



Episode 29 - Transcript

Navigating the New – the Law Practice as a Business

Intro

Through the pandemic, many law firms will have put marketing and business development on the back burner. Host Julian Morrow chats with Alistair Marshall of Professional Services Business Development about the changing legal services market and looks at practical tips for attracting clients to your legal practice.

Julian: Alistair Marshall, welcome to Risk on Air.

Alistair: Thank you, great to be here.

Julian: Alistair, were there some aspects of doing legal practice differently during the pandemic that were actually good for the business of law?

Alistair: You'd like to think so, wouldn't you Julian? I think it forced a number of people to look at some significant updates and changes around technology, which is rather inevitable. People got very used to working remote and for those firms who hadn't contemplated as ever being possible, they soon learned that it was possible as long as you upgraded some of your technologies available to you. One thing I think that perhaps went back, though there may have been a complacency in other areas, which was the negative side of it, and one of those inevitably that I would discuss would be around that area of marketing and business development.

Julian: Yes, that's exactly what I was going to ask you. So tell us about how marketing and business development changed because of the pandemic and what you think needs to happen now that hopefully, touch wood and all those things, we are emerging from those very challenging times.

Alistair: Well, there's a funny old thing; law did better than most other industries during the last two years and with the exception of insolvency lawyers who've still to join the party, lawyers have done pretty well and pretty favourable. So I think there might have been an element of 'we didn't have the time to do marketing and business development' and I'm sure that was a reasonable excuse on probably two-thirds of the market's behalf. There was some data shared two or three weeks ago by the Legal Practice Managers Association here in Australia and Findex, the accounting body, which showed that two-thirds of firms were growing during this period. However, there was still one-third of firms who weren't growing, so it wasn't blanket across the board all good news.

Episode 29 - Transcript

Navigating the New – the Law Practice as a Business

So, I think a number of people missed out on what I might call random acts of lunch and coffee, which historically had driven many legal practices for decades, and they kind of thought, well I'm working remotely at home, there's very little I can do. And clearly, I didn't agree with that sentiment. I did many Zooms with a number of firms encouraging people to take up activities because activities genuinely drive revenue and there were many things you could still do remotely. I've long talked about you should be less reliant on referrals and AdWords. The successful firms that I engage are very active around speaking, writing and networking on and offline, and probably have in excess of 20 routes to market, and 17 of those 20 were still available to people whilst working remotely. So I didn't really buy into that theory that there was very little you could do while you were working from home.

Julian: Alistair, what would you say were the big lessons in terms of dealing with people remotely? And I'm interested, are those lessons different for dealing with clients compared to, say, colleagues or practitioners acting for others?

Alistair: Well, one thing I would say was it became easier to get senior decision makers because senior decision makers normally have someone on reception acting as a gatekeeper, and when you're working at home the gatekeeper was removed. So, if you actually had people's email addresses or their mobile numbers, people became much more accessible than they perhaps have ever been. Also, we became more human in some ways. You know, there's that famous video of the poor chap in the BBC when his family and kids came in the background on his Zoom, but I think everybody bought into that world, you know; there was real humanity. You got to see a view of people's lives that you would never get if you just engaged with people in an office environment. So I thought there were lots of opportunities to have real conversations with people and discuss real challenges, and lawyers essentially help people in times of need. You know, they do fantastic things for people; you know, the birth and death of a business, the birth and death of a human, the stress of moving premises or moving house, you know the huge things in people's lives that the legal profession help people with. What they're perhaps not great at is delivering that message to those people who need to hear it.

Julian: And I think it's fair to say, Alistair, that sometimes there can be a bit of resistance amongst practitioners to the idea of really devoting time to business development and marketing. Is that a fair comment?

Alistair: It is. Time is money in the legal industry and those 6 and 10-minute intervals and again the latest research suggests that 81% of all bills still go out on the billable hour. So, I understand people's reluctance in some ways and I think it depends on the size of firms as well. So, in many big firms, you're not encouraged to get too close to the client in your junior years, and all of a sudden the world changes and it becomes unfair because someone says you can't become a partner unless you're able to introduce new revenue streams and no one ever taught you how to do this at law school. The other downside of working remotely was that you couldn't learn from people around you. You know, one of the systems and processes for learning inside of the law firm is just watching people in an ongoing daily environment; the way they engage with clients, the conversations they have over the telephone. And it's very hard to learn and absorb information when you're working remotely and you're not having inter-team interactions; you can't pick that knowledge up.

