

CLIENT SPEAK

A Matrix of Understanding

What Does 'Client Knowledge' Actually Mean?

By Allan Colman

In my last piece, we concluded with a question once asked in a popular song of the 1960s: "Do You Want to Dance?" Implicit in the tuneful allusion is the need to transition your focus, and your firm's focus, from talking to selling — from planning the dance to actually requesting the honor of one.

Admittedly, our metaphor breaks down rather quickly. After all, one needs no particular understanding of a prospective dance partner to close the waltz deal or the mambo deal or even the funky chicken deal. It's just a dance, after all, and not yet a developed relationship.

The professional services deal is an altogether different proposition. Here we are talking about relationships, in the most fundamental professional sense. In this ballroom, a whole matrix of understanding must underlie the decisive "Do you

want to dance" question before you dare ask it.

CLIENT KNOWLEDGE

We choose the word "matrix" advisedly. To finally close the deal, there are a number of key elements that must be linked. You need to match your own self-knowledge to your knowledge about the client.

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You need to know enough about both yourself and the buyer to determine how and to what extent — or if at all — you can finally serve the corporate need. By now, "knowing the client" is a marketing bromide and a fairly tired one at that. To reinvest the mantra with actionable meaning, law firms must

understand the in-house dynamic — they must know how in-house counsel actually think — in very specific terms.

First, what are the buyer's professional values? You need to know enough about the client to know *the client's perception of you*, your firm, and your practice groups. Specifically:

- What kind of commitments does the buyer/client expect the seller/firm to make? Knowledge results in then decisively making those commitments or else not wasting your time with a client who wants too much for too little.
- What are the buyer's expectations in terms of rate structure? Knowledge is the ability to tell the difference between rate-shoppers, on the one hand, and, on the other, in-house lawyers who don't feel secure in a safety buy unless they're certain that your top-end partners will be immersed in the work.
- What are the expectations about winning versus settling? Client knowledge developed along such narrow questions leads to a more fundamental, macro-level understanding — namely, does in-house counsel want a firm that actually strategizes or a firm that

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dutifully files briefs and hopefully wins in court?

- What are the buyer's needs arrayed across a broad spectrum of potential legal services? Client knowledge here means knowing when a cross-sell will be welcome and when it won't.

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Second, how many baskets are your eggs in? At the most practical level, you need to know the buyer's internal situation. While recent and current clients are obviously the best source of new engagements, are your relationships numerous and broad enough to withstand the departure of a general counsel or associate general counsel or chief litigation counsel? Beyond the law department, can you survive a new CEO or other top executive? Will you always have at least one referral source or internal advocate at day's end?

Third, why has a competitor bested you? What do they know about the client that you don't? Why did the associate GC hire a particular firm? Conversely, based on your knowledge of the client, what are the competition's vulnerabilities? Here, client knowledge allows you to spot openings based on how the buyer views a broad spectrum of law firms. Track the client's outside hires — is there a pattern?

Is there some reason an oil company hired a particular lawyer with no apparent oil industry experience? Odds are, by answering *that* ques-

tion, you may glean at least one powerful practical insight into the company that will serve you in very good stead further down the line or with similar industry buyers as well. Simply talk to their in-house lawyers, for goodness sake. Take them to lunch, ask them why they hired so-and-so and (diplomatically) is it working out so far? Be sure to pick up the tab.

COMPETITIVE DIFFERENTIATION

From client knowledge, we naturally transition to competitive differentiation, a key point in building the matrix.

Examine professional research. Client knowledge can begin with certain practical steps. In that regard, our "Do you want to dance?" metaphor might still be useful. Has your prospective dance partner smiled or scowled at you from across the dance floor? In the professional services ballroom, how do clients respond when the responsible partner asks for an introduction to others in the corporation, both in-house lawyers and non-lawyer executives? If there's reluctance, there's a problem.

When inside counsel actually ask to meet more members of your team, they may or may not expect to be billed for the pleasure. Our resolute advice is to simply not do so. Remember too, such meetings are excellent opportunities to train other members of your client team in the fine art of client relationships — and, by definition, in client knowledge-seeking as well.

In-house lawyers expect to profit from such meetings — perhaps by learning something they didn't know before that's actually useful to them, or by being presented with collaborative opportunities to advance their own individual professional goals. Such collaboration could take the form of co-written articles, for example, or making joint

presentations at industry events attended by diverse audiences.

The more time you spend with the clients, the more knowledge of them you stand to gain — and if that time is spent in truly substantive endeavors, the door to client knowledge swings open even wider. Such endeavors could range from simple collaterals to all-important community projects, from co-sponsored seminars to aggressive diversity initiatives.

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In our next article, we'll be exploring how you can recruit in-house clients as parties to your own marketing. We'll look at some of the specific co-marketing possibilities that in-house lawyers are likeliest to value. To be sure, marketing the law firm is not an us-them proposition.

Quite to the contrary, what begins as a dance could even end in marriage.

