

Building Clout in a Brave New World

Industry leaders share their insights on how law firms' business development and marketing teams can further develop their roles.

A ROUNDTABLE DISCUSSION FACILITATED BY THE NEW YORK CHAPTER OF THE LEGAL MARKETING ASSOCIATION



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The Legal Marketing Association (LMA), an organization dedicated to serving the needs and interests of marketing and business development professionals working in the legal industry, moderated this virtual forum of leaders exclusively for *Professional Legal Management Week Magazine*. Law firm industry leaders spanning firm management, administration, and business development offered their views on the fast-evolving world of business development and marketing and provided diverse insights, perspectives, and recommendations on how business development teams can further develop their roles in competitive and dynamic environments.

HOW HAS THE ROLE OF BUSINESS DEVELOPMENT (BD) AND MARKETING EVOLVED IN LAW FIRMS?

Kartson: As successful law firms have developed the business of practicing law to fit with a global economy, their supporting structures have also grown and matured. In today's competitive environment, just like in any other business, a strategic marketing function is critical to these firms' ongoing growth and financial fitness.

Leary: One key element of the evolution that Despina describes is the movement from the pursuit of

internally-facing strategies, focused on the firm, to outward-facing strategies, focused on clients. Marketing teams now frequently work in alignment with their firms' business development strategy, providing extensive research, working in tandem with lawyers to develop responses to proposals and coaching lawyers on marketing skills.

Shrank: This market orientation is driven by increasing competition. Senior managers now appreciate the growing importance of market positioning and client relationships.

Business development and marketing is now an important part of what all lawyers do on a daily basis – as a result, the function has become more important to support the lawyers in achieving close and productive client relationships. Our business development team advises on strategic issues such as product development, client relationship management, recruitment, secondments, pricing, and a range of other business development concerns that not all lawyers are skilled in.

Ward: It's a brave new world. Eight to 10 years ago, many lawyers didn't "buy-in" to the idea of marketing and business development or even think that it was necessary. Marketing functions were often limited to client dinners and cocktail parties. These activities were handled by secretaries and other administrative staff on an ad hoc basis. In response to market forces, many marketing and BD departments have become professionalized, providing integrated and strategic services. As a result, firms are putting a greater investment into BD initiatives, including recruiting well-qualified and highly specialized teams.

firm culture, and department size, among other points. Regardless of what structure is chosen, the status of the BD and marketing function has been elevated and now plays an integral role in strategic planning.

TO WHAT EXTENT HAS THE BUSINESS DEVELOPMENT FUNCTION BEEN ABLE TO EARN A POSITION WITHIN THE DECISION-MAKING CIRCLE?

D'Alessandro: The senior management at the leading law firms are already treating their BD and marketing executives as trusted advisers in many aspects of their operations.

Johnson: BD is central to the strategic decision-making process. We have a Chief Marketing Officer who sits on the Administrative Committee, a Business Development Partner who sits on the Board of Directors, and a number of BD professionals with specialized roles serving practice leaders. This underscores our emphasis on BD and ensures that every decision that the firm makes has a BD component.



Dennis D'Alessandro

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King: I agree that staffing is one of the biggest changes in this new world order. The professional, strategic departments that Eleanore describes require high-level direction and sophisticated staffing. Firms are bringing in "outsiders" who understand the practice as a business. These business-focused executives are taking a fresh look at the field, challenging the status quo, and incorporating best practices from the corporate world into their work. In turn, they are hiring specialists in public relations and technology, and also marketers from outside the legal industry.

Pape: How firms structure their BD and marketing departments is closely aligned to the issue of staffing that Eleanore and Sally note. Structure is governed by strategy,

Shrank: BD and marketing are now involved in most important decisions. Real authority resides in the ability to control resources. An additional sign of the growing influence of BD and marketing executives is that they are increasingly the owners of the business development budget and manage that budget allocation.

Pape: The BD and marketing functions need a seat at the table, but they earn that through BD's collaboration across the firm and marketing's successful creation and execution of initiatives.