Episode 29 - Transcript

Navigating the New – the Law Practice as a Business

I say I'm very empathetic because people have nowhere to really pick this up, although everyone can read a book or go online; there's plenty of content available there, but also the time constraint. I kind of say to people it is very difficult to grow a practice unless you commit at least minimum two hours a week to it. And there's far too many distractions on Mondays and Fridays because we're all too busy and there's too much going on. And, you know, anyone in the property law area, you don't do it on a Friday because that's when most transactions take place. So I would always encourage people to move towards perhaps Tuesday, Wednesday, or Thursday, then I would pick lunchtime. And the reason for saying that is because as much writing of articles, or videos we make or podcasts we do, ultimately to land a new client, you usually have to have a one-on-one interaction. Now, that used to be over the flat white or the lunch; it now can be over Zoom or some other platform, but you still need to dedicate time because that's usually where you win the piece of work or the new instruction.

So I would advocate that two hours in a 12:00 till 2:00, maybe 12:00 till 1:00, you do write an article or you do a video, or something of a thought-processed kind of piece or that kind of thing. But in the second hour, you are allowed to get out from behind your desk and have that one-to-one interaction. So I always encourage people to make that happen and people can grow a practice more in three months than they have in the previous three years by having good daily and weekly discipline.

Julian: What do you think are the most important things that a legal practice or a practitioner needs to look to, to try and grow or maintain their business?

Alistair: It's an interesting one. I think digital has clearly come to the fore. So, I usually share with people, when's the last time you ever bought anything over \$500 without Googling it first? And it's very rare and even if my bank manager tells me to use Julian, he's the finest lawyer in the whole of Australia

Julian: - in which case you should sack your bank manager!

Alistair: In which case, I should sack my bank manager indeed, *but* I'm still going to do my due diligence. And there's a phrase I've heard regularly; we have to be aware of the new person called Deb, and Deb is the digitally empowered buyer, and she goes and does her research on the lawyer or the law firm prior to making a purchase decision. So, I would argue if there's a hundred people walking down George Street in Sydney here today, 97 of them have no need for a legal service today, only three people do. And the three people looking today, they go to AdWords and that's expensive. So, what I'm trying to encourage people to do is to raise the visibility and credibility with the 97 people who don't need it today but will need it next week, next month, next quarter, next year, in advance of a transaction taking place.

So, get away from the thought that you're selling time; you're selling intellectual property. So, I'm encouraging people to take their intellectual property out of their heads, out of the cupboards in their office, and put it in places where people can access it. You know, experts are the people who manage to talk, write and network well, both on and offline. Lawyers have two challenges, the first one's visibility; people won't hire you unless they know who you or your firm are. The second one is credibility; they won't hire you unless there's a genuine reason why you're better than the incumbent lawyer. So, those are the two challenges and you need to dedicate time to sorting them out.

Episode 29 - Transcript

Navigating the New – the Law Practice as a Business

Julian: I know that there are some common business development practices for lawyers that you question the value of in terms of return on investment. What are the best practices in terms of return on investment and what are the ones that might be comfortable for lawyers but maybe don't get the Alistair Marshall tick of approval?

Alistair: The first thing to say is because we don't like the 'S' word, the selling word, there are two schools; there is marketing, which is the ability to get meetings with potential new clients and referrers, and there is business development or sales which is turning those flat white meetings into dollars. And most law firms confuse whether they have a marketing problem or a sales problem. Now if we're honest with ourselves, most lawyers probably have a sales problem. Right now all over the CBD, there'll be lawyers out having flat whites; not a great deal will happen as a result because they've never been taught what to say when they get there, so they give a history lesson of the law firm and that isn't what people buy. If you can change your conversion rate from one in five to one in three, it's life-changing. But you have to have a better story when you get in front of people at those meetings, and that's what I spend heaps of time working with people, what that story should be. Everyone has a story to tell, we just have to work out what that is.

Julian: And I suppose one of the things is that sometimes the stories of law firms and lawyers can sound quite samey.

Alistair: Very.

Julian: How do you make it really unique and different?

Alistair: The real world says that we have similar lawyers in similar firms, servicing similar clients with similar issues, with similar advice, at similar prices, using similar software on similar hardware. So it's actually pretty difficult for people to choose you. So I'm sat here in Sydney CBD and within a mile of where I'm sat there are literally thousands of legal people. So there's no one size fits all remedy, Julian, because if I'm a commercial property lawyer here in Sydney CBD, there may be hundreds of people who are interested in my story and I'm relevant to. If I'm a mergers and acquisitions specialist in the oil and gas in Western Australia, there might only be a dozen people in the whole of the country who are vaguely interested in what I do, so the way that I go to market myself will be completely different. So, there's no one size fits all.

