

LEGAL MANAGEMENT

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FM Feature

FINANCIAL MANAGEMENT

The Road to Raising Revenue

How to use your leadership skills to bring in more business

When it comes to business development, law firm leaders often feel ineffective. While it is clear how important growing revenue is to the health of a firm, one of the most challenging tasks is getting lawyers to more actively pursue the firm's best business development opportunities.



DAVID H. FREEMAN, JD
Founder of Law Firm Culture Shift

"Business development plans are often worthless because they're built on hope, not strategy. A good plan needs to be ambitious but realistic and fit into the rhythm of a lawyer's daily practice."

LISA SIMON

Chief Client Development
Officer, Lathrop & Gage



In fact, in the 2016 Thomson Reuters Legal Executive Institute Annual Marketing and Business Development Benchmarking Survey, the research showed that the top business development challenge facing law firms is lack of lawyer engagement.

"Business development plans are often worthless because they're built on hope, not strategy," says Lisa Simon, Chief Client Development Officer at Lathrop & Gage. "A good plan needs to be ambitious but realistic and fit into the rhythm of a lawyer's daily practice. Firms need people who can help keep plans moving along when the tendency is to revert back to hope."

Most legal management professionals do not have the ability to directly bring in more work, so they must act as virtual wizards-behind-the-curtain to influence others to engage in the right behaviors. At the risk of overextending the metaphor, by encouraging more heart, courage and brains, they can increase and direct business development activity in ways that can bring in more revenue.

By channeling their leadership skills, legal management professionals can:

- Increase business development activity from their lawyers
- Enhance cross-selling
- Improve teamwork
- Create higher levels of client service
- Deliver consistent implementation

REVENUE-FOCUSED LEADERSHIP

For a leader focused on generating more revenue, a top priority is to increase, focus and sustain organizational energy in ways that keep the pipeline filled. Capture the attention of lawyers and

keep them more engaged by setting goals, understanding the real obstacles that get in the way of those goals, developing plans to overcome challenges and actively managing tasks through completion.

QUICK HIT 1

For a leader focused on generating more revenue, a top priority is to increase, focus and sustain organizational energy in ways that keep the pipeline filled.

Greater lawyer engagement is the key to driving desired changes. In the book *Primal Leadership* by Daniel Goleman, et al., the authors identify six major leadership styles: visionary, coaching, democratic, affiliative, pacesetter and commanding. The one that delivers the best financial results? The coaching style.

For legal management professionals, this means meeting one-on-one with lawyers, learning what they want from their practice and figuring out ways to help them achieve their goals in alignment with firm goals. An important step in the process is to ask people to take a good look at themselves and answer three questions:

- What must I stop doing?
- What should I be doing more of?
- What can I delegate to others?

LEADERSHIP APPROACHES FOR DRIVING MORE REVENUE

DEVELOPING HIGHLY EFFECTIVE TEAMS

As stated by basketball superstar Michael Jordan, "Talent wins games, but teamwork and intelligence win championships." Successful teams in law firms are made up of the talent and how well those people interact with each other. Legal management professionals can influence these two areas by choosing the right people to be on specific teams, and guiding the teams to develop standards of behavior that will raise their performance.

Choosing the right people doesn't always mean selecting those with the most experience. If they are too busy, if they don't care about the team's project or if they have personalities that don't mix well with others, they might not be right for the job. Others with adequate experience who possess passion and commitment, and who like working collaboratively with others, may be a much better fit.

Once the team has been assembled, you need to develop rules of engagement. High-performing teams have structure, goals, plans, roles, agreed-upon standards of behavior, measures, rewards and consequences. As a leader, ask the group to discuss these factors early in its formative stages. That way everyone will have clear expectations for what it takes to collectively achieve common goals.

QUICK HIT 2

It should be no surprise that studies report that more than **50 percent** of meeting time is wasted. It's hard enough to get lawyers together in a room, so make that time as effective as possible.

“More clients are using more RFPs [requests for proposals] to hire law firms than any point in the last 15 years.”