King: Lawyers understand that they can better serve their clients if they possess a broad understanding of their

businesses and the industry trends that impact them. Client-focused lawyers have a functional dependency on their BD operation. At our firm, lawyers have grown to trust and rely upon our business development staff to provide them with a high level view of clients' businesses and industries. In turn, our lawyers can do more than just respond to our clients' needs; they can be proactive, while remaining focused on what they do best: namely, practice law. An effective and well-integrated BD team that provides succinct, actionable intelligence can increase its power and its involvement in the decision-making circle.

Kartson: Proven success and demonstration of return on investment are the most direct routes to power and influence. To be successful, it is crucial that marketing and BD executives have strong support from the firm leadership and total credibility.

Leary: While a number of individuals have earned a seat at the table, the most influential marketers are those who add value in a variety of strategic areas beyond the "traditional"

marketing realm. Law firm marketers often work across multiple practices and are thus well positioned to leverage their understanding of the firm's practices and clients in a variety of influential ways. These range from raising awareness regarding potential issues internally and client conflicts to assisting in recruiting lateral partners.

WHAT DO BD AND MARKETING MANAGERS NEED TO FOCUS ON TO OVERCOME THE BARRIERS TO EXERCISING INFLUENCE ON STRATEGIC DECISIONS?

Leary: Lawyers use resources that add value. Marketers who proactively consider what market opportunities and obstacles may be of interest to clients and offer specific and targeted suggestions will earn themselves seats at the table.

Pape: Initially, we found that some attorneys did not understand why the business development team wanted to help – the "what's in it for them" factor. That's why it's so important to leverage success stories that help convert partners to use the range of BD services offered, while also

Eight Tips on Building Clout from Law Firm Leaders

- 1 Dennis D'Alessandro:** Focus on strategic, top-line challenges that are putting pressure on margins, and on those initiatives that address revenue and profit growth in creative ways.
- 2 Ben Johnson:** Every managing partner and law firm leader has a "to-do" list of things they will never get done – many of which are important and strategic. Develop a continuing conversation with your firm's leaders aimed at moving these items from lists of deferred aspirations to lists of action items. No smart leader will rebuff such conversations, and no really good BD professional will fail to engage in such conversations.
- 3 Despina Kartson:** As the hub for ideas and marketing innovation, you need to listen to your clients and lawyers and ensure you are flexible and nimble enough to adapt strategies and bold enough to implement them.
- 4 Sally King:** Hire the best people you can find, invest in them wisely, and create a career path for them. Challenge your BD team to continuously improve and develop new methods to reach clients and improve client relationships. At the end of the day, law

is all about relationships. The firm that has the best understanding of the client and the issues facing clients wins.

- 5 Jim Leary:** Live at the intersection of the clients' market opportunities and the law firm's expertise. Follow industry trends religiously and proactively identify opportunities for the firm to offer added value to clients.
- 6 Stuart Pape:** BD and marketing need a seat at the table. They need to be visibly present in all strategic initiatives and seen as thought partners in every significant effort. If you view them as proposal writers or people who just respond to RFPs, that is what you will get. Give them a permanent seat, give them challenging roles, and then watch them reward your confidence.
- 7 Ian Shrank:** Develop a deep understanding of the firm's business and the key products that the firm's lawyers offer.
- 8 Eleanore Ward:** Be aware of what's happening in the global business world and legal world generally, which can help you anticipate BD opportunities for your firm.

facilitating cross-selling and knowledge management across the firm. If you expect your BD team to take ideas and turn them into realities, then you need to have them in the room on a regular basis.

D'Alessandro: Addressing client concerns, such as continuing rate increases and service delivery issues, while still delivering revenue growth and profitability, is fundamental to gaining influence and power. Knowing the firm's economic imperatives and responding appropriately have been, and continue to be, barriers. BD and marketing professionals should focus on strategic, top-line challenges that are putting pressure on margins, and on those initiatives that address revenue and profit growth in creative ways – either preemptively or reactively.

