

5 Killers Of Cross-Selling Success

By Erin Marie Daly

Law360, New York (September 20, 2010, 2:28 PM ET) -- Marketing is at the heart of every business, but lawyers often fail to take advantage of opportunities to cross-sell their services to existing clients — despite the fact that the practice can draw in lucrative additional revenue for the firm. Here, legal experts describe some of the most common roadblocks that prevent attorneys and firms from capitalizing on this key revenue stream, and how to overcome them.

1. Trust Issues

In order for cross-selling opportunities to flow, lawyers in complementary practice groups must invest time to get to know each other. However, this is often easier said than done, given the personal dynamics that can sometimes get in the way, according to David H. Freeman, founder and CEO of [David Freeman Consulting Group LLC](#), a legal business development group.

“This trust cannot be mandated by a firm, but must flow from the interpersonal connections between the lawyers,” he said.

Complicating matters is the fact that lawyers — who are often perfectionists — tend to get possessive, according to John Doerr, president of management consulting and marketing firm Wellesley Hills Group. They do not want other people to “mess” with their relationships, he said, and essentially end up hoarding relationships and clients for themselves.

“I remember one lawyer saying to me specifically that she would never introduce the litigation practice to her IP clients because ‘those guys are scary,’” he said. “When asked about the litigation practice — she knew very little about it — she said she just did not feel comfortable about letting them loose on her clients.”

Doerr said firms need to move away from the concept that they are operating as “autonomous collectives” and emphasize instead that their lawyers should work together to bring in business.

“I am seeing forward-thinking firms starting to train partners and even associates to cross-sell and think of how to grow the firm,” he said. “There is a recognition that the world of getting new clients has changed, and the need to develop a culture of sales including cross-selling is necessary to survive the change.”

2. Inadequate Compensation

Freeman also pointed out that compensation-related issues can get in the way of nurturing cross-selling relationships.

“Often firm compensation systems do not encourage cross-selling behavior, and some actually disincentivize this activity,” he said. “Executive committee members must take a hard look at their compensation systems to see if they are supporting or obstructing the very behavior they desire from their lawyers.”

Jayne Navarre, principal at LawGravity LLC, a boutique legal marketing agency, said firms with origination fees are more likely to experience an aversion to cross-selling for fear of losing the financial reward.

“Unfortunately for them, the clients are in the driver’s seat today, and often seek out firms that do work collaboratively,” she said.

According to Doerr, law firms generally do not compensate well for work done outside an attorney’s particular practice.

“Many do allow for origination compensation or some such arrangement, but it is nowhere near as lucrative as hunting and eating for your own practice,” he said. “My experience has shown that what generally constitutes incentive compensation for cross-selling is \$3,500 or less — small potatoes for attorneys making six figures.”

As a result, Doerr suggested, firms would be wise to take a good look at their compensation plans and see if they have adequate incentives to cross-sell.

“Remember, you are trying to get people to do something out of their comfort zone,” he said. “You will need to give them a strong enough reason to do so.”

3. Poor Communication

Another issue, according to Freeman: internal and external communication.

“Often the 'relationship lawyer' does not know, or ask, about other client needs,” he said. “They also do not know the full range of services available by others in the firm. It is incumbent on lawyers seeking cross-selling opportunities to educate the relationship lawyer and arm them with questions to ask the client that might uncover a need they can serve.”

Doerr said he had worked with many firms whose lawyers were relatively clueless about other practice areas.

“They don't know the other guy's area, so they don't ask clients about it because they lack knowledge of the other practices, or they fear getting cornered in an area they're not expert in,” he said. “They are used to being the expert, and hate it when they are not.”

4. Unclear Expectations

In addition, Doerr said, lawyers may shy away from spending time on cross-selling because it is rarely expected, and if it is, expectations are vague.

“If it's not expected, they won't do it,” he said. “The feeling is, 'I can do just fine selling only my own practice, so why go out of my comfort zone?’”

As a result, Doerr suggested, firms should take the simple step of laying out their cross-selling expectations.

“I worked with a firm that had been trying to cross-sell for years,” he said. “Once we set and agreed to clear expectations, they were seeing remarkable success within months.”

Equally important, according to Doerr, is that lawyers are adequately trained to be able to meet these expectations.

“Train everyone how to find clients' needs by asking the questions that are applicable to the other practices,” he said. “It is not just a question of knowing the technical side, but also knowing the stories and the reasons clients would need the other practices.”

Doerr also suggested appointing a few key partners to lead the charge so that others can follow their example.

“Often times, it just takes a few successes to get everyone on board,” he said.

Then, make sure attorneys network within the firm to build cross-selling opportunities, Doerr said.

“It is easier to refer someone you know and easier to bring someone in you know,” he said. “It seems simple, but it's rarely done.”

5. Inappropriate Targets

Another huge misstep lawyers often make in cross-selling is attempting to butter up clients who have no need for the additional services being offered.

Freeman said that in order to avoid this, firms themselves should take the reins by conducting preliminary market and competitive research to learn where their clients use outside counsel. Based on that information, they should then develop a cross-practice group team to identify new areas where the firm can serve the client, he said.

Freeman also suggested that lawyers from cross-practices should give the relationship lawyer a series of questions to ask the client aimed at identifying any existing needs, as well as reasons why the client should make the switch from their current counsel. The relationship lawyer should then conduct client feedback meetings and ask if the client is looking for new counsel in any areas.

“Cross-practice capabilities should be regularly communicated to the client,” he said. “Build new relationships early and often before needs arise.”

Navarre, for her part, noted that it is nearly impossible to sell people something they do not need or even perceive a need for; therefore, attorneys first and foremost need to brush up on their listening skills.

“The clients to whom you will expand services will be the client that you interact with the

most,” she said. “Above all, you have to stay relevant to them, and you can only do that by listening for needs or paying attention to what’s going on in their industry.”

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