

On a marketing mission



In a fiercely competitive market there is no place for modesty. Marketing in the legal industry has come of age and law firms are bringing out the big guns.

ALB reports

Many will have seen, or be aware of, the legendary footage of Microsoft chief executive Steve Ballmer almost bouncing off the stage during a company convention, screaming and yelling non-specific utterances of joy for a good 45 seconds. It was his effort to get people excited about the company.

His method is not likely to be adopted by many managing partners of law firms in Australasia. Traditionally, they are not amongst the most extravagant of organisations when it comes down to promoting themselves. Looking at some of the firms' slogans, we see messages that express reliability, customer service and skillfulness. Here are some examples: "Working with you" (Minter Ellison), "Expert advice. Approachable people. Outstanding outcomes" (Freehills), and then there is the confident "Clear thinking" (Allens Arthur Robinson).

The traditional low-profile approach towards marketing is changing. The days when 'marketing' meant you had a website are gone and 'branding' is no longer a dirty word. An increasing number of

firms have extensive teams of business developers who draw up clear strategies to increase profitability. The marketing industry for professional services firms has come of age.

Conservatism

In the past, many firms felt the need to adopt a low-profile approach towards marketing. This is understandable, considering there was a time when the industry was not legally allowed to market itself at all. Besides, the very nature of the business lies in confidentiality and therefore many firms believe that modesty is appropriate.

Lynette Nixon, president of marketing branch organisation APSMA, says the shift towards a more commercial marketing model has been brought about partly by client demand. "Law firms have tried to hold on to the mystique around the delivery of legal services," she says, "but with the increase of the number of in-house legal counsel who are very discerning and sophisticated buyers, firms need to get smarter in the way they're marketing themselves."

The ranks of in-house counsel are increasingly made up of former senior associates and partners, who all know the inner workings of a law firm. They know how to reduce costs and more often look for specific people instead of a firm. "They cherry-pick the advisors that they want," says Nixon.

No more lunches

Heightened client demand is one of the characteristics of an increasingly competitive market. The supply of clients is far from abundant and this forces firms to get more sophisticated in their marketing in order to retain market share. Never before has so much effort been spent on developing strategies on how to push the business.

“There has definitely been a move away from more conservative marketing, and towards a more aggressive but restrained way of marketing,” says Gina McLoughlin, director of marketing recruitment agency McLoughlin Ball. “The law firms, even the mid-sized ones, are realising the importance of branding and they’re also realising the importance of positioning and market share.”

According to McLoughlin, it was the large accounting firms such as PricewaterhouseCoopers and Deloitte that paved the way for law firms to adopt a more commercial approach. “I think the big four is where the legal industry has taken its lead from,” she says. “I don’t think that these law firms are going to turn overnight into a sort of IBM, but I think the trend is towards a more sophisticated and more commercial way of marketing.”

Nixon agrees: “I think law firms are changing reluctantly, but the ones that are getting it right are the ones that are successful in the market,” she says. “In the end, firms will choose what will give them the greatest return; the days of the long lunches and random social entertainment are over.”

Moving away from the soft side

A survey by Seldon Gill Consulting, a recruitment firm for marketing specialists, shows that there is a move away from the traditional marketing activities – such as events, brochures and websites – towards business development. “The jobs that marketers did five years ago, which was brand building, website building, etc, are now firmly in place for most firms,” says director Graham Seldon.

He believes that there has not been a conscious shift away from the traditional tools of marketing to business development, but sees it merely as a result of the evolution of the profession. “There is more of a focus on business development, because the so-called soft side is still ticking away quite nicely,” he says.

Seldon articulates an opinion that is widely shared within the marketing community, when he says that the profession has

become much more sophisticated. The focus has shifted towards managing the relationships with clients: how to get new clients and how to retain them. And the ‘golden’ clients are getting top priority: “80% of revenue comes from 20% of the clients, so you have to look after that 20% very well,” he says. “Clients, these days, are no longer customers for life.”

A multitude of bosses

Customers are the key to the survival of any business, but the partnership model of firms means that clients cannot be approached in the same way, for instance, as by a consumer goods company. In order to get to the clients, marketing managers need to work closely with the partners, who are all owners of the business and all have their own ideas about the best approach.

“Clients, these days, are no longer customers for life”

“At Corrs, we have about a 120 partners, and we have to remember that you deal with individuals that have different skills and different client bases,” says Wayne Stewart, national manager business development at Corrs Chambers Westgarth.

Business development teams should sit down with the partners and find out what their particular skills are and what type of clients they service in order to make the overall business successful, he believes.

