

Cross-selling Your Legal Services

How to Get More Work from Existing Clients

When it comes to business development, most lawyers and law firms focus on developing new clients. But the best rainmakers know that it can cost five times more to sell a new service to a new client than it costs to sell an additional service to an existing client.

The reason is simple: Your best prospects are your satisfied current clients. You've already built trust with them and delivered value. So it's no surprise that these existing clients are more likely to be receptive of other attorneys in the firm and the services they offer. With these elements in place, the stage is set for successful cross-selling of your legal services.



What Could Go Wrong?

Broadening the types of legal services a law firm provides to an existing client can generate significantly more revenue while deepening relationships with important clients. Unfortunately, many attorneys don't get excited by the prospect of cross-selling.

The trick is to get your clients to tell you what they need and then show them how those needs can be met by your firm. At the same time, regularly ask for feedback on your existing service to the client.

They may lack confidence in their colleagues and fear disappointing — or losing — clients if the new lawyer does not live up to expectations. Or they may lack the time to give cross-selling the effort needed, especially given the fact that lawyers often aren't compensated for cross-selling.

Compounding the problem, many attorneys operate in the isolation of their particular practice group and may not be fully aware of the depth, breadth and capabilities of other lawyers in the firm.

Of course, attorneys may say that they didn't attend law school to become salespeople. True, but it's critical to understand that while "selling" involves pushing legal services on a client, cross-selling should be viewed as an opportunity to provide enhanced *service* to your clients. For example, it's often as simple as introducing a commercial litigation client to your firm's employment law, tax and estate planning attorneys.

Start at the Beginning

At its core, cross-selling to existing clients isn't much different than selling to prospective clients. To discover where opportunities might exist, you'll need to understand their business, identify their needs and offer compelling solutions. An effective cross-sell initiative starts by following these key steps:

Listen to your clients. Opportunities to expand representation occur when you know what's happening with clients — how their business is doing, which executives have been hired or fired, what industry trends and threats they face, etc. Regularly ask these questions and take time to strategize with clients about future hurdles and opportunities.

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Riding Herd on Your Biggest Expenses

When it comes to profits, it's not always about rainmaking ... sometimes it's about cost cutting. The reality is that reducing expenses — combined with steady or increasing revenue — results in increased profits.

Consider the three biggest expenditures at most law firms and some steps for reining them in.



1. Employees and Staff

Avoid the “slash and burn” approach to managing labor costs, which can come back to haunt the firm.

Retrain and retain. Consider transferring well-performing attorneys and staff who are able to learn new skills to growing practice areas within the firm. By retraining and retaining these employees, you will eliminate the cost of hiring new lawyers for these practice areas — and be ready to meet future demand.

Outsource. Outsourcing labor can help turn a fixed cost into a variable cost that you incur only when you need the labor. So-called “virtual assistants” — independent paralegals and administrative specialists who work online — are an offsite resource that more and more firms are utilizing. Likewise, consider contracting with per diem or of-counsel attorneys.

Affiliate. Instead of staffing up with an army of specialists, develop agreements with other firms to provide the specific expertise you need for a particular case. A litigation firm, for example, might affiliate

with another firm to handle appeals instead of having to have its own appellate department.

2. Equipment and Technology

A lawyer is not a Silicon Valley software engineer, so be realistic about your IT needs.

Watch IT. Rarely does a lawyer's work justify updating laptops every year or running out to get the absolute latest tech gadget. When computers, tablets and smartphones do need replacing, consider whether used or refurbished models will do the trick.

Beware of “equipment creep.” In a similar vein, assess whether you really need things like a dedicated fax machine. With the rise of online fax services, you can have faxes delivered straight to your e-mail inbox or access them via your smartphone.

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Save on software. There are a variety of lower-cost alternatives to expensive-yet-vital software. Instead of the Microsoft Office suite, for example, check Google Apps and OpenOffice.org for comparable and compatible products at more budget-friendly prices. Likewise, consider open source software and no-cost email management programs. You'll also find free or low-cost substitutes for expensive case management software.

3. Office Space

Think outside the box when it comes to addressing your space needs.

Negotiate. Law firms require flexibility in their leases to accommodate changes in their space needs. If you anticipate needing to reduce your footprint at some point, it will be important to have subleasing and contraction rights built into the lease.

If growth may be on the horizon, expansion and right of first refusal options are important considerations.

Pare down. Paring down office space starts with a look at what's filling your space. For example, if you have an office crammed with filing cabinets and files, consider moving them to a secure off-site storage facility. This might enable you to downsize your office space.

Rethink. Many solo attorneys and small firms are rethinking the traditional office. Instead of an entire office, they are renting just the space they need in a shared-space arrangement.

This could mean renting available space in an existing law office or even going with an “executive suite”-type arrangement where you receive a few hours of office or conference room space and access to a receptionist or answering service. Sometimes all solo and small-firm attorneys really need is access to a conference room where they can meet clients, take depositions or hold arbitration hearings.

Go virtual. Reducing or eliminating physical office space, outsourcing essential services and utilizing the web to deliver services is the hallmark of the virtual or semi-virtual office. Virtual practices tend to work well for transactional practices where a large volume of paperwork must flow back and forth between lawyer and client. Here, the virtual practice exists primarily online, using a secure portal for sharing documents, communicating and scheduling activities.

For many law practices, boosting profitability starts with a long, hard look at expenses. With costs contained, it's much easier to maintain or even increase profits as revenue flows in. ■

Please contact our office today to schedule a review of your firm's expenses and discuss ways to reduce them and boost your profits.

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show them how those needs can be met by your firm. At the same time, regularly ask for feedback on your existing service to the client.

