspaper or magazine articles;
- Securities and Exchange Commission filings;
- corporations' annual reports;
- company brochures;
- industry data; and
- information on the individuals or executives at the entity.

## **2. Firm Resources**

There is potentially a great deal of information available within the firm about your targeted prospects. Your sources include:

a. Conflict records. By running a conflict check, you will avoid seeking business from someone for whom you will be precluded from working. You also may find out about prior or existing relationships with the firm or other lawyers.

b. Other lawyers. You should circulate an inter-office memorandum or e-mail message seeking information from your colleagues in the firm, i.e.: "I have targeted XYZ company for its tax-related work. Does anyone have any contacts or information that might be useful to me?" The larger the firm, the more likely it is that someone else has some material information or good relationships that will make the business-development effort more successful.

## **3. Other Professionals or Vendors**

If you have contacts with the prospect's accountant, bank or other advisors, you may be able to seek assistance from them in your endeavor. Brokers often have useful information, too, such as that found in a prospectus.

## **4. The Prospect**

Finally, if you have developed a relationship with the prospective client, you can set up a lunch or a visit to his or her place of business to seek the answers to some of your questions. By expressing an interest in the prospect and the situation, you can request a forum that will help you determine whether the contact is, indeed, a good prospect. The following are some suggestions regarding setting up and conducting an informational interview.

**a. Setting up the meeting.** If your target is an existing client and you want to learn about opportunities in other areas of law, you could say something like:

"I really enjoyed working with you to get the lease finalized on your new warehouse. Now I'd like to know more about your overall operations. Could we set up a time that I can come over and meet with you?"

If your target is a prospective client with whom you have initiated a relationship, you can say something like:

"I have been spending more and more of my time working with small technology companies like yours. I'd appreciate the opportunity to meet with you to discuss what you see as the key

issues for your company so I can be better positioned to help this industry in the future.”

**b. Form of the meeting.** Make the setting and timing convenient and comfortable for your prospect. This usually means at or near the prospect’s place of business. Plan to spend a half hour to an hour, depending on how the prospect reacts to your request.

**c. Conducting the meeting.** There are three objectives for the meeting:

- to continue establishing the relationship and your interest in the prospect;
- to build trust and confidence in you; and
- to spot needs through skillful questioning.

**d. The interview.** During the meeting, follow these tips for conducting a successful interview:

- Get down to business. Restate your purpose at the beginning of the meeting. Don’t spend a lot of time on small talk; busy business people appreciate it if you respect their time.
- Be a good questioner. Start with broad and easy questions. Work toward your objectives. Ask questions that reveal your knowledge of the client or the industry. Clarify issues (e.g., “So are you concerned that this will be a problem again next year?”).
- Be a good listener. Ask questions and then listen for the answer. Make your conversation interactive. Paraphrase and acknowledge responses (e.g., “I see.”). Summarize the conversation.
- Show good nonverbal communication. Take notes. Make good eye contact. Nod. Lean forward and face the prospect squarely.
- Be empathetic. Try to see things from the client’s point of view. Respond sincerely (e.g., “That must have been very frustrating.”).
- Customize your relationship. Don’t have a predetermined “pitch” you plan to go into. Don’t suggest a canned solution; every client likes to feel unique.
- Be discrete. Don’t share information about other clients. Never belittle your competition.
- Build your credibility. Provide suggestions, solutions or free advice.
- Don’t be intent on proving yourself. Your goal is to understand the prospect’s situation and needs.

### **C. POTENTIAL OBJECTIONS**

Once you have thoroughly reviewed the prospect’s situation, you should be able to anticipate the reasons the prospect may not employ your firm. For example, the company’s top executives could have been treated poorly in depositions by a lawyer in your firm 10 years ago, and that will prevent any business going to your firm in the future.

Other possible objections include the following:

1. The prospect thinks your firm is too expensive. This is frequently a concern of small businesses that consider retaining a large law firm.
2. The prospect thinks your firm is too small. In a large merger or acquisition, for example, company representatives might believe a certain mass is required to staff their case adequately.
3. The prospect is happy with his or her current legal relationship. If the prospect is very satisfied with existing counsel, you may determine that the prospect doesn’t warrant additional attention. On the other hand, you may want to position yourself or your firm as a backup in case of conflicts or for a certain specialized type of work.

4. The prospect currently doesn't have any legal problems. Timing is everything. A litigator, for example, cannot create a "need" for his or her services; either the prospect does or does not need legal services.

