

The Contrarian Approach

The Economic Downturn Is an Opportunity to Make Clients Happy and Win New Business

BY FELICE WAGNER

When it comes to rainmaking and the stock market, I'm a contrarian. I like to make decisions that contradict prevailing wisdom. Why? Because that's when the best opportunities emerge.

Think about the last two years. In 1999, individual investors poured their money into the stock market. For a while, they looked like geniuses. But by the end of 2000, the truth became painfully clear: the people who were moving against the sea of humanity—the sellers—were the ones who had it right. Now that many stock prices are less than half of what they were a year ago and most analysts have gone negative on the sectors they cover, something tells me that those who were selling when most were still buying are beginning to look for buying opportunities. This is the lonely yet rewarding life of a contrarian.

The same contrarian logic applies to the art of rainmaking. The booming economy—with its parabolic growth and easy money—made rainmakers out of everybody. But now the tide has turned. Keeping clients happy and winning new business, like riding the surge of a dot-com stock, is not as easy as it was before. Only the true rainmakers are left standing.

And right now, they're seeing enormous opportunities to win new business and climb the value chain with existing clients. Their optimism does not stem from the availability of new work. In fact, in many areas the opportunities are dwindling. Nonetheless, true rainmakers are optimistic because they know they have what it takes to win business away from weakened competitors. And they know how to solidify existing client relationships so that they will reap a windfall when the economy recovers. In investment terms, they're buyers.

With these lessons learned, now is the time for the investors and lawyers who haven't fared so well to become more knowledgeable and more skilled so that they too can prosper in diffi-

cult as well as easy times. Unfortunately, instead of investing time and money to develop rainmaking skills and to better understand client needs, many lawyers and their firms, like nervous investors selling at the bottom, shift their focus inward and sharpen their cost-cutting axes.

Sure, a strong dose of fiscal discipline is healthy—especially to remove the bloat from the longest-running bull market in history. But in a contracting economy, there is a tendency for law firms to overdo it. They cut where they shouldn't be cutting, and they increasingly see the world through their own lenses instead of the lenses of their clients. When this happens, the best opportunities are lost. Indeed, the best and most lasting client relationships, like great stock investments, are not made during boom times, they're made during difficult times, when clients need the most help. For many companies, the difficult times are now.

As a result, now is the time for law firms to devote more attention to their clients and their changing needs. Now is the time for firms to invest what they can afford in their most important assets, their people. Simply put, now is the time to be a contrarian, to step up to the plate and deliver. Here are some tips for thriving during an economic slowdown:

- **Embrace and profit from change.** Instead of denying reality, recognize that the slowdown is just one of the many changes that are part of business and life. While your competitors are looking for ways to cut costs internally, sharpen your focus on your clients and the ways in which you can help them overcome their current business challenges. Become obsessively curious, not overly cautious. Make it part of your daily routine to learn more about your clients and how new developments will affect them.

- **Train your attorneys.** While your competitors are reducing their training budgets, find ways to reduce costs in other areas so that you can increase yours. Focus on client development and relationship management skills—including win-win pricing and cross-selling strategies.

An economic slowdown coupled with the proliferation of multidisciplinary practices and diminishing use of outside coun-

sel by Fortune 1000 legal departments make legal marketing skills critical to the success of firms and individual attorneys. Today, legal competence is assumed. What separates the winners from the losers are the intangibles—things that stem more from marketing muscle than legal intellect.

This means teaching your attorneys to conduct meaningful interviews with prospective clients, draft winning responses to requests for proposals, make successful client-focused presentations, and structure win-win pricing arrangements. It means instilling in all your attorneys a true commitment to client service and relationship management. Success in today's economy is about getting clients to see your attorneys more as trusted partners than as commodity-peddling vendors.