**MICHAEL
RYNOWECER**

President & Founder,
BTI Consulting Group



INFLUENCING CROSS-SELLING

In most firms, cross-selling is the most efficient way to quickly grow revenue. However, most lawyers do not understand the nuanced dance that must occur to unleash their potential. Effective cross-selling is a multi-part harmony that requires:

- Increasing the amount of time focused on pursuing cross-opportunities
- Identifying the obstacles that get in the way of success
- Developing plans for overcoming the obstacles and pursuing their best opportunities
- Improving performance in key accelerators of cross-selling success (see sidebar)
- Developing systems to maintain ongoing action

Understanding and addressing obstacles is the key sticking point in many firms. By clearly identifying the top issues that exist, leaders can institute approaches to reduce or remove the negative influence. Some of the more common issues include:

- Lack of trust and motivation to share with others in the firm
- Lack of time devoted to pursuing cross-opportunities
- Poor internal and external communication
- Not understanding the skills that exist within the firm
- Not understanding client needs
- Not understanding how to build relationships and properly approach other firm lawyers
- Misaligned credit and compensation
- Lack of planning
- Weak accountability, follow-through and tracking

As an example, in one firm, a lateral hire arrived expecting to receive work from his new partners. Six months in, little had come his way. As a result, he realized he needed to be more proactive to build stronger internal relationships. Over several months, he scheduled 30 lunches and dinners with his new partners. Within a short period of time, internal referrals started flowing to him.

As a leader, recognize the need to nurture strong internal connections between the right people and groups, and good things will come from it.

QUICK HIT 3

Leaders must raise the bar. Developing a generic list of client service standards is not enough — lawyers must engage in processes that get them thinking deeply about what it takes to improve their performance.

ENCOURAGING HIGHER LEVELS OF CLIENT SERVICE

One of the key accelerators of cross-selling, and business development in general, is the delivery of industry-surpassing levels of client service.

“More clients are using more RFPs [requests for proposals] to hire law firms than any point in the last 15 years,” says Michael Rynowecer, President and Founder of BTI Consulting Group. “Fifty-six percent of corporate counsel issued RFPs for law firms in 2015, up from 45 percent in 2014. The increase is due directly to the rock-like drop in client service performance clients are experiencing.”

Leaders must raise the bar. Developing a generic list of client service standards is not enough — lawyers must engage in processes that get them thinking deeply about what it takes to improve their performance. Provide training, facilitate group discussions that clearly define tactics for delivering exceptional levels of service, elicit more client feedback and hold lawyers accountable for action. Also, during any planning and training sessions, remind the lawyers of the two major audiences for service: the client and other lawyers and staff within the firm.

IMPROVING BUSINESS DEVELOPMENT SKILLS AND INCREASING ACTIVITY

Generating ongoing matters requires lawyers who can find and act on business development opportunities. As in most sales organizations, the middle 55 to 60 percent of the lawyer population could do much better if trained and properly motivated. Therefore, it's up to leadership to provide the environment and tools to improve their capabilities.

To that end, leaders can provide assessments, training, group and personal planning, coaching, reminders, contests, measurement and tracking to ingrain new behaviors. They can provide training to group and department leaders to show them how to become better at managing the sales, marketing and client service activities of the lawyers in their groups.

QUICK HIT 4

Make ongoing business development activity transparent, and provide recognition of individual progress and success.

From an individual business development training perspective, some key areas to cover include:

- Creating individually tailored business development plans
- Developing strategies and tactics for finding new work