King: Business development and marketing practitioners must seek to epitomize the client relationship management practices they promote. They must show partners that they can serve them best as strategic advisers and confidants. A laser focus on understanding and carrying out the agendas of the partners for which you work is invaluable in acquiring power and influence. Delivering great service and developing loyal “clients” requires BD and marketing managers to do more than develop reactive solutions. They must be proactive and innovative as well.

Ward: Perhaps one of the toughest remaining barriers is that partners may not always instinctively think to share certain business information with professional staff who are outside the partnership. It's up to business development managers and their teams to develop strong relationships and try to influence partners to allow them to participate and contribute to the strategic decision-making process.

Shrank: Another obstacle to influence is knowledge of the business, the market, and the specific products with which the lawyers work. Without this understanding, BD and marketing managers often lack credibility and face doubt about the value they add. By their own admission, BD and marketing managers know they need to develop greater knowledge of the business. Over time, they have definitely improved. They must commit to continue doing so.

Johnson: A seat at the table comes through serving the firm generally and its offices and practice groups specifi-

cally with the highest quality business development advice and execution.

WHAT ADVICE WOULD YOU GIVE TO BD/MARKETING TEAMS TO HELP THEM BUILD CLOUT WITH THE VARIOUS KEY CONSTITUENCIES INSIDE LAW FIRMS?

Ward: Take it upon yourself to understand your firm's business priorities and the nature of its deals and cases. Sit in on internal CLE presentations for different practice areas to gain a deeper understanding of the business. This will help you add value when drafting a RFP response, preparing written content for brochures and other presentations, identifying media opportunities, and the like – and the lawyers won't have to spend so much time on activities that can be handled by experienced staff.

Pape: I agree with Eleanore that increasing your knowledge and skills is a critical component in building clout. Training is really important to us. Four times each year, our BD department holds offsite training called the Selling Skills Seminar. It is not intended to create salespeople, but rather to provide the basic tools to negotiate the successful “sale” of both the firm's and the attorneys' individual services. Other courses are offered throughout our offices as well.

D'Alessandro: Building clout within any organization is very personalized. Successful BD professionals don't just get results; they need to use highly developed and nuanced personal skills to carefully manage a whole host of relationships. It is an enormous undertaking to successfully operate inside a matrix organization. Understand the business objectives and the financial pressure points of the industry and within your firm. Propose and enact strategies designed to meet your firm's objectives that are sensitive to the financial, political, and cultural issues at work inside the firm and for clients.

Shrank: BD and marketing professionals should never be afraid to share their ideas. Law firms can often be intense and intimidating environments in which to work. However, business development and marketing is all about new ideas. Well-formulated ideas, aligned to firm strategy, are the best way to build clout and credibility.

King: Success breeds success. Provide partners with a strategic vision of what you will accomplish – without



over-promising. Then, hold yourself accountable. Demonstrate the impact your initiatives have had and build from there.

Kartson: Ask questions about the firm's practice, finances, and strategy, and build relationships within the firm by discovering and fulfilling the needs of your key constituents. Make sure that your relationship building internally is synchronized with your strategic goals. Before executing an overhaul of your research systems, examine your relationship with key decision makers in Finance and Knowledge Management. Most importantly, always follow up.

HOW SHOULD BD/MARKETING TEAMS DEMONSTRATE VALUE TO LAWYERS? HOW DO YOU EVALUATE SUCCESS IN THIS AREA?

Johnson: Service, service, service. Results, results, results. Herein lies the recipe to win new clients and retain existing ones, generate higher quality work opportunities, and increase revenues.

Leary: A great way to demonstrate value and increase participation in marketing activities is to raise internal awareness of marketing and business development successes. Internally sharing information on successful business

initiatives will encourage others to engage the services of the department, while at the same time educating lawyers on the practices of their peers.