“A good analogy is to consider the partnership as a group of elite athletes, as the national cricket team for example. I’m sure the coach is trying to get some fundamentals of great cricket across the team, but I think the conversation he has with Brett Lee is very different from the one that he has with Matthew Hayden. The individual focus is on different things, but they are still driving towards the same goal,” says Stewart.

The unique structure of a partnership ensures that law firms will never fully adopt a corporate marketing model, believes Stewart. “If you step away from understanding that the people who own the business and manage the business are also the ones who sell the business and deliver the services, you might have a fundamental issue with your approach to clients.”



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Graham Seldon,
Seldon Gill Consulting

Marketing partners

The relationship between marketing teams and partners in firms has not always been a smooth one. The older generation of partners is especially used to acting as technical experts and do not always feel much for adopting modern business development methods. “We were discussing this morning what to do with partners who don’t welcome business development support,” says Cindy Carpenter, executive director human resources and marketing for Corrs Chambers Westgarth. “We decided it’s best to focus on those who do welcome it.”

But in a highly competitive market, partners need to reach out to clients and build relationships with them to expand the business. “Partners are the custodians of the brand of their firm,” says Lynette Nixon.

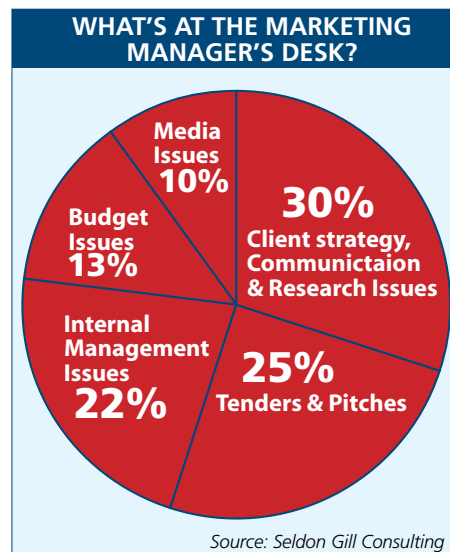
Malcolm McBratney, partner with McCullough Robertson in Brisbane, feels it is essential to the success of the business that partners take a hands-on approach towards marketing. “I think the role of partners in marketing the firm is integral,” he says. “Partners shouldn’t leave such an important task to business development managers alone. Often, even the best BDM teams don’t understand all of the issues facing clients, how services could be better cross-sold and

the personalities of the particular client. I think terms like ‘client relationship partner’ perhaps say it all – it is the partner who needs to develop and nourish the relationship with the firms’ clients; it can’t be left to a ‘client relationship officer’.”

Despite the sensitive relationship, marketing teams have gained respect, and senior management feel they have earned their seat at the table. Firms now plan according to sales cycles, look further ahead and build on their pipeline of opportunities.

“The head of business development is now often part of senior management and attends board meetings,” says Melissa Gunsmith, national business development manager of Piper Alderman. “The senior partnership values the input from the marketing team; they recognise that we’re professionals.”

Michael Vrisakis, partner with Freehills, says the greater involvement of marketing teams is a reality in the current landscape of the legal industry. He welcomes their involvement as the tasks of partners are ever increasing: “Partners have become much more renaissance men and women, insofar as technical proficiency is the given and the spectrum of other skills such as marketing, strategy, negotiation, advocacy, mentoring and a role as spokespersons are assuming greater significance.”



Looking outside the box

The increased focus on marketing and business development has created a high demand for experienced professionals in this field. The problem is that the evolution of the profession within the legal industry and the inevitable broadening of marketing tasks mean that some jobs are relatively new to the industry.

“If you’re looking, for example, for an experienced account manager, you’re forced to look outside the legal sector, because two or three years ago this job didn’t exist in the legal industry,” says Seldon.

On the scarcity of candidates Gina McLoughlin agrees. “The appetite for marketing managers, or marketing professionals, has grown significantly. And another reason is that people increasingly go overseas, to places like Hong Kong. There is a bit of drain of good marketing people and we’re trying to stop that from happening.”

This has led to a situation in which marketing directors are becoming less reserved about hiring staff from outside the legal sector. They might, for instance, look at people with a financial services background or at academia. “It’s not the norm, but it’s becoming more common,” says McLoughlin.

The lack of industry specific education available does not help the industry either. Professional services marketing is still a relatively young industry; it is not even two decades old. “When doing an MBA, there’s only a small slice that will deal with the professional services environment, but nothing is tailored to the industry,” says McLoughlin. “There is nothing that will prepare you for working in a partnership.” **ALB**

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