- **Become an expert at helping your clients navigate the slowdown.** You've been writing articles and giving speeches, but are you paying attention to the ways in which your audiences' needs have changed? If you're not sure, call a few of your best clients and ask them how the economic slowdown is affecting them. Read the trade publications your client reads. Learn how the economy is affecting your client's industry as a whole.

Not only will this help you develop solutions for these clients, it will also help you develop a new marketing message—one that you can begin to deliver through networking efforts and reputation-building activities such as speeches, articles, and seminars. Even the slightest adjustments in your message can have a dramatic impact on the way that potential clients perceive you.

- **Be selective.** Focus on the right opportunities. While your competitors are chasing too many business opportunities, be selective and target only the opportunities that meet your selection criteria. Developing selection criteria will save time and lead to earning more money from the right clients.

- **Master alternative-fee arrangements.** During economic slowdowns, your clients are under increased pressure to reduce costs and still get quality results. As a result, take the time to thoroughly understand the various forms of alternative-fee arrangements. Know when they make sense and when they don't. Make it your goal to allocate risks and rewards fairly so that you achieve a proper balance between client satisfaction and your own profitability. This ensures that both your firm and the client emerge from any engagement knowing that their respective best interests have been served. This is the key philosophy behind any lasting client relationship.

- **Make budgeting mandatory for all significant matters.** Understanding what it costs to deliver legal services will put you in a better position to structure win-win pricing arrangements with key clients.

- **Find a way to get it done.** When times are tight, you really need to be the "go-to partner," not the "can't-do lawyer." During slowdowns, clients want creativity. They don't come to you so you can tell them what they can't do. They want to get it done, and they want to know how. Instead of saying "you can't do that," ask more questions to clarify your clients' objectives. Then do everything you can to find a legally sound way to achieve their goals. Make yourself invaluable during the slowdown, and you'll reap the rewards during the recovery.

- **Don't reinvent the wheel.** While your competitors are trying to squeeze every last nickel from low-margin business,

look for ways to group standardized legal opinions and boilerplate work product into an affordable package for your clients. Don't wait for your clients to ask for this. Anticipate their needs and then make sure your clients and prospective clients know about these packaged services. They will show their appreciation by giving you more challenging and profitable work when the economy recovers.

- **Staff projects wisely.** Again, don't wait for your clients to tell you to reduce costs. Pay close attention to how tasks are divided between in-house staff and outside lawyers, and unless you've been told otherwise, always try to allocate the best possible resource at the lowest possible cost to the client. Use your paralegals more often and more wisely. Consider outsourcing for temporary staffing and legal research when the workload is at peak levels. Pass the savings on to your clients.

- **Take ownership of problems.** During a slowdown, pressures are stronger and tempers are shorter. As a result, it's only natural to see an increase in the number of client concerns or complaints. Reverse this trend by being extra sensitive to your clients' circumstances. In the face of a problem with a client, avoid placing blame. Assume responsibility and focus on solving it.

- **Help your clients become rainmakers.** When the economy falters, many of your clients' businesses are hurting as well. Find ways to help them boost their revenue. Get creative. Make an introduction. Use your network. Chances are, you know someone who could use the products or services of your clients.

- **Be a part of your clients' business plans.** If you've developed strong client relationships, a slowdown is the best time to turn those relationships into valuable business. This means reviewing your clients' business plans and making them your own. Dig into the financial forecasts, sales goals, competitive forces, industry trends, and applicable government regulations. Do more than just provide legal services. Find ways to help your clients solve their most difficult problems and achieve their most ambitious objectives. Widen your focus beyond legal issues during the downturn, and the lucrative business opportunities will multiply during the recovery.

You have a choice. You can be at the mercy of the market, or you can empower yourself by developing valuable skill sets and moving against the tide to prosper in good times as well as bad. It's not easy being a contrarian. But if you think of yourself as an investor during this slowdown and put on your buying hat, you will capitalize on what could be your best opportunity to seize new business from your competitors and ensure long-lasting relationships with your current clients.

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