CHAPTER 1

Focus on Clients to Build Your Firm

Your clients will fuel your firm’s growth. Consistent, strategic, and sustainable firm growth depends on strong client relationships rooted in practices that are designed to meet not only clients’ expressed needs but also their expectations. Individual attorneys fiercely protect their key client relationships precisely because they know that this equation is real.

In a client-centric firm, the organization’s resources are aligned “to effectively respond to the ever-changing needs of the customer, while building mutually profitable relationships”\(^1\)

Therefore, any organizational changes need to reflect your client base. The understanding of that base begins with research into your firm, your own growth goals, and the firm in relation to your key clients. This

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research looks at the client base today and identifies which parts of it you want to replicate for the future. The resulting firm assessment is then paired with a broader understanding of your key clients, from the perspective of what they do and what they want to do in their own world. By combining these two research streams, you are better positioned to decide what services you can offer your clients to help them get where they want to go, and you will also identify what needs to happen in your firm to produce that kind of client-focused value.

Recognize the Convergence that Puts Clients in the Driver's Seat

Today's clients want more than the usual intangible factors that create successful lawyer-client relationships, such as personal chemistry, working style compatibility, and on-point expertise. They demand a proactive approach to their matters based on a deeper understanding of their company, their industry, and the world—local, national, global—in which they operate.

The fundamental change that has already occurred in the attorney-client relationship is that the market for legal services has become a buyer’s market. . . . It is the view of the task force that this shift in the market for legal services—at least for the foreseeable future—will be a durable one. . . . Today clients have greater power to define and demand 'value'. . . .

To respond to this trend, firms need to create “stickiness” with clients by “expanding their firms’ bonds with clients . . . First, firms must require their lawyers to meet or exceed client expectations about quality, service, cost, and results on every matter—as measured by the client’s desire to come back for another matter and to refer additional clients to the firm.”

A PERMANENT CHANGE IN EXPECTATIONS AND COMPETITION

The economic downturn of 2008–2010 only accelerated challenges to the practice of law that were already in motion. All indicators point to

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4. For a thorough analysis of these trends and factors, along with their likely impact and potential remedies, see Richard Susskind, The End of Lawyers?: Rethinking the Nature of Legal Services (Oxford University Press, 2009). See also Kate Clifton (ed.), The Future of Legal Services: Expert Analysis (Ark Group, 2010).
a more challenging competitive environment: one in which clients will have more choices for how, where, and from whom they receive legal services; fewer dollars overall will be spent on legal services from outside law firms; and law firms will face greater pressure to focus more on budgets, process efficiencies, and transparency.

THE TRADITIONAL FOCUS ON PRACTICE GROUPS INHIBITS CLIENT-CENTRICITY

“It is an idiosyncrasy of the US legal market that while American attorneys may be on the cutting edge of advice to clients, their firms are among the most traditional in the world.” 5 Why is a realignment of practice focus and processes so difficult to achieve? Why don’t professionals embrace the clients that are most loyal?

One reason is that law firms tend to organize lawyers into practice groups built around the kind of law practiced, rather than around the purpose for which they are working. Corporate attorneys may sit next to litigators, but rarely do they work together. Often, they are unaware of each other’s key clients or cases. Such blinders preclude cross-selling of colleagues’ services. Sometimes the firm’s reward system discourages cross-specialty fertilization, because current client growth is expected rather than rewarded. Also, the way productivity is measured and compensation awarded does not encourage teamwork or technological-facilitated efficiencies.

Clients want to be sure that those working on their matters are familiar with their specific situations and also conversant with the industry, economic, and political worlds in which they operate. They prefer to have continuity in the staffing of their matters. For the law firm, this is often a nice but not essential condition, overlooked when department workloads and priorities require staffing changes. In addition, the way productivity is measured, with its focus on the billable hour, discourages teamwork, fixed project-based fees, and technology-facilitated efficiencies.

Build a Client-Centric Practice Based on “Foundation Clients”

A client-focused practice begins by seeing your practice as your clients see it. This means understanding how your client feels about the matter at hand, knowing how intimately the client wants to be involved in resolution of the matter, and thinking about how your work processes and procedures look from the client’s perspective.

Key clients are foundation clients because they will become the basis for your growth initiatives. Consider them the “low-hanging fruit” of your practice, offering the opportunity for “a course of action that can be undertaken quickly and easily as part of a wider range of changes or solutions to a problem.”

Foundation clients use your firm for intellectually interesting work, typically important to them, usually on a frequent basis. This client is usually in your “80/20”—the twenty percent of your clients that provide eighty percent of your revenues. But a foundation client could also be a famous charity or well-known sports or entertainment figure—a client whose reputation places them conceptually in the “80/20” regardless of the actual dollars spent. The foundation client’s executives and in-house lawyers and your attorneys usually have compatible work styles and work values.

