

Look to Firm Strategy for Guidance in Preparing Next Year's Client Development Budget

By [Steven M. Bell](#) on August 22, 2023

It's budget season – one of the toughest times for law firm client development leaders because they are asked to allocate a finite amount of dollars across a seemingly limitless range of possibilities. The job is made even more difficult for those law firms that miss doing a deep analysis, but rather set next year's budget within a few percentage points, plus or minus, of last year's budget. And, oh yeah, don't forget surprises such as the sudden emergence of generative AI and pop-up demands that may not make good business sense or align with overall firm strategy.

It's still early in the budget season though, so marketing and business development leaders have time to calmly review the foundational principles of law firm budgets.

Here are three proactive touchstones to consider before putting pen to paper.

1. **Take a fresh look at firm strategy and review or deduce what it means in terms of client development actions and investments.** Law firm strategies are aspirations and –for marketers and business developers – these aspirational goals should identify by name companies that the firm would like to have on its client roster in three to five years and include detailed plans for pursuit and capture. Today's information and technology tools make it relatively simple to identify with great specificity the entities and individuals a firm strategy suggests should be clients. The budget should ensure sufficient funds are in place over the sometimes-significant time interval required to finish the job (i.e., win new clients).
2. **Review the Client Development Department charter.** This document is a statement about what the firm expects the Marketing and Business Development Department to do and how it will be measured. It's completely reasonable for client development leaders to insist that the firm prioritize and approve investments that will give the department a good chance of fulfilling expectations. If there is no formal departmental charter, the Chief Marketing and Business Development Officer job description is a reasonable analog. Whether written or implicit, the departmental charter identifies items that must be prioritized in the client development budget.
3. **Consider how close the proposed spending is to the point of sale.** Long gone are the days when professional services firms invested millions of dollars in broad-brush activities such as advertising to the general public in the hope of starting buyers on the long, long journey from being 'suspects' to 'prospects' to 'best few' to 'new clients.' Veterans of the early days of law firm marketing recall that the vast amounts of money expended at the top of the funnel sometimes led to resource starvation at the place it mattered most – the cash register. Thankfully, the discipline of legal marketing has matured, and today's client development leaders focus on a finite number of carefully selected prospects that have a good chance of producing near-term revenue. Some call it Account-Based Marketing, and it's another foundational budget philosophy worth considering carefully early in the budget process.

Many firms are finding that one of the most effective Account-Based Marketing tactics is to hire sales professionals whose training and inclination is to bypass traditional marketing protocols and get right down to the business of opening the right doors in the right places and converting leads into new business as quickly as possible.

In this post, we've suggested three 35,000-foot budget considerations: strategy, departmental charter, and Account-Based

Marketing. In previous posts such as [At the Expense of Marketing & Sales: Building a Better Budget](#) and in our book “[SAM-Legal: Turning Key Clients Into Strategic Accounts](#),” we covered more detailed aspects of law firm client development budget. As Growth and Business Development consultants, we have earned experience in crafting and managing law firm marketing and business development budgets.

If you'd like to chat off-the-clock about your firm's client development budget, please contact: [Steve Bell](#) at 202-421-5988 | sbell@lawvision.com or [Silvia Coulter](#) at 617-697-4869 | scoulter@lawvision.com.