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Firms Hesitant To Invest In Business Development

By **Erin Marie Daly**

Law360, New York (July 06, 2009) -- Despite the economic downturn, law firms are wary of new business development training programs, raising the stakes for consultants in the legal industry, a new survey has found.

The survey, released Monday by the Closers Group, which helps law firms develop and implement business development strategies, polled both law firm partners and legal marketers to gauge current perceptions of the value of business development consultants and training.

Nearly 200 attorneys and marketers responded to the survey: 60 percent from law firms with 250 attorneys or less; 24 percent from firms with 250 to 500 lawyers; and 16 percent from firms with over 500 lawyers, the group said.

According to the group, the survey results strongly suggest that, to prove their value, business development consultants must now play a more instrumental role in generating significant new revenue.

Among the key findings, 36 percent of respondents said that the work of the business development consultants they've retained had real bottom-line impact, while nearly 60 percent said the work had been "helpful but not decisive — or that it was initially helpful but less so as the engagement continued."

However, half of the attorneys and 75 percent of the marketing professionals surveyed simultaneously attributed new client engagements to the guidance provided by business development consultants, the group said.

Those results indicated that law firms believe working with consultants leads to new business, but not enough new business to represent "real bottom-line impact," the group concluded.

Allan Colman, principal of the Closers Group, said the results sent a clear message that legal consultants should train their lawyer clients “to close, not just pitch.”

“Platitudes and ‘soft’ support are no longer enough,” Colman said. “We must produce more hard revenue for our clients. We must deliver really concrete and actionable plans with significant returns to the bottom line.”

The survey also revealed that the current economic crisis has not provided a significant impetus to new business development training initiatives or to more law firms retaining business development consultants, according to the group.

Most law firm marketing officers said they believed that business development consultants had a real bottom-line impact, compared to only 25 percent of the lawyers, the group said.

At the same time, nearly 70 percent of the lawyers responding said there were “major differences” among partners as to the value of the consultant’s strategic and tactical deliverables, the group said.

According to Colman, these differences in perception between the marketers and the lawyers are not surprising, and suggest that, as in the past, the various parts of law firm marketing and business development programs are not necessarily moving in sync.

“On a firmwide basis, there is still much to be done in terms of coherent approach, clear direction and measurement of results,” he said.

Only 20 percent of firms that responded to the survey have started formal business development training since the downturn began, but 63 percent have considered one, the group said.

All attorneys surveyed said they may expand existing business development training programs, the group added, suggesting that “firms simply don’t want to spend money to make money during this recession, while those that already have training programs in place unanimously see potential benefit in expanding them.”

Only 55 percent of the firms polled have a business development partner or marketing partner, indicating “an absence of real commitment and support for marketing/ business development from firm management among the other 45 percent, even during these adverse times,” according to the group.

Meanwhile, the group said, 75 percent of the marketing professionals surveyed believed that business development consultants retained by their firms have had an impact on how the marketing department operates, while only 45 percent of the lawyers shared that belief.