

## Law Firm Sales: Prepare with the Best Intel

By [Silvia L. Coulter](#) on January 4, 2023

A number of factors continue to transform the legal industry, including: a more sophisticated legal services buyer as experienced partners switch sides to corporate law departments, rates creeping up without added value being delivered, and increased vigilance by in house teams over legal department spending. While many firms have been able to raise profits per partner by cutting costs, revenues have generally not increased anywhere near the revenue gains we witnessed a few years ago. For these reasons, we are seeing an increasing interest on the part of law firms in sales to drive revenue—both with new and existing clients.

Everyone has heard the familiar commercial sales wisdom that it is easier to increase revenue from existing clients than to obtain new clients. This adage is true in law firms as well and many firms are trying to find new ways to get closer to their best clients in order to build revenues from existing services, cross-sell into new areas at client organizations, and build advocacy into these relationships for referrals to other clients. Client research can play a critical and necessary role in this process. In our interviews with key decision-makers in corporate law departments and on the business side of these organizations, they tell us over and over again how important it is that their law firms understand their business issues, including their goals, their industries and the nuances of their customer and client markets. This relationship element becomes a critical piece of keeping clients loyal and happy and client research helps relationship lawyers speak to their clients about their business issues. Further, client research uncovers new ways that a law firm can address clients' legal needs, providing important avenues for cross-selling and expanding relationships.

Despite the critical role that client research can play in expanding relationships and therefore revenue, many firms struggle with how to bring together the right information in a way that will be helpful to lawyers who are tasked with building the relationship. The library provides information on the company, business development adds in the competition piece along with perhaps client interview data and finance has yet another perspective based on the profitability of various types of matters the firm has done in the past with the client. Often these reports are not fully integrated and partners are left with a lot of data, making it difficult for them to discern where they should be focusing attention. Partners may not have the patience to sift through the information coming in different formats from different functions and perspectives to figure out the critical pieces to understanding the client's business and industry and the potential legal challenges they may be facing.

Thus, the need for busy partners to have a brief, concise, informative package of information as a business development support tool is clear. But one of the challenges for firms is to determine who is in the best position to integrate data from the various departments. If a firm has a client team initiative, for example, a designated client team member is often in a good position to collect and integrate the various components. Regardless of what part of the organization is tasked with this activity, it is important to clearly state accountabilities for the report generation, particularly since it often requires crossing through organizational silos.

We propose a methodology to prepare an integrated partner briefing packet designed to assist partners with understanding (1) the firm's goals with respect to the client, (2) the client's business, (3) the state of the current relationship, (4) the competition, and (5) key opportunities. While this approach takes time to prepare, in our experience, the return on effort can be immense. In the following paragraphs, we describe this methodology in more detail.

### **Goals with the Client**

One thing that often becomes immediately clear when you start collecting data for a partner briefing packet is that you have far more information than you can possibly use to create a coherent and compelling story. For this reason, the very first activity before you collect any data at all is to clearly define what the firm would like to accomplish through this process. For instance, is this a very good client of one practice group that you would like to try and cross-sell into other parts of the firm? Or did the client recently get acquired by a firm with whom you have no relationship and so you will need to sell your firm into a new situation? Is the relationship stagnating and you would like to find ways to reinvigorate it? Having a good sense of where the firm would like to take the client relationship will help you pare down all the data and form a reasoned and relatively focused brief that will be most helpful to the relationship partners.

### **Company Information**

The company information piece of the client packet can be one of the more difficult pieces to put together, if only because some companies are so large and complex, focusing in on the key pieces of information can prove to be challenging. There are two key parts of the company information: assembling the basic facts about the company and a critical examination of the business as it relates to the provision of legal services.

When assembling this piece, concentrate on what a partner needs to know in order to talk intelligently to the client about his business. She does not need to know every product, for example, but should be familiar with the key revenue drivers as well as the outlook going forward for those particular products or services. Included in the company information piece should also be industry-level trends and how those trends are likely to affect the client. For instance, if the industry is under pricing pressure due to a weaker economic climate, this situation can present challenges to most industry players. However, if the client is a low-cost producer, then this type of industry environment may actually play right into their strategy and so their business may be counter-cyclical to what much of the rest of the industry experiences. Client information packets should also include how competitor companies are faring, particularly relative to the client. (So for instance, if the client's revenue is down 5%, but the rest of the industry is down 20%, this puts the client revenue declines in a new light.)