5. The targeted person is not a decision-maker. There are many people who gladly will be entertained and will accept tickets and invitations to functions when, in reality, they do not control the legal work. These people may be helpful in introducing you to the ultimate decision-maker, or you may find they are not worth the expending of additional business-development resources.

#### **D. THE PROSPECT'S POTENTIAL RISKS**

Finally, before approaching your good targets, you need to ascertain what risks they face in hiring your firm. Even if they like you, they are convinced you have the expertise, and they are willing to try you, there may still be obstacles. For example:

- Are they friends of yours? They may fear damaging their relationship with you or your seeing them in a negative light.
- Are they staff attorneys? If they are responsible for hiring you, they will also be responsible for your performance. Thus, they risk embarrassment or even disciplinary action from their superiors if they recommend you and you don't do a good job.
- Have they worked with their current attorney for a long period of time? In many cases, the biggest fear a prospect has is calling the existing lawyer and removing the work.
- Does the matter establish precedent? The more significant or complex the matter, the more risk there is in using someone for the first time.

## **II. FITTING THE PIECES INTO A STRATEGY**

Once you have done the homework regarding your contacts, you can determine which ones are good prospects that warrant your attention. This means you have concluded that they are attractive potential clients, there is a likelihood they will use you, and you can service the work.

For each of the prospects that remain on your list, you need to develop a strategy for acquiring the business. Asking the following questions may help you design an effective approach:

1. What is the firm's best opportunity for new work with this company? It is always easier to "sell" one thing rather than trying to convince a prospect to move all of his or her legal work. If you can sell your services in pieces (e.g., one loan closing, one litigation file, reviewing the employment handbook), you minimize the client's risk in trying you out.

2. What are the company's objections to using us, and how can we overcome them? If cost is a key issue, you must be prepared to address it in your discussions. If turnaround time is important, you must have information available to convince prospects that you can meet their expectations.

3. What is the company looking for in its legal relationship? Again, whatever is important to the prospect must be stressed in your meeting, from responsiveness to results to cost.

4. What information can help us open the door?

You must be creative in looking for opportunities to communicate with good prospects. Are there capabilities, relationships or matters that will help you initiate a discussion about business? You can refer to a result for another client. For example: "We recently finished a project for another

er hospital and I thought you might be interested in learning about our results and their ramifications for other hospitals.”

5. What benefit can you present to this prospect? In presenting your message to a prospect, you must be able to articulate exactly what the prospect will gain by using your firm. Most lawyers tend to rattle off lists of “features”—10 offices, 300 attorneys, state-of-the-art technology. But you need to go one step further; that is, identify how those features actually benefit your clients. Generally, the benefits boil down to some basic things such as saving money, saving time, getting them out of trouble, keeping them out of trouble, etc.

6. Who should be involved in developing the relationship, the work or both? It is critical that you use whatever resources you have to develop the business. For example, if another lawyer in the firm has a relationship with another person at the prospective client entity, the two of you should develop your strategy together. If another lawyer would actually be performing the proposed work, it is crucial that the prospect has the opportunity to develop the same level of confidence and rapport with that attorney that he or she has developed with you.

7. What information or materials will support your efforts? This could include a list of references, a capabilities brochure, resumes of the lawyers involved, copies of articles by or about the lawyers, a formal proposal or a fee schedule.

### **III. JUMPING INTO THE WATER**

With your list of prospects now honed and your strategies developed, you should keep the following in mind:

1. Perception is more important than reality. For example, if your prospects do not believe your firm is strong in the area you are trying to develop, you will need to overcome this perception before you are successful in developing their business.

2. Be patient and persevere. Studies show that most business is developed after five or more contacts with a prospective client. You must find ways to stay in touch with people over a long period of time, so you are positioned when their needs or circumstances change.

3. Sincerity is of ultimate importance. Your interest in the prospect must reflect a desire for a long-term and mutually rewarding relationship. If you see people simply as potential clients, your intentions will be apparent.

4. Ask for the business. At some point, you should be prepared to ask your prospects for their business. Not only do clients expect this, they want their lawyers to be enthusiastic about wanting to do business with them. This should come when you have identified a legal need you or your firm can meet.

Trying to get someone's business is like applying for a job. If a candidate doesn't take the time to learn about the position as well as the company and its needs, he or she doesn't deserve the job. The same holds true for lawyers trying to obtain work from a prospective client. Taking the time to qualify your prospects will make your business-development initiatives more effective. In addition, it will reduce the time and energy you spend on fruitless efforts.