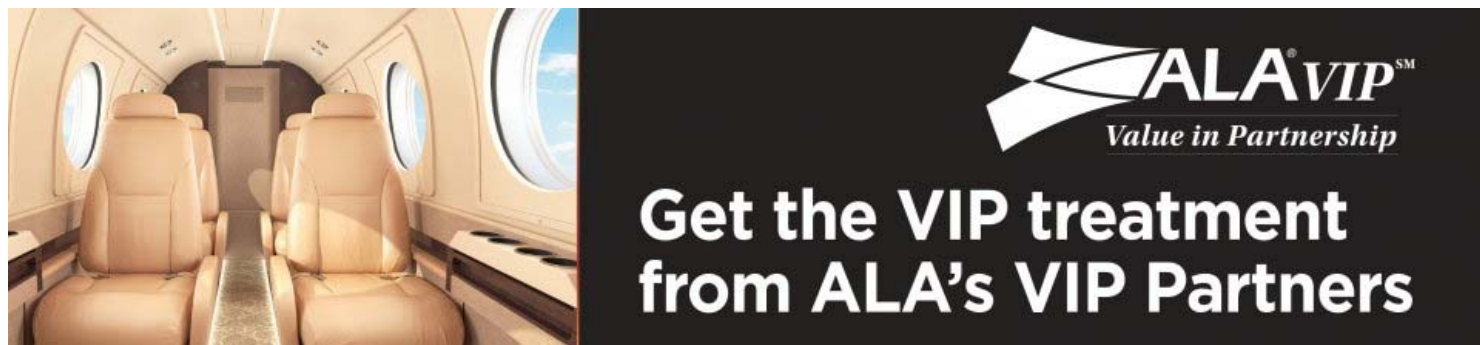
- Generating new revenue from existing clients, new clients and referral sources
- Delivering higher levels of client service
- Increasing visibility in front of targeted prospective clients
- Identifying and acting on internal cross-selling opportunities
- Getting more meetings and improving effectiveness during meetings
- Addressing issues related to time management and delegation
- Staying accountable for acting on commitments
- Developing methods for staying top-of-mind with important contacts

RUNNING EFFECTIVE MEETINGS

It should be no surprise that studies report that more than 50 percent of meeting time is wasted. It's hard enough to get lawyers together in a room, so make that time as effective as possible.

From a business development perspective, there are a number of elements to consider incorporating into your meetings, including:

- Discussing business development at every meeting — to highlight its importance, make it the first agenda item
- Tracking the status of group and personal initiatives and praising successes as well as attempts
- Establishing and communicating measures of group progress and success
- Providing ongoing reminders of the group vision and plan
- Conducting training and providing refreshers in skills that have been taught in the past
- Discussing specific client issues and letting the group help develop solutions
- Discussing other business development challenges and opportunities



IMPLEMENTING PLANS

At the end of the day, it's all about consistently getting the right things done. Given the nature of a lawyer's work, it's very hard for him or her to regularly implement business development plans. So it can be helpful to provide supportive structures.

Some firms appoint task forces to help drive action. Here are some other techniques to try:

- Break large initiatives into smaller chunks by creating anywhere from 30-day to six-month action plans. By having short-term deadlines with defined steps, you can sharpen your lawyers' focus on step-by-step implementation.

- Similar to the concept of the task force, create the role of the “watcher” — a person or group charged with making sure certain initiatives are accomplished.
- In connection with the watcher role, develop key measures of progress and success. For example, some firms measure the number of on-site meetings with clients, or the number of lunches between firm partners. These are then activity-tracked by marketing or other staff.
- Make ongoing business development activity transparent, and provide recognition of individual progress and success. Several firms have created internal newsletters that tout the accomplishments of lawyers who are acting in alignment with desired goals, while others use group and firm meetings to praise certain lawyers. Not only does this instill pride and increase engagement in the lawyers who are highlighted, but it also sends a powerful message relating to cultural expectations throughout the firm.
- Use leadership styles that work for each situation. As a leader, different situations may require different approaches, so be cognizant of the who and what and apply tactics that will yield the best outcomes.
- Remember this final one — compensation. In many firms, there is a mismatch between what they pay for and what they want people to do. To maximize results, it's evident that the compensation system should be in alignment with the actions you desire.

There are many ways to influence the direction and pace of business development activity. With the right finesse and support, legal management professionals can make a significant difference in the fortunes of the firm, as well as the careers of individual lawyers.

ABOUT THE AUTHOR

David H. Freeman, JD, is Founder of Law Firm Culture Shift. He's also a best-selling author who has written four books on leadership and business development. He has worked with 180 law firms and has repeatedly been voted the best law firm business development coach and consultant in a major nationwide survey. He's also a Fellow in the College of Law Practice Management.

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