So, the first thing you have to do is remember or be cognizant of the fact that in 2022 no one hires a generalist anymore. Everybody hires the expert, which is fantastic for lawyers because experts don't charge low fees. The problem you've got is that you can't just tell people you're better than them and expect them to believe you because there's so much noise; the market has never had so much noise. So, you have to be really surgical with the strategy about who you want to be famous to. And if the answer is I want to be famous to everybody, then you're in a world of hurt. It's very expensive to try and achieve that.

Julian: How important is the internal culture of a workplace in terms of the ability of that workplace to sell itself to others?

Episode 29 - Transcript

Navigating the New – the Law Practice as a Business

Alistair: What you see in a lot of firms, they tend to be overly reliant on that rainmaker individual or a number of individuals. So when I'm doing diagnostic tools with firms, they often tell me that they're overly reliant on one or two people or two or three senior people to introduce all the work into the firm. And so there's an opportunity there from a cultural perspective to involve many more people in the team and, you know, even junior people. So anyone who's doing business to consumer law, or mum and dad's law of any kind, should have incentives in place, not just for fee-earners but for support staff. If I'm in the accounts division or I'm on reception in a law firm that deals with the general public, you know, my kids go to schools, I play in sports teams, I have neighbours, all of those people potentially have legal challenges and I should be able to easily tell people what the value of my law firm is.

So if you think about McDonald's, it's a global brand with 16-year-old kids with one star on a badge but the brand works because they've all been told what to say. So, it's no different in a law firm. If I go in a law firm and it's got 50 staff and I ask them "what do you do here?" or "what's your value to me?", I'd probably get 50 different answers because no one's ever culturally said from the top, this is what we do. And as I say, there's too much history lesson in there. In biographies and things, I hear all the time, now this law firm was started in the back garden of my grandfather in 1876 and we've now got offices in five states and 20 partners and it just doesn't answer the "so what?" question. You need to get pretty quickly, particularly online in webpages and LinkedIn biographies and the like; tell people what you do, tell people who you do it for, and most importantly tell people what the result is of what you do. Because people don't buy legal services, they buy the result of the legal services. That's often very difficult to find on a law firm website.

Julian: If there's anyone listening now who was thinking, yeah, I've got to do this, I've really got to take this seriously, and let's say they got in touch with you Alistair, what would be the things that you'd be saying to them to do first, the way to sort of turn the page and start the new sheet of getting your business and marketing development?

Alistair: People often come to me and say, look, Alistair, we just need more revenue or we need more profit. But that's tactical in some way, choosing the tactics or the routes to the market. So, prior to tactics, there has to be strategy, and prior to strategy, there has to be diagnostics and analysis. So we need to start with, and it's a very buzzy word these days, data. So, law firms have practice management systems. What they're not great at is getting them to deliver all the benefits that they can. So it's a bit like an iPhone; I've got an iPhone, I'll probably use it for three things, it'll probably do 300 things. Practice management systems are very much the same. So people use them for invoicing and some basic things but, when it comes to management information, they're usually less good at getting that out. So we need to accurately understand where our efforts are working currently. So the work that we've had in the last 12 or 24 months, where's it come from? And you know, if we had a marketing budget, where did we spend it? What return did we get? And that's often not accurately measured in many places that I go to, but we really need to start with the strategic piece about where are we going to play and how are we going to win. So, those markets and the types of clients and the types of work we want to do is important because not all client work is equal. Some things are more profitable than others. And so if you've got limited time and resources, you may as well try and spend it winning the types of work that you enjoy doing and is profitable rather than just going out and winning anything.

Episode 29 - Transcript

Navigating the New – the Law Practice as a Business

Julian: How do you see the business of law evolving and changing in the few years after those tough years of the pandemic?

Alistair: At the moment there's a war for talent, that is a real consideration. People who've heard me speak before will know that I say law firms are 80% people and 20% everything else, so you have to get the people picked right. Now, in a situation like today, I think when you are interviewing staff, you need to give them a dream. You need to say, this firm, this is where it's going, this is the journey that it's on, we'd love you to come and get on the bus and join us on this journey. So, if you haven't had any strategic conversation about where this business is going to be in one year, three year, five year, I wouldn't go beyond the five-year horizon. I'm old enough to remember in the eighties and nineties when CEOs were expected to write 5 and 10-year plans. That's a nonsense in this day and age; you're lucky if you know what's going to happen in 12 months, never mind five years. But there has to be a dream to sell; why should I come to your firm when I've got options to go to others?

