

Building a Personal Book of Business

By Michael Downey

For most law firm lawyers, a personal book of good clients or referral sources is crucial to long-term happiness. A lawyer who generates his or her own work has direct communication with clients, and gains an understanding of the client as well as his or her business. Such lawyer-client relationships give meaning to the lawyer's work.

A personal book of good clients also gives a lawyer control over his or her workplace and career. Experience has convinced me that the lawyer who maintains control over his or her career is usually much happier than someone who lacks that freedom. Law firms are less willing to let go of a lawyer with a book of business despite an economic downturn, because the lawyer likely is paying his or her own way and can take the work when departing. Law firms are often difficult places to work. A personal book of business ensures that the lawyer will never be trapped. If it is your desire to develop a good personal book of business, read on.

Developing a Strategic Client Development Plan

The first key is to develop a plan of what work you will seek and how to pursue that work. In development of a strategic client development plan, answer three important questions. The initial answers are only tentative hypotheses; in practice, these answers and the plan itself will need to be modified. These questions follow.

What type of law/clients? You first need to determine what type of law or clients to pursue. Often this involves asking which aspects of the lawyer-client relationship are most important.

- Do you thrive on tight deadlines and pressure?
- Do you really enjoy undertaking investigations, drafting documents or arguing in court?

- Do you want to develop long-term relationships with a few larger clients, or instead enjoy frequently meeting new clients?
- Do you like taking risks, or instead prefer more of a steady, consistent practice?
- What type of people do you like to serve?
- Whom do you already know or represent?
- Who might make appropriate clients or serve as connections to those clients?

Often, the answers to these questions are more significant than the type of law you practice. Some tax lawyers, for example, have lots of client contact, and others very little.

Will the proposed legal services generate adequate fees? In addition to determining the type of work, you should consider the financial benefits of that work.

- How much do you hope to make?
- What are the costs of generating that income?
- What are the overhead costs allocated to you?
- Based on your overhead, what clients can you attract and for what services?
- Do you know who your competition is?
- What services, and at what cost, does your competition provide?
- If your competition is from nonlawyers, are they more aggressive in pricing services and soliciting clients?

- For a lawyer at a larger firm, you may also need to consider how your rates and expenses will compare to those of other firm clients.

Who will select the lawyer and pay for the legal services? Sometimes the person who chooses, recommends, or even pays you may not be the person who receives the legal service. Consider these examples:

- A lawyer who represents doctors in malpractice litigation often depends upon relationships with malpractice insurers.
- A lawyer who represents unionized workers in employment matters often depends upon relationships with union leadership, not individual workers.
- A lawyer who represents children in divorces often relies upon referrals from family courts or divorce lawyers.

Cultivate Relationships with Key Prospects or Referral Sources

Once you have established a strategic client development plan, work regularly to execute that plan. Normally this requires you to attract the attention of and build relationships with key people who will become your clients or referral sources.

Attracting clients may involve outbound and inbound marketing. Outbound, or more traditional marketing, focuses on trying to locate potential clients, such as by placing advertising. Inbound marketing focuses on trying to help clients who are looking for a lawyer, or certain type of lawyer, to find you. Inbound marketing includes, for example, practice-related blogs or informational videos.

Be creative in deciding how to reach out and form relationships with key prospects or referral sources. Methods for cultivating relationships involve varying amounts of time and money. Carefully consider where to expend both of these valuable resources.

To cultivate important relationships, recognize five principles:

1. Make sure the location of and channel for communication are appropriate for the relationships sought. While an advertisement on the back page of a telephone directory might prove lucrative

for a personal injury lawyer, it would be a waste of money for a securities lawyer.

2. Most business development efforts require patience and repetition. Lawyers who attend only one meeting of a group, or publish a single advertisement, or post one entry on a blog often do not generate meaningful business from these one-shot efforts. Some say that a potential customer must encounter a firm's advertisements six to eight times within a short period before recognizing the firm or connecting to its message.
3. A focused message often helps generate new work most effectively. Having a practice niche—whether limited by practice, client, industry or geography—should help a lawyer attract clients. But do not narrow your niche too much, such that too few people require your services.
4. Be careful to avoid competing with the sources from whom you hope to receive referrals. A transactional lawyer who obtains most of his or her work through referral from litigators should be careful about forming a law practice with a litigator.
5. Select practice development channels that you are comfortable with and capable of using. Because it is important to stick with something to make it work, be sure that you will want to repeat the activity, whether it is an advertisement, a blog, speaking to groups or attending business receptions.

Ensure Compliance with Ethics Rules

Ethics rules and other laws impose a series of restrictions on lawyer advertising and client solicitation. The rules governing lawyer advertising can be complex and somewhat counterintuitive. For example, under ABA Model Rule 7.4, a lawyer must include special disclaimers if she wants to advertise she is a criminal defense law specialist, but may omit such disclaimers if she advertises she practices “only criminal defense law.”

To ensure that client development efforts comply with the relevant rules of professional conduct, consider consulting with your state bar's ethics counsel or a private ethics lawyer, as well as consulting with the ethics rules yourself.

Assess Effectiveness—and Keep Trying

You should continue to evaluate and modify your business development methods. Be open to asking clients and potential clients about ways you might improve service.

You should dedicate some time every day or week to business development efforts, even when you have billable work to do. Otherwise, when the billable work runs out, you may experience a slow period, which can be quite painful.

Finally, while a personal book of good clients is normally crucial to lawyer happiness, it is not the only requisite for happiness. “Law is a jealous mistress,” Joseph Story warned. If allowed to spread without a check, law may leave you a hollow shell. Get a counterbalance, something else that motivates you and makes you happy outside the practice of law. In the end, interests outside the law enable you to provide more meaningful legal counsel to clients and, coming full circle, to build a good personal book of business. □

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