

Marketing

Punching Above Your Weight: Strategies for Smaller Law Firms

SALLY J. SCHMIDT | Being more nimble and efficient than larger firms is good, but small firms typically have limited resources to spread that good news to the marketplace. Fortunately, there are many ways you can reach out and touch clients and prospects while keeping to your budget.

When it comes to marketing and business development, like nearly everything else, there are advantages and disadvantages to being a smaller firm. Smaller firms can often tout things like an ability to quickly change course, provide partner-level attention and offer client-friendly cost structures. And these are clearly benefits that can work to the firm's marketing advantage.

However, the disadvantages in the marketing arena can be substantial, too. First, larger firms have greater (in some cases, substantially greater) resources to apply to marketing, from in-house professionals to out-of-pocket expenditures on things like large-scale ad campaigns. Second, while there is a lot of talk about reducing the cost of legal services, clients often still default to larger firms when



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it comes to complex or visible projects, in an effort to minimize their risk.

So what can a small firm do to compete against the big guys? Plenty! The keys are to understand your audience and be smart about which strategies you use. Here are ideas in three areas to help make your efforts more effective and cost-effective at the same time.

Pursuing Low-to-No-Cost Tactics

The first place to look, of course, is at business development activities that take little to no financial investment. Among the most effective, in my book, are these three:

■ **Networking with referral sources.** Nurturing good referral sources can help you get to many prospective clients, which makes it more effective than trying to find new clients one at a time. Depending on your practice focus, your best referral targets could be accountants, other lawyers, consultants or other professionals. When identifying which sources to reach out to, keep in mind that investing in a few productive relationships will reap much greater

rewards than trying to spread out your efforts too broadly. You are usually better off identifying four or five key people to contact once each quarter than committing to see 35 once a year.

■ **Nurturing existing clients.** Your best sources of new business are the people for whom you have done work already—provided that they are satisfied with your legal work and you have given them great client service. To help ensure they'll tell other people about your services, think of ways to engage clients more. Different practices will benefit from different approaches, but it could range from conducting regular client surveys, to involving clients on an advisory board, to taking tours of their places of business.

■ **Making phone calls.** With so much communication being done electronically, lawyers often lose out on opportunities to build personal relationships by talking one on one with clients. As one client recently stated when commenting about personal interactions with his lawyers, "It's one of those things that shouldn't matter but it does, on the margin, because relationships matter." So pick up the phone and call people. Schedule these "chat times" in your Outlook calendar. Don't let more than three months go by without checking in with good contacts to find out how they're doing.

Finding Places to Save Money

In addition to doing things that don't cost much money, there are probably things you can stop doing that

will not affect the success of your marketing efforts—thereby enabling you to allocate those dollars more wisely elsewhere. Here are examples:

■ **Your advertising.** By reevaluating their ad placements, many firms can save a lot of money without a negative impact on the effectiveness of their promotional efforts. This requires answering some key questions:

■ If you are trying to generate business from your ads, do you track the results of each investment? If you haven't built in a mechanism to track inquiries, you will always wonder if your ads are working.

■ Do you have the proper amount of repetition? Advertising is one of those things where you have to be "all in" or get out of the pool. Many experts say your ads must run between four and eight times to be effective. Consider eliminating ads you run just once, since the potential benefit may be miniscule in relation to the cost.

■ Are you targeting businesses and professionals or are you targeting consumers (i.e., the "man on the street")? If it's the former, why are you paying for Yellow Pages ads? Businesspeople generally don't look there for lawyers.

■ **Lawyer directories and listing services.** Be wary of them. Everyone likes to be recognized, but there is a reason why these listings are called "vanity" publications. You can cite your honor or ranking on your Web site and in your firm bio or promote it in other low-cost ways, but think twice about paying for the accompanying advertisements.

■ **Firm memberships and sponsorships.** With their limited marketing budgets, small law firms should think much

more critically before spending money to join organizations or sponsor activities for business development purposes. Here are examples of how to be more discriminating in your choices:

■ Eliminate sponsorships or memberships if no lawyer from the firm is involved in the programs. Absent someone being a visible "face of the firm," you are getting little if any return on the investment.

■ Use the "big fish in a small pond" approach. Reduce the total number of firm sponsorships and pool the money to become the lead sponsor of a visible group or activity instead. Similarly, instead of belonging to three or four organizations or clubs, invest your time in becoming highly visible in the most important one.

■ Think about attending events rather than joining or sponsoring a given organization. If you are sporadic in your attendance, or want to pick and choose between events, paying a little more to attend as a non-member or non-sponsor might cost less.

Knowing Where You Shouldn't Cut Corners

While there are some places you could or should reduce your spending, there are others where you clearly shouldn't cut. Anything that creates an impression of the firm in its market should be of the highest quality if you want to compete with larger firms. So how do you do that with limited resources? Here are some guidelines:

■ **Don't skimp on your Web site.** A Web site is one of the most important ways that clients evaluate their options. Most good clients come through referrals—but most of them will also check out the firm's site for evidence that you can handle the type of issues

with which they are dealing. If your site is not up to par with your competitors' sites, clients may assume you are cheap, technologically inferior or of lower caliber than the other firms.

■ **Go for top quality in anything that touches clients.** Don't cut corners on the look and feel of materials and activities targeted to clients, or you'll suffer the effects. One firm, for example, sent out an announcement of a new partner that was so schlocky it had people talking about whether the firm was in serious financial straits! Whether it's an open house or a client mailing, do it first class. (FYI, first class does not have to be extravagant.)

■ **Find one thing and own it.** As a small firm, you simply can't spread out like your big firm counterparts. Your goal should be to narrow your focus and dominate. This could be through an organization (e.g., being the president or chair); an event (e.g., an annual St. Patrick's Day party that everyone talks about); or a sponsorship (e.g., being the sole sponsor of an annual construction industry conference). Or, it could be an entire niche, such as an industry (e.g., nanotech) or practice specialty (e.g., surrogacy law). If you find a small niche to own, the size of the firm is irrelevant.

So, in case it isn't apparent by now, let's sum it up here. A small firm can have very effective and cost-effective marketing efforts if it employs the following rules:

■ Don't spread yourself too thin. Identify and understand your audience and put your focus there.

■ Maintain quality where it counts. What you do, do well.

■ Repeat. Sustaining and reinforcing your efforts is what produces results. ^{1P}