

Time to wake up and smell the coffee

The best businesses have an insatiable hunger to make things better for both their clients and themselves. For those law firms which have adopted a less ambitious approach to marketing and business development strategy, it is time to take a long hard look at their existing processes and how these can be strengthened for business success.

BY ANDREW HEDLEY.



Despite an excellent market and strong growth figures for many firms, the spectre of recession looms and the heat of inter-firm competition is more intense than ever. There is a realisation that the actions taken now, during the good times, will define who is in the best position to survive the bad. In this climate, the smart firm pursues an unremitting drive to reinvent itself, its approach to marketing strategy, the way in which it defines its relationships with key clients and the commerciality of its approach. These three broad inter-connected themes reflect much of the activity at the frontier of marketing and business development in law firms today.

Contextual strategy with an emphasis on action

The past 12 months has seen a marked shift in strategic emphasis for many firms. This has, quite rightly, impacted on the way in which these businesses go to market. Strategy has moved away from the 'one right answer' approach adopted (either explicitly or inadvertently) by many over the past few years. Inevitably, such thinking resulted in subscribing firms being different in name but little else when seen through the eyes of the client. A lack of original thinking, combined with the natural reserve with which marketing is approached in the majority of organisations, means that the ability to emulate quickly rather than innovate insightfully became the competency of focus. It is becoming more and more apparent that success only lies in developing a highly contextual strategy that can be rigorously implemented. While broad strategic directions – for example, a decision to go to market on a sector basis, may be common across firms, the choices made and creativity with which the strategy is implemented differs markedly between firms at the leading edge. Consequently, strategy and implementation are much more 'joined up' than they have been in the past. The

strategic plan is no longer tacitly viewed as an interesting story or motivational piece bearing little resemblance to what happens on the ground. Good strategy is founded in what can be achieved rather than what can be imagined, on setting stretching objectives but ensuring that their achievement is realistic, and in ensuring meticulous follow through. As Lou Gerstner, former CEO of IBM said, "Great strategy is short on vision and long on detail". The best firms ensure that there is a strong alignment between strategic objectives and the activity on the ground aimed at their achievement. This will often mean saying 'no' to good ideas that don't fit in a far more resolute way than in the past. The partner who justifies a particular activity on the basis of precedent will find it more and more difficult to command the necessary marketing budget and support under this approach. Brand strategy has likewise matured with firms defining themselves in a more coherent way; ensuring that there is a clear and unambiguous line of sight between what they say they stand for and the experience of both client and employee. Brand, for these businesses, is not window dressing. It goes to the heart of what they do and provides a clear framework within which business development decisions can be made.

New approaches to added value and client partnering

Over the past twelve months, the legal media has sparkled with numerous stories about firms that have made radical changes to the way in which they are managing client relationships.

A more sophisticated approach to key account management has emerged. The leading firms have invested significantly in systems and people to ensure that they are better than their peers at managing their most important client franchises. The focus has been on embedding a more broadly based culture of excellence in relationship management across the organisation.

A new sense of commerciality is now at the fore, with firms recognising that large and sophisticated clients have a justifiable expectation that their advisors will be proactive in seeking out ways to add value continuously. However, this partnering approach must be a two-way street and the best examples of client relationship management are not characterised by firms giving and clients taking, but by a genuine exchange. The smart client recognises the unsustainability of any relationship in which the law firm is viewed as a supplier to be screwed down on costs in the same way as the intelligent firm knows that any client relationship founded on clock-watching will be short-lived. Getting the balance right is one hallmark of a leading firm.

Breaking down the support silos

Marketers lament the silos that exist between many practice groups and the lost opportunities that fall between them. Much time and effort is invested in breaking down these artificial edifices and encouraging cross-group collaboration. However, marketers need to look at themselves and their fellow support departments with a critical eye too. In many firms the silos that have been formed between support functions are just as effective in stifling effective business development as those constructed by practice groups. There is a growing recognition that this trend must be addressed if firms are to fully leverage resources and benefit from the huge investments that they have made in building a state-of-the-art infrastructure. By fostering a culture in which negative internal rivalry is admonished and all areas unite with a common purpose – to serve clients better – leading firms actively seek out ways in which cross-department working can be fostered and encouraged. There is a significant opportunity for service enhancement at the nexus of many support departments. How, for example, can business development and knowledge management functions work better together to create products that more effectively utilise the intellectual capital and resources of the firm? How should business development, facilities and IT departments collaborate to better manage the multiplicity of tangible touch points that clients and prospects have with the organisation? What opportunity exists for business development and HR professionals to collaborate to ensure that appraisal, reward and recognition systems support those activities that add most value to the client experience? In many firms, too little time is spent addressing issues such as these. A real difference can be made with strategy becoming real in the way in which it affects the day to day experiences of clients and employees alike. However, anyone who has worked at a senior level will also appreciate that these are shark-infested waters, which need to be navigated with care and insight. Those firms with ambition recognise the

opportunity that exists by taking a client perspective on these issues and applying the necessary impetus to bring about a more collaborative approach to joined-up marketing and the management of the overall client experience.

Complacency kills

In a strong market, where the challenge for many business development directors centres as much on recruitment and the war for talent as any client or prospect activity, it is easy to become complacent. No matter what one does, it seems the work keeps flowing through the door. Those who have lived through recessions in the past know that they provide a harsh wake-up call to those who have succumbed to the belief that they have a great business when a bull market has made it downright difficult to fail. The best businesses have an insatiable hunger to make things better for both their clients and themselves. Such restlessness ensures that complacency never finds a home within their walls. For those which have adopted a less ambitious sojourn, it is time to wake up and smell the coffee. ■

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