Communicate your firm's range of services. Many clients are unaware of other attorneys or additional areas of expertise in areas outside of the legal services they're currently receiving. Your website, newsletters and other communications from the firm are a good start, but also talk with clients about specific areas of interest and alert them to areas of concern or change in their industry. For example, if another attorney writes an article relevant to a client, send it along with a personal note.

Develop client teams and industry groups. The next logical step is to initiate ongoing communication between practice groups and educate your teams about the services offered by other lawyers at your firm. For cross-selling to work, attorneys in your firm must be knowledgeable about (and confident in) one another's capabilities. In other words, a lawyer can't sell his partner's practice if he's not familiar with what the partner does — or doesn't trust him to handle the matter well.

It is critical to develop a system that effectively communicates each partner's experience and achievements, and keeps everyone regularly updated on the firm's new and existing clients and matters. Set up key client teams or industry groups and have them regularly review specific client opportunities and industry trends. Likewise, full-firm meetings are crucial to ensuring a united effort.

How to Make It Happen

Successful cross-selling requires identifying your most active clients and introducing them to other lawyers in your firm. Start by identifying a core group of existing clients with potential additional needs.

One approach is to get the partners in a room and ask them to provide details on three clients they have enjoyed working with and who have the potential for more work. Next, research what those additional needs might be and assemble a team of attorneys who could meet them. At the same time, get input and buy-in from the attorneys who already work with the target clients.

The next step is to make introductions. Most satisfied clients will grant their lawyers the courtesy of a meeting. The relationship partner who wants to expand representation of a client into other service areas of the firm should generally initiate the introductions. He or she might act as an internal sales coach, even scripting the lawyers' conversations and role-playing calls to clients. The key is to not deliver

a "here's-what-we're-great-at" speech, but rather generate a client-focused conversation that features solutions.

At the same time, it's important to understand that while client needs and markets are specialized, purchasing decisions are often decentralized. Focus on finding out who the decision makers are and how to reach them.

Share Credit and Reward Cross-Selling

The adage of "What gets rewarded, gets done" certainly applies to cross-selling. For it to work, the firm's compensation systems should reward collaboration as a component of origination fees.

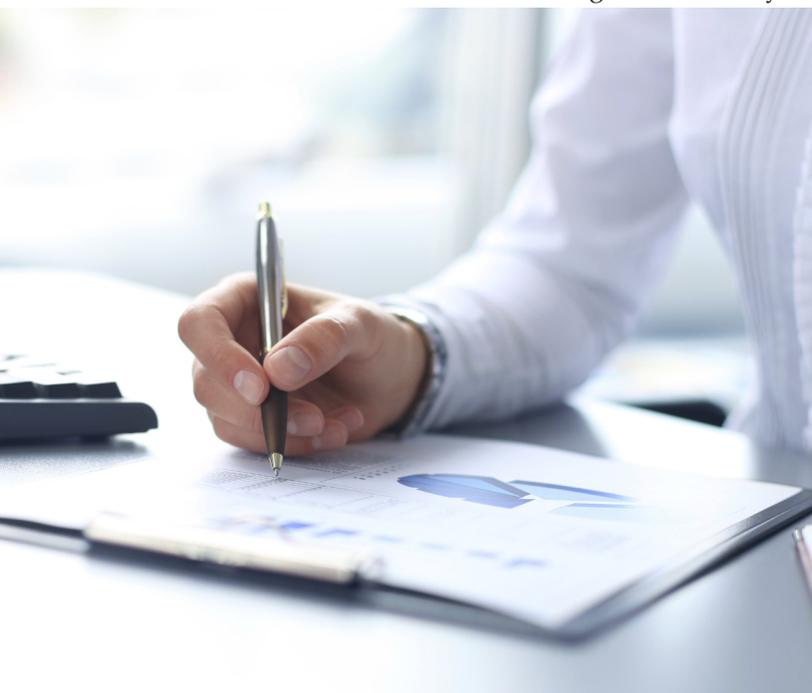
For example, establish specific financial rewards for introducing clients to other partners. The precise method and calculation of the compensation is not as important as attorneys knowing that cross-selling activities will come up during compensation review.

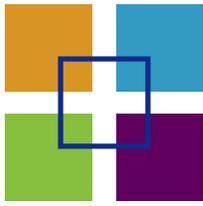
Ultimately, cross-selling happens in pairs or teams, and the firm must give credit for a team effort. This is true even if acknowledging and rewarding those who follow team and client-centric behavior might be contrary to the more typical "eat what you kill" system in which lawyers get origination credit solely for new business they bring in for themselves.

Finally, be sure to celebrate cross-selling successes in the firm's internal newsletter, as an addendum to new matter openings, and at attorney meetings.

A Change in Thinking

A successful legal services cross-selling program involves some changes in thinking — about compensation, ownership of clients and the approach to selling. These are hard changes, to be sure, but ones that may result in new business for your firm and deeper client relationships. ■





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The Case for Financial Experts

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- An expert witness who renders an opinion before a trier of fact,
- A consultant or non-testifying advisor, and
- Other roles, such as a trier of fact, special master, court-appointed expert, referee, arbitrator or mediator.

Many attorneys consider utilizing a CPA expert witness or consultant only when the case involves tax issues or the opposing side is using one. But accounting professionals are able to apply their unique edu-

cation and experience to a variety of cases and needs, including:

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Note that Evidence Rule 702 requires that an expert accountant must have specialized knowledge, skill, experience, training or education. The expert must also have actual recent experience in applying the expertise. Similarly, the experience should be related to the question at issue. ■

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