

To market to market: What's in it for Law Firms?

by Julia Davenport*

Two factors have contributed greatly to the recognition by law firms in recent times of the importance of marketing.

The first is consumer movement. Consumerism has become one of the major economic trends of the nineties. Clients are questioning as never before the terms on which legal services are supplied.

Clients today are faced with an enormous range of legal services providers including non-legal providers such as conveyancing agents. They are highly sophisticated buyers who know what they want. Many use more than one firm. The "horses for courses" mentality, the tendering process, the growing number of in-house counsel who have no hesitation in shopping around and know the market well, have all given clients ample opportunity to compare providers.

The by-product of this is that client expectations has grown and will continue to grow. Law firms have all had to lift their game and the distinction between many firms has blurred. Years ago when firms first started marketing, almost any marketing activity distinguished them. Now, with so many firms doing so much, it is harder to shine. Because of the difficulty of becoming unique through technical skill and remaining unique through product innovation, it is now "the way things are done" that provides the differentiation.

It would be a naive mistake to think that marketing in this environment is having a good brochure or newsletter. More and more, the choice for clients is based on relationships with individual providers and increasingly, lawyers are drawing on skills outside their technical abilities. It is possibly relationship management skills that will give firms their only sustainable competitive advantage in the nineties.

The second factor which has con-

tributed to marketing's rise to fame is the recession. The recession taught us all that we cannot depend on the size of the market in Australia growing to guarantee our continued profitability. We not only have to defend our existing client base in what is a highly competitive environment, but look to improve market share through securing more work from current clients as well as continuing our efforts to win new clients.

Against such a backdrop it is not surprising that law firms are turning to marketing as a means of maintaining or increasing their level of net business. Indeed, both large and small firms need to market and the principles and techniques are essentially the same for the sole practitioner, boutique firm or large commercial firm. The only difference is that the larger the firm, the more complex the marketing program must be.

So what does marketing in the legal environment mean? An appropriate definition might be:

"Marketing of legal services is the effective execution of all activities involved in profitably increasing the level of net business by fulfilling the needs and wants of clients".

Another way of looking at it is to think of marketing as a process. It begins with a period of internal and external research followed by a period of planning and organisation. Then begins the selling stage, both direct and indirect.

In this context, most firms will recognise that they are already marketing their services. However if there is any debate about whether or not to commence a more formalised marketing program, consider the following:

- Firms must plan and drive their growth to survive.
- Firms must be responsive to changing client needs and establishing what those needs are.
- Firms must provide continuing

challenges and recognition for partners.

Given that marketing is a process, it is a mistake to start at the tactical end by, for example, producing a firm brochure. Firms need to understand their own objectives and where they want to be in the future before they can design an appropriate marketing program to get them there.

Assistance with this process can be brought in-house, or out-sourced to a consultant specialising in professional services marketing. Alternatively, the partners can undertake to acquire the skills and knowledge necessary to guide the firm through the process.

Such knowledge can be gained through the many books which are now available on the subject, attending seminars which some of the commercial seminar providers are now producing and by getting involved in ALFMA (Australasian Law Firm Marketing Association). ALFMA provides a forum for the sharing of ideas and experiences among members while being sensitive to the competitive position of legal services providers. Benefits of ALFMA membership include the opportunity to network with other law firm marketing professionals to share know-how, practical seminars aimed at helping those who are new to the marketing process and special workshops which include international speakers and focus on the latest innovations in law firm marketing.

ALFMA is an independent law marketing organisation with over 1000 members supported solely by legal practitioners. For further information contact Lesley Digby, ALFMA Tel:(02) 954 3200 Fax (02) 959 3614

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