When you adopt a client-centric approach based on a knowledge of foundation clients’ wishes and needs, you create a vehicle for growth that can:

❯ Invigorate your practice by building a strong client base. The stronger the personal relationship and the broader the practice areas used by the client the more value it brings to both parties. As you work with a client in a number of situations you develop what marketers call “depth of client”—in terms of the breadth of situations you address and your understanding of the whole client. This breadth allows the attorney to become an advisor to the client, which in turn leads to stronger relationships and additional work.

❯ Strengthen a practice by targeting prospects with characteristics similar to your foundation clients. Your foundation clients present inter-

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6. World English Dictionary (dictionary.reference.com, accessed December 22, 2011). This is not to be confused with the “fruit of the poisonous tree” doctrine that holds that “evidence discovered through unconstitutional means (such as a forced confession or illegal search and seizure), may not be used as evidence against a criminal defendant.” Nolo’s Plain-English Law Dictionary (http://www.nolo.com/dictionary, accessed December 22, 2011).
testing legal issues, use services you like to provide, and pay well, so
1 naturally you want more like them. The investment made to under-
2 stand the world of your foundation clients provides a strong plat-
3 form from which to approach similar prospects.

Make the practice of law personally more rewarding by focusing
your energies on work you enjoy for clients you like.

Deliver a Stronger Perception of Value to Create Loyal Clients

Creating a loyal client is a process. No matter how effective the work
for a client, without creating a relationship that rewards client loyalty,
the attorney is working with a satisfied client who may or may not be
inclined to work with him again.7 Satisfied clients can be fickle, swayed
by a better deal or a pretty face. Loyalty develops as the attorney and
client continue to work together, building a comfortable relationship and
a track record of solid results.

There is no right or wrong way to build a client-centric firm. To be
successful it must begin from an understanding of your own work prefer-
ences. Every professional prefers some aspects of the practice more than
others. It may be the counseling part, or the strategic planning, or the
win. These preferences help differentiate your services from your com-
petitors and create the service offering your clients like.

A client-centric approach assumes certain principles and practices:

Client empowerment to define and demand increased value imposes
upon the attorneys the practical obligation to devise systems that opti-
mize the processes by which they deliver their services, and to commu-
nicate that value to the client. . . . attorneys may be required to dem-
onstrate their ability to assess and manage the business risk associated
with legal problems, strategically streamline their services based upon
those assessments, and measure their results.”8

Value is defined by the buyer; so to create the value clients want,
attorneys need to develop a process that compels the client to share in
the development of their legal solutions.

fifty-nine percent of in-house counsel said they were considering firing a law firm. In the eighteen
months prior to the study two-thirds of large corporate clients replaced one or more of their primary
outside firms, amounting to more than five billion dollars in value.
8. NYSBA, supra note 2, at pp. 11, 27.
Communication is central to the delivery of any professional service. The service itself is an intangible—a shared experience which is created through language and activities. In a client-centric firm, the shared experience is reinforced through communication guidelines, a client interview program, and shared information initiatives such as knowledge databases and document repositories.

**Take an Integrated Approach for Steady Growth**

The process constructed here is an end-to-end system for building the practice you really want. Using it, you will move steadily from where you are now to where you ultimately want to be. You may be doing some or even many of the things recommended in this book. However, you are probably *not* doing them consistently as part of a planned and focused marketing system. By showing you how to integrate a client-centric process into your practice, this low-hanging fruit system helps you to build your law business organically without distracting you from the day-to-day demands on your time.

The process works for attorneys in private practice regardless of legal specialty. In most cases, the exercises assume that you work with business entities, but examples show you how to alter the approach if you work primarily with individuals. The size of your firm does not matter; in fact solo practitioners and attorneys in small firms, who form the majority of all those in private practice, have several advantages. First, with fewer people to convince, motivate, and train, the new approach can be implemented quickly. Second, there is probably a shorter learning curve since you already do practice management. And most importantly, you already have tight relationships with your clients.

Difficult as it is to predict, define, and adjust to change—particularly for a profession as immersed in comfortable traditions as law—tremendous opportunities exist for lawyers and law firms that embrace this in-depth examination of their practice and their clients, and then align them to meet client demands.

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9. According to the 2010 demographics from the ABA, three-quarters of all lawyers are in private practice. Of those in private practice, almost half are solos, fifteen percent are in firms with two to five lawyers, and seven percent are in firms with six to ten lawyers: seven out of ten lawyers works in an environment of ten or fewer lawyers.