Shrank: There is no doubt that BD and marketing often do add real value – and, at times, value that delivers stronger client relationships and even new revenue streams. BD and marketing, however, need to be better at sharing these successes with the rest of the business. I evaluate success for business development and marketing in two simple but measurable areas: 1) high-quality and responsive support for the attorneys, and 2) new ideas and initiatives.

King: I agree with Jim and Ian's emphasis on the importance of showing how you're helping grow the business. In communicating your successes, you can convert others to the program. For example, demonstrate how your efforts enabled the firm to develop relationships with new or potential clients or publicize how your initiatives enhanced the firm's relationships with existing clients.

Ward: You can and must regularly demonstrate value by creating a strong and credible response on an ongoing basis for specific projects – be it a draft RFP response or a media pitch – which diminish the lawyers' time for review and editing. Freeing up the lawyers from having to

spend a lot of time on this sort of thing will enable them to spend more time focusing on clients, which should always be the goal.

Kartson: Keep data on dollars brought into the firm from all marketing contributions. Client surveys also assist in demonstrating value to attorneys. Track positive press coverage.

Pape: There will always be an element of BD and marketing helping us better respond to RFPs and ensuring we are drafting client-centric proposals. However, success requires much more. Thinking strategically, staying on top of technological advances, and knowing the client base are all critical to achieving success.

D'Alessandro: I agree with the points expressed by my fellow panelists. Most lawyers are project-oriented. Adding value on a project-by-project basis helps to achieve this goal and helps to build credibility on strategic matters. Building the trust of lawyers requires that you secure a series of small victories before asking for the keys to the kingdom. Help make sure that these victories accumulate into winning the war. Track and report key indicators of improved perceptions about your firm, or increased awareness of the firm, including success of pitches for new business and RFP responses, recognition in rankings and league tables, Web site visits, media placements, and interview sign-ups at law schools.

HOW DO YOU SEE THE BD AND MARKETING FUNCTION DEVELOPING IN THE NEXT TWO YEARS?

Leary: The continued consolidation among the largest law firms, compounded by the growing number of firms who are following their clients into local, national and global markets, continues to drive change in the BD and marketing function. Strategic differentiation has become an essential element of remaining competitive, which in turn necessitates that law firms make substantial investments in their marketing and business development operations.

Kartson: Increased attention to hiring marketing professionals, particularly in the areas of external communications and other specialized positions.

Ward: Over the past couple of years, CRM has been an increasingly important focus, and I only see that continuing.

Shrank: I can see the function continuing to grow in importance. I can also see the focus shifting more to managing large client relationships.

King: Echoing Ian, I see business development practitioners taking on more client-facing responsibilities.

Pape: BD and marketing departments will need to focus on client service and satisfaction to be successful and to show a return on investment. Technology will also play an increasingly integral part in the evolution of the BD and marketing function, as it is necessary to streamline access to information, knowledge, and opportunities.

D'Alessandro: I see a growing role for BD and marketing. They are increasingly involved in a broad range of strategic activities: recruiting lateral partner candidates, diversity and "green" initiatives, pro bono matters, and internal communications. The opportunities internally are enormous. A brand is only as good as the "brand ambassadors" that it develops. ♦

ABOUT LMA



The Legal Marketing Association (LMA) is a not-for-profit organization dedicated to serving the needs and maintaining the professional standards of the men and women involved in marketing within the legal profession.

One of the LMA's principal goals is to provide to its members vital and timely information on a wide variety of legal marketing issues so that they may grow professionally as well as personally. LMA members immediately gain access to a wealth of resources, including national and regional educational programs, the monthly newsletter *Strategies*, the LMA Web site and online job bank, industry specific market research, timely and provocative white papers, and much more.

LMA Fast Facts

- Founded in 1985
- 2007 membership: 2,700 (and growing)
- Sixteen local chapters located around the world, including LMA Vancouver and LMA Europe
- Members are law firm partners, marketing professionals, consultants, and vendors who support legal services marketing.
- 74% of the largest 250 U.S. law firms employ an LMA member
- Members hail from 43 U.S. states and 11 countries

Learn more at www.legalmarketing.org.