An important aspect of the company information piece is the identification of potential risks and critical vulnerabilities. Some people use a "SWOT" analysis for this piece, which identifies the Strengths, Weaknesses, Opportunities, and Threats to a particular company. Regardless of the framework used, it is important to think systematically about potential risks in particular, since these, of course, may be the situations most likely to involve legal counsel. Strengths may also be a good indicator of what assets, physical or otherwise, the company may be most interested in protecting, which also bears on legal work. If the company is publicly traded, a good source for ideas on risks and vulnerabilities are financial analyst reports, since they are often looking for what might go wrong with particular investment opportunities. Another source is industry commentary from reputable sources. But neither of these secondary sources is a complete substitute for an analyst's own judgment regarding which risks and vulnerabilities are most relevant for lawyers from their firm to understand.

### **State of the Relationship**

Another key part of a partner briefing packet is data and commentary around the current state of the relationship. This piece may be complex if the firm has multiple points of contact with the company through different practice groups. However, in these cases, the overall state of the relationship becomes even more critical to put together since each partner may only see one piece of the puzzle.

The state of the relationship portion should focus on key questions such as:

1. How much does this client pay the firm? How does this compare with other clients? (In other words, is this client already a top revenue-generator for the firm or are they lower value now with a hope of raising revenue going forward?)
2. What type of matters? High or low value?
3. What practice groups?
4. What has been the trend over time by matter type and practice group?

Much of the data required for this piece will come from the finance department so they are an important ally to the team that is assembling the report.

The state of the relationship section should also include information about the company's legal department. What is the background of the General Counsel and what are the various points of contact in the department? Additionally, if the company has publicly discussed its legal strategy, a description of their approach can be critical information to attorneys. For instance, with respect to litigation, does the company have an aggressive trial strategy, or do they prefer to wage a war of attrition through motions practice and settle out of court?

If your firm has a formal client interview program, the partner briefing packet is an excellent opportunity to integrate interview findings into the overall state of the relationship. Interviews can provide qualitative explanation for the data collected on fees over time, as well as the client's view of cross-selling opportunities and further expansion of the relationship.

### **Law Firm Competition**

Now that you've described the client's business and the state of the relationship, it is important to look at the nature of the legal work and who else is competing against you for this work. Using sources like the Thomson Reuters' Strategic Insights (fka Monitor Suite), which mines dockets and filings to describe legal activity, you can get a general picture of what kind of legal issues the company is facing and who else is doing what kind of work for your client. (Client interview reports should be able to describe the competition in even more nuanced form.) Some key questions to ask when describing the competitive landscape include:

1. What are the most significant legal issues facing the company and what is their relative importance?
2. Who else is working for this client and what kind of work are they doing?
3. Who are the potential competitors? (Who else is active in this industry but not doing any work for this client?)
4. What are the relative strengths and weaknesses of your firm versus the current and potential key competitors?  
Does this analysis point to any logical new points of entry or areas for potential development with the client?
5. How does the competitive set align with the client's legal needs? Does the client have unmet or inadequately met needs in places our firm can fill in the gap?
6. In which markets is the client distributing products or services? Who are their customers and clients?

### **Identification of key opportunities**

A thorough and thoughtful analysis of the issues above will naturally lead to a set of key opportunities for the firm to further develop and evolve its relationship with its important clients. Key opportunities can be building on an existing strength ("Hey – this company is a potential takeover target. Maybe we should put them in touch with our M&A lawyers.");

or it could mean making a course correction in the existing relationship (“We only have one partner and one associate who actively work with this client; we need to introduce others and build relationships across peer groups and the client organization and the firm. Whatever your conclusions might be, this “playbook” of information can become an integral tool for client teams and for the firm as a whole to more strategically develop business with existing clients.

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