



Professional Development: Enhancing Your Culture of Business Development

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Editor's Note: This month, David Freeman, who authors our Leadership column, has written a fabulous piece for our Professional Development column. David's insight into how law firms work is far-reaching and we are thrilled to have his contributions.

In this current economic environment, many firms must sharpen their focus on business development. While some practices are thriving, others need to look under the hood to see the engine that will drive effective marketing, selling and client service. This article discusses the results of research conducted across many firms; it will identify areas of potential weakness that can hamper your ability to nimbly respond during these challenging times.

Background

Using a survey tool called the Culture X-ray™, I asked lawyers and marketing professionals to provide insight in business development-related areas such as leadership, strategy, client service, cross-selling, communication, training, selling, and compensation. Their anonymous responses have provided insight into what is going on in the minds of those who drive business development on a day-to-day basis. By understanding the perspectives of our lawyers, lawyer-leaders, and business development professionals, we can identify gaps and build approaches that can create healthier cultures in our firms.

What Is the Culture in Our Firms?

Recently, an international network of law firms invited its members to participate in the Culture X-ray™ (91 lawyers and marketing professionals responded). The scoring system ranged from one to five (one = "Strongly Disagree; five = "Strongly Agree"). In my view, any score below four represents areas of concern. The following are some of the responses that stood out. "The firm does a good job training our leaders" received a score of 3.3 out of 5 from the lawyers. This is troubling because if it is up to lawyer-leaders to drive desired actions, and if they are not well-trained, we can't expect to get things done at a pace or quality that is satisfactory. More disturbing is the rating this statement received from marketing professionals in these firms. These professionals, who I view as being somewhat objective observers, gave a score of 2.8 out of 5. The lack of leadership training is a serious disconnect in the chain of planning and implementing business development activities. "My group leader holds us accountable for timely implementation of personal and group plans" received a score of 3.35 from the lawyers. If we know that business development is often a low priority for many lawyers, and if we recognize that group

leaders are often the ones with the access and power to get people to act, these low scores represent another significant gap in our management systems. The marketing professionals give this same statement an even lower rating of 2.89. Clearly there is a belief that lawyer-leaders are not fulfilling an important role of leadership.

"We actively solicit feedback from our clients" received a rating of 3.62 from the lawyers and 2.64 from marketing. "We act on the feedback we receive from our clients" got a 3.88 from the lawyers and 2.89 from the marketing personnel. Both statements tell us we are not excelling in a critically important element of delivering high levels of client service. Also, by looking at the sharply lower scores from marketing, perhaps this says our lawyers are deluding themselves. There is industry research that backs up the notion that clients do not believe they are receiving the level of service the lawyers think they are delivering!

"I have a clear set of business development goals and measures" was rated 3.65 by the lawyers and 2.89 by the marketers. Especially during today's changing times, our lawyers must be extremely clear on how they are expected to deploy themselves. Traditional measures like billable hours or revenue will not do. They need specific direction on where to go, what to do, and how many times to do it in order to help them reach their eventual hour and revenue goals. Marketing and leadership must play a significant role in helping their lawyers build concise personal roadmaps.

Business Development Professionals at MLF 50 Firms

For the purpose of this article, we invited business development professionals in some of the MLF 50 firms (firms that were determined to be best at marketing in 2007) to participate in the survey. They were asked to reply based on how they thought their litigation lawyers would respond to these statements. The following are some of the more intriguing results from 11 business development professionals in eight MLF 50 firms.

"I clearly understand my role in the group's business development plan" received an average score of 2.2. This relates to the other low scores we saw for not understanding personal goals and measures. This is a clear indictment of communication, planning and teamwork. Our lone wolves need to be brought back into the pack so groups can hunt together and share the rewards.

"The leaders in my firm clearly support business development in my group" received scores of 2.91. What is not said is as loud as what is said. By not regularly communicating the importance of business development, many will think it is not important and will act accordingly. Firms that want more activity from their lawyers must have leaders constantly reinforcing this message through their words and deeds.

"I clearly understand how business development impacts my compensation" received low scores of 2.73. In another survey conducted with a large Midwest firm, the lawyers gave this statement a score of 2.98. "Our compensation systems effectively encourages business development" also received unacceptably low scores (MLF 50 business development professionals = 3.18; large

Midwest firm = 3.09). How can we expect our lawyers to do what we expect of them if the system does not reward desired behaviors? This is a senior management issue that must be addressed.

"I personally enjoy business development" received relatively low scores all around. MLF 50 professionals gave it a 3.09, the lawyers in the Midwest firm rated it 3.15 (and their lawyer-leaders rated themselves lower at 2.71!). This may one of the biggest problems of all. People generally avoid what they don't like doing, and if they don't like engaging in business development, we're dead in the water!

What Can Be Done?

Training: Clearly there is a need for training, both for group leaders and individual lawyers. Leaders need to learn how to create an environment in which business development can thrive. They need to develop group plans, get people to build personal plans that align with group plans, and hold people accountable for acting on their plans. Individual lawyers also need training which should be tailored to their specific personalities, skills and goals. This more personalized the process, the more likely it is they will enjoy doing it, which mean they are more likely to implement it.

Accountability: Once group and individual plans are created that have goals and measures, marketing professionals and/or firm leaders should create a tracking and reminder system that holds people accountable for acting on their commitments in a timely manner.

Communication: One of the biggest breakdowns in firms is communication — understanding how the compensation system works, understanding one's role in the overall group and firm strategy, knowing what each other does to help cross-selling, learning what clients want and how to serve them better. Solutions include ongoing communication and demonstration of commitment to business development by firm leaders; more frequent group meetings that discuss strategy, roles and successes; personal meetings with lawyers to check in on their business development efforts, answer questions and clarify their roles; cross-practice group meetings to learn more about each other and uncover opportunities; rewards and recognition for behaviors that align with firm and group goals; and meetings with clients to learn how to better serve them (followed by internal meetings and action steps on what to do with the feedback). In those firms where the compensation system does not align with your business development goals, leaders should seriously consider making the appropriate adjustments.

Conclusion

Every firm has its own unique combination of systems and behaviors that make up a culture of business development. Armed with a deeper understanding of the underlying drivers, you can build strategies that can accelerate the quality and quantity of business development in your firm.

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