

LEGAL MANAGEMENT

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7 Trends That May Affect Profitability

By Bob Denney

This is Robert Denney and Associates, Inc.'s 26th annual report on what's going on in the legal profession, not only in the United States but also in other parts of the world. Like all their previous reports, it is based on information that was compiled throughout the year from many sources, including clients, general counsels and other leaders in the profession.



Following this issue's theme of profitability, here is a snapshot of trends in the marketing and business development areas:

1. PRICING DIRECTORS

Probably more than 50 percent of the AmLaw 200 have created this position. In addition to being involved in developing responses to RFPs, the pricing director is often involved in project management. In midsize firms, the chief operating officer may fill this role.

2. CLIENT INTERVIEWS

Their importance is acknowledged by a growing number of firms. But even in some of these firms there is debate on who should conduct them — the managing partner? Member of the client service team? Member of the marketing department? A third party? Our experience is that it depends on the firm's objective. To further cement client relationships, the managing partner is best if properly prepared. To obtain feedback on quality of work and client service, the relationship or responsible partner is best. Sometimes a third party is best when it comes to not only getting this information, but evaluating it for meaningful market analysis and strategic planning.

The importance of client interviews is acknowledged by a growing number of firms.

3. CONTENT MARKETING

Some firms are hiring content specialists to provide material that is relevant to clients' industries and to ensure that it is reaching the correct audiences.

4. MARKETING DEPARTMENT RECRUITING

Firms are having difficulty finding chief marketing officers as well as senior managers and directors because many are changing firms or even leaving the profession. Why? For more money.

5. BUDGETS AND ROI

Budgets are increasing, particularly in midsize and large firms. But the challenges still remain: How to develop one and how to measure the ROI of each expenditure and then determine the ones that are really working? These questions are not new. They arise — or should arise — in any professional services firm. Furthermore, it is almost impossible to definitively measure the results of certain expenditures, such as advertising, community outreach programs and even coaching.

6. WELCOME BOOKLET

As part of its "Client First In Service" program, Benesch sends new clients a letter from Chief Operating Officer John Banks along with a welcome booklet, a list of contacts for various operations areas and a questionnaire to learn the client's preferences from billing and communications to technology. It's an excellent start to building a strong client relationship.

7. GOOGLE, WEBSITES AND LINKEDIN

According to a recent survey by Kredible, these are the three major in-house counsel searches for attorneys.

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