

Old (But New Again) Growth Strategies for Driving Firm Revenue

By [Silvia L. Coulter](#) on March 26, 2024

Retaining and growing existing client relationships and building new business. That's basically the business development strategy on which most firms are, or at least should be, focused. It is a sound strategy indeed, but where should the investments of resources (i.e., time, money, business development professionals, etc.) be made?

We can't ignore the cost of retention and growth of existing relationships versus the cost of acquisition of new business. The Big Four firms tell us the costs associated with developing existing relationships are somewhere in the vicinity of 10-15% versus 30-40% for developing new clients. So why do so many firms struggle with their key client programs and cross-selling initiatives? Additionally, why do so many lawyers focus on developing new business instead of expanding relationships with existing clients?

One could argue that partially to blame are the firms' archaic forms of compensating partners who originally inherited or originated the business with no sunset date on the origination. Or one could argue that — like a newly found \$1,000 bill — a partner's fist is tightly clenched around the reins of his/her client relationship at the expense of the overall firm's opportunity to grow (and sometimes even retain) that client. One might also argue that it's simply a matter of establishing priorities and holding people accountable. So what's firm leadership to do? Below are some practical tips that may work for your firm.

1. Establish priorities and share them with the firm, along with the empirical data supporting the benefits of focusing on the expansion and development of the existing client base. The clearer the priorities are, as with any business, the higher the probability that people will make decisions that are more consistently in alignment with those priorities. This is a winning proposition. In the absence of stated priorities, law firms are, in the simplest of terms, providing a roof to house numerous sole proprietorships (the lawyers), many of whom are working at cross-purposes. This is not winning.
2. Build a key client program that 1) identifies the key goals, 2) sets expectations for the team leaders [who don't always have to be the relationship partner(s)], 3) builds succession into the mix, and 4) identifies key measures against which the team will be held accountable. Be prepared, by the way, to 'graduate' those leaders or team members who don't move the initiative forward and replace them with individuals who will support the firm's overall strategy for implementing and managing a successful program. A key client program will serve to institutionalize the firm's desired clients without mandating the 'institutional client rule.'
3. Provide training for individuals so they understand how to develop business. Everyone is able to develop business at some level, if they have the right training and tools to do so. Sales training for today's lawyers is a must to help them gain a competitive edge. This is especially important in light of the fact that some business development is expected from each individual to even have a hope of reaching the next level of their career at a law firm.
4. Determine a compensation plan that works to support the behaviors the firm is seeking. If cross-selling and growing existing clients are the goals, then firms will do best by compensating for those behaviors. Quite a few firms today are seeing results by making all clients institutional clients of the firm (a key client program is a great way to make this happen). Clearly there is still a relationship lawyer who is responsible for managing the relationship itself, but sharing success is a critical component of ultimately obtaining results. Small tweaks can make a big difference by reducing the portability of your key clients as lawyers make lateral move decisions.
5. Educate your lawyers on the importance of really understanding their clients' business and the industry issues they

face. Most firms talk about delivering value to their clients but don't recognize that the definition of value varies from client-to-client. In order to deliver the best possible value to the client, you must first understand their goals and objectives as well as what obstacles are getting in the way of them achieving their objectives. Once these obstacles are identified, it's simply a matter of determining which legal service offering helps the client overcome the obstacle. The service offering identified is the sales opportunity and will be viewed as 'valuable' by the client. If a client's over-arching business goals aren't understood, then the obstacles can't be identified, which results in nuisance ideas being brought to the client rather than value ideas. The importance of understanding the client's industry goes beyond the issue of identifying obstacles. When a lawyer truly understands the industry issues, they can begin delivering value-added advice. A simple example of this would be – by knowing the industry – having the ability to introduce the client to peers, investors, customers, professional talent, etc. That ability far exceeds the typical legal service delivery and puts the lawyer in the much-desired-but-few-have-achieved role of 'Trusted Advisor.'

6. The Executive Director's role in supporting the overall process is of critical importance to its long-term success. It is hard to argue against the fact that the concepts touched on above make good business sense. Typically, the ED/COO is one of the most business-minded individuals in a law firm. In many cases, it's this business sense that makes the ED/COO so valuable to senior management. As such, it's imperative that the ED/COO is involved in the business development process and is in lock-step with the leader of the Marketing Department in order to convince firm management to make these activities a priority, to communicate the priorities to the firm, and to ensure that, more times than not, lawyers are making decisions that are in alignment with the goals of the collective enterprise rather than for their own personal benefit.

Retaining and growing existing clients is more important since most clients have multiple outside law firms, and law firms are hiring sophisticated business development and sales professionals who know how to grab more share of wallet.

In summary, aligning firm goals with client goals and providing support and accountability across the firm will help grow the firm's revenue to notable new levels.

Silvia Coulter and the Sales, Business Development, and Client Growth Practice team at LawVision help firms retain and grow existing clients as well as develop new business. For more information on our revenue-enabling services, please contact scoulter@lawvision.com | C: 617-697-4869.