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Professional Development

BD Is Not Just for Lawyers and Legal Marketers Anymore

By Michael DeCosta

Marketing and business development in law firms is no longer the exclusive domain of marketing and business development executives. Many more executives are pursuing revenue in one form or another, and those dedicated to the function should welcome this development rather than feel threatened by it. While lawyers themselves have undoubtedly gotten better at it, so too have executives of all stripes. COOs and executive directors, CFOs and pricing directors, project managers, CHROs, CIOs and directors of



recruiting have all moved their own mandates toward revenue production, and the result has transformed the administrative landscape.

LAWYERS BECOME BETTER MARKETERS

In the midst of the stock option backdating scandals of a decade ago, an executive director of an

Am Law 100 firm walked into an executive committee meeting with that day's *Wall Street Journal*, and pointed to a front-page headline revealing an ongoing SEC investigation into a Fortune 500 company's stock option practices. He asked those sitting around the table "What are we doing about this?" Perplexed,

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one of the managing partners retorted, "Nothing. We're a private partnership, so this does not affect us." It was a classic inwardly thinking reaction to a question that had nothing to do with firm management, and everything to do with a marketing opportunity to reach out to existing and prospective clients about the firm's expertise in securities litigation. A day later, the executive director called me to do a chief marketing officer search — a first for the firm.

Left to their own devices, most lawyers would not devote an ounce of energy, a moment of their time, or a nickel of their money on trying to develop new business. The legacy vocational aspect of their profession has taught them to eschew such pursuits; business development is all rather unbecoming of the profession. Many would prefer to aggressively stare at the phone and hope it rings, rather than pick it up and call someone. Alas, market forces have proved too great to sustain such a genteel model. Slowly, begrudgingly, the legal profession took notice and started hiring marketing executives.

From the onset, these marketing executives smartly advocated an "it takes a village" approach to developing new business and client relations at their firms. They trained lawyers to think differently, act creatively, and move from a reactive to a proactive advisor relationship with their clients. One of my CMO placements purchased the motivational

business book, *Who Moved My Cheese?* at her own expense for each member of the firm's management committee.

Similarly, many other CMOs have served as change agents from the onset, developing individualized BD plans for lawyers versus advocating a "one-size-fits-all" approach. For better or worse, lawyers heeded this new marketplace reality, and changed the tenor of their conversations with clients. Many CMOs may rue the day they trained lawyers to think like them, as many lawyers immediately assumed they could do a better job than the marketers themselves. Despite the ongoing love-hate relationships lawyers have with their CMOs, attitudes and approaches have changed for the better. Big law firms now want all of their C-level executives chipping in to drive revenue, and many have taken up the challenge.

COOs INTRODUCING NEW CLIENT RELATIONSHIPS

A few Am Law 100/200 COOs have inserted themselves into the business development zeitgeist and are quietly driving efforts to garner new client relationships on behalf of their respective firms. COOs today regularly call upon their counterparts — chief legal officers, COOs of law departments or chief administrative officers of large organizations and corporations — to introduce their firm's capabilities. Today, it is not uncommon for COOs to originate millions of dollars of new business to their firms. While it is generally

frowned upon — or in some jurisdictions, outright prohibited — COOs are financially rewarded for their efforts, albeit indirectly, under the auspices of overall performance.

COOs recognize that it simply makes good business sense to position their firm's capabilities and resources to those who may be in need of such services, now or down the road. One Am Law 100 COO recently told me how she goes about brokering an introduction: "Where lawyers would prefer not to, I pick up the phone and call my counterpart to request a meeting. I know that every one of my colleagues welcomes the call. It's not soliciting representation on their next case. It's about sharing best practices. When you get right down to it, it's what the tenets of the ACC Value Challenge calls for — collaboration. I have simply walked right through the door opened by that proposition."

'SHOW ME THE MONEY'

Chief financial officers, pricing directors, and project managers are also routinely being pulled into client pursuit teams as clients issue RFPs, negotiate discounts, or introduce Alternative Fee Arrangements (AFAs) into their outside counsel vetting process. While these law firm executives are rarely the ones picking up the phone to initiate a dialogue, there is increasing demand for their presence at the negotiating table.

During a recent interview of a candidate for an Am Law 100 senior

pricing position, a candidate walked me through a pitch he participated in with a prospective manufacturing client. "I accompanied five attorneys from our firm to meet with half a dozen of their lawyers and procurement folks. I gave my spiel about our pricing schemes and shut up. Forty-five minutes or so must have passed with my colleagues extolling the virtues of their experience and knowledge. At the end, the Deputy General Counsel, who was leading the discussions, called on me to explain our models further. After a series of questions and answers, he nodded in agreement. We left and he called our lead partner indicating we got the work, expressly singling out my contribution as the differentiator. I was floored."

TALENT EQUALS REVENUE

It is widely known that winning in the lateral recruitment circus can spell success for a firm. If done correctly, those new hires, in theory at least, translate into revenue producers for the firm and represent the single most effective inorganic method to grow the firm's revenue. Increasingly, proposed law firm mergers and acquisitions have lost their value, as individuals or groups of attorneys decide not to stay on with the combined firm. It is making some question the efficacy of mergers, as they may not have the accretive result desired. Instead, directors of attorney recruiting and chief talent officers, who often lead that effort alongside the firm's chair or managing partners, have become

the invaluable asset for many firms who desire growth. In the highly competitive lateral market, their ability to organize and orchestrate a prolonged recruitment courtship or prompt an immediate decision by senior partners can mean the difference between recruiting or missing out on a top prospect.

IT EXECUTIVES LEND THEIR EXPERTISE TO BD PURSUITS

Few legal IT executives would describe themselves as prolific business developers. Many are more comfortable in a "tech closet" than at a BD pitch. But they too are slowly moving closer to client meetings. It's not new for IT executives to work on developing client portals or designing websites with input from clients, but today's CIOs are talking to prospective clients too. With "Big Data" entering into law firms, the knowledge stored in the business systems CIOs have deployed in their firms is what clients want to learn about. The data analytics that go into pricing and staffing matters come from the systems the IT department oversees. While lawyers are getting more tech savvy, they still rely heavily on their CIO and others to help arrive at and justify the prices proposed in an RFP or related negotiations.

OBSERVATIONS

There is a growing ensemble of law firm executives outside of the marketing department lending their voices to the business development function daily. It has become essential for many law firms to recognize

the need to proactively seek new business. There are simply too many lawyers and not enough work, and unlike previous decades, the legal pie is not growing. Partner loyalty has waned, and the procurement model of choosing firms purely because of reputation or relationships has diminished greatly. Lawyers know they need help, and they are getting it increasingly from non-traditional sources.

As an executive search consultant, I have a line of sight into some of the new initiatives underway. While law firms do not openly flaunt their new business development practices, law firm administrators are filling their resumes with business development accomplishments. These creative business development practices are here to stay and getting more pervasive across the legal industry.