So there has to be something there. Even if I'm potentially going to be a member of staff, I'm going to do my due diligence. So, I will come on your website and I will make a snap judgment of what this firm is like and whether it has a good culture, whether it invests in its people, whether it's good with its clients, all these things, even to the point of 'excite me, share who your clients are'. You know, lawyers want to come and join a firm that's got exciting work to do for exciting clients. And funnily enough, this firm shall remain nameless, but I worked with a big Lawcover firm very recently who had the most stellar client base of any firm of their size I've ever seen in 12 years. But you would never have known; it was the best kept secret ever. And clearly they have huge opportunity in changing that.

Julian: What are the golden rules for engaging with clients? And are they different now than, you know, they ever were?

Alistair: No, I don't think they're different. I think over the last 10 years there's been a change in the power base of lawyers. We're in a buyer's market now. Previously I think lawyers had the power because we knew things that other people didn't. Whereas now in a digital world, I'm not sure that's really true, you can find things out pretty quickly. There is a change in that power base that makes the reach out more important. So what I would always encourage people to do is make sure that every touch point has value for the client or the prospect or the referrer. So, if you send in a text message, if you send in an email message, if you send in a video, what's the content? Has it got value to the people that you're reaching out to? And think of the whole thing as an emotional bank account. So, every touch point you have with a client or anybody else, you're trying to make a deposit in the emotional bank account.

Now people remember how you made them feel. They don't always remember what you're saying, they don't always remember what you did, but they'll always remember how your interaction on whatever platform made them feel. And if they only feel like a client number, that's not a good thing. Referrals are massive in the law, which is a strange position because when you ask most lawyers "when's the last time you asked for a referral?" – it's almost never. But they always tell me that that's how they've grown a practice, through referral, which actually leads me onto another point.

Episode 29 - Transcript

Navigating the New – the Law Practice as a Business

People say, "Alistair, when should I ask for a referral?" And I go, well, the best trigger moment you'll ever have is when you get some great feedback. But then 90% of lawyers and law firms in this country, for whatever reason, don't engage in a formal client feedback system, which is bonkers. In the UK, it's the other way around; 90% of firms do have feedback schemes and that pushes that conversation. But when someone's just said, "Wow, Julian, that was awesome, you know, this was going to be a really difficult time for us and you got us that great result." That is the time to ask for referrals, and case studies, and testimonies and all those things. So, for anyone listening who doesn't have a feedback system, please take that away from this conversation.

Julian: And just finally, Alistair, you mentioned that idea of the sort of the rainmaker, the person who's really good at doing the marketing and bringing in the new clients. I think that can be sometimes coupled with a lurking sense among some lawyers that, look, "I just can't really do this, it's not my thing." Can any lawyer turn around and improve their practices in a way that's going to get them competing with those natural rainmakers?

Alistair: I can't deny that if you're an extrovert, it's an extra string to your bow, but having worked with literally thousands of lawyers in hundreds of firms over the last 12 years, many of them even older than my 55 years, lawyers are very well-read people; they're intelligent people, they can usually absorb information, digest it, and then use it in their own way. So, I've actually found that even introverted people, who are quite senior and never really felt that they could do some of this, actually find they can as long as we give them a framework on which to hang their words. So it's like a skill set really.

So, I often say to people, well, describe to me the best BD or marketing person you've ever met. And I get things like, you know, personable, charismatic, helpful, friendly, easy to deal with. They're all attitudinal traits; they're never skill set traits. So, all lawyers are capable of doing this. They just need some encouragement and someone to hold their hand and say, look, here's the hours you have and the time available. These are the types of clients you should be reaching out to, and here's a number of ways to do it. And out of my 20 ways, depending on people's skill sets and personalities, that's how you choose which avenues you're going to engage people in.

So, if you are very technical and, you know, the thought of going to a networking event appals you, then I'm going to suggest that you might be the article writer. If you're much more outgoing, you might prefer to be more active and do video and so on. And 10 years ago when I made the first videos, I had to hire people in to do the whole thing. Now with an iPhone or a Samsung in your pocket, you've got a Hollywood HD studio walking around with you. And people will say, well, Alistair, I couldn't do that because I might forget what I want to say, but for \$20 investment on the App Store, there's an app called Teleprompter. All you need to do is upload your Word document and you're as skilled as a newsreader. So all the reasons people push back on me and say, "I can't do it." I'll take the challenge away and go, "No, you can do it." And I've seen very introverted people do very well indeed.

Julian: Alistair Marshall, thanks so much for speaking with us in Risk on Air.

Alistair: You're very welcome. I enjoyed it. Thanks, Julian.

Episode 29 - Transcript

Navigating the New – the Law Practice as a Business

Outro

Thanks for listening to Risk on Air by Lawcover. Join us for the next episode on current risks in legal practice to stay up to date.