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Outside Sales Experts A Double-Edged Sword For Firms

By **Anne Urda**

Law360, New York (October 30, 2009) -- As law firms work to increase sales, some in recent years have looked to outside business development experts to satisfy their marketing and sales needs, but questions remain as to the effectiveness of the strategy, as well as the ethical implications of such a move.

Over the past few years, firms have toyed with various strategies to pump up sales, including bringing in business development experts such as sales pioneer Steve Bell to help generate business.

Before joining Womble Carlyle Sandridge & Rice PLLC, Bell co-founded the sales department at PricewaterhouseCoopers, founded sales at Grant Thornton LLP and served as the legal profession's first director of sales, according to the firm.

Bell is consistently hailed as an important innovator, but nevertheless, firms need to be careful when they bring on business development experts to generate sales, according to Julie Savarino, an attorney and managing director of Business Development Inc.

"Ethically it is very dicey for a nonlawyer to solicit business for lawyers or firms," Savarino said. "Very few if any clients will ever actually buy legal services without meeting, knowing, having trust and confidence in, and [having] a working relationship with the lawyer who will actually be doing their work."

In Bell's case, Womble Carlyle clearly states that he is not a lawyer and his work is supervised by the firm. Others interested in hiring specific sales people would be wise to follow this example, according to Savarino.

"If a firm has or is contemplating hiring an internal or external business development expert, the role should be defined narrowly, and the potential hire's true capabilities vetted carefully before hiring," she said.

Kevin Wilson, director of client development for Warner Norcross & Judd LLP since 2006, believes that while firms must tread carefully, there can be some advantage to having nonlawyers in these sales positions.

“I think it can be valuable not to be an attorney in some of these situations,” Wilson said. “If you are an attorney and you are specialized, you are thinking a lot about the detail and the legal issue at hand.”

When you bring in someone from the outside, often he can see the situation in the broader context of the business world, according to Wilson.

“I am sure that we have lots of attorneys that may be able to do that, but they are busy day to day, and there is an advantage to having somebody who can look beyond the specific issue at hand,” he said.

While there is some emphasis on generating business, the main goal with his position is to build stronger relationships with clients, Wilson said.

“Often, of course, this can and does lead to client development,” he said. “We take an industry-based approach and try to demonstrate an understanding and interest in that particular field.”

Savarino acknowledged that there were plenty of appropriate roles for nonlawyers in the sales context, including conducting market, industry and client research to identify needs; conducting client satisfaction surveys; and attending meetings with lawyers to help take notes, for example.

While some firms have been tempted to use lawyers to take care of some of these duties in the past, the effectiveness of such a method remains scattered, she said.

“Over the past 25 years, some firms have been successful by having senior partners or those with significant relationships do some of the roles mentioned above but also to arrange introductions,” Savarino said.

“The problem has been that unless this effort is organized with a good tracking and follow-up system, results can vary and have varied,” she said.

But while firms may like the idea of designating specific sales people, many such positions have been eliminated in the wake of the recession, leading some firms to embrace the “seconding” of such professionals, legal industry experts said.

Firms can bring in professionals with marketing and sales experience who function like employees of the firm without the overhead or benefits headache, an attractive quality in lean times, they said.

“We work with a number of firms both small and medium-sized, and the bottom line is that with these different firms, you get highly experienced people with diverse backgrounds,” said Allan Colman, CEO of the Closers Group, a Torrance, Calif.-based business that counsels law firms on new business development strategies.

Many firms had to let go of support staff as they struggled to keep their head above water in the midst of the economic downturn, Colman said.

“In terms of seconding, we are designed to support firms that have a marketing staff, have gone through reduction and need some extra help without the additional overhead or benefits expense,” he said.

For firms that don't have a marketing team at all, the group steps in to act in that capacity as well, Colman said.

“We really are being used primarily as internal staff support and are very actively engaged in helping build new business,” he said. “Our main focus as a firm is business generation. Lawyers really want people to help them close business.”

While the economy has played a factor recently, Colman said his group was being asked to perform these services even before the economy took a turn for the worse.

“More and more requests from law firms began pouring in when the economy turned down,” he said. “Smaller firms have a lot more flexibility in what they can do so once they did their reductions, they realized they had a real opportunity here.”

Large firms couldn't move as quickly in terms of responding to clients' needs, leaving an opening for small firms to pitch their services and score the account, Colman said.

“They saw a real uptick after the economy had its initial impact,” he said. “Consequently, I think this notion of seconding is going to become more of a trend as it provides firms with the benefit of advanced marketing know-how specific to their needs.”

That was certainly true for Hinshaw & Culbertson LLP, whose management committee decided in 2008 that the firm needed to add business development to its current marketing support, according to Paul R. Boken, the firm's executive managing director.

“The firm decided to go forward with an outsourced solution for the following reasons: We could get started right away, we could have access to experienced people who have done this successfully in the past, and it could start out on a limited scale and ramp up as we see success,” Boken said.

He added that the extra help would allow the firm to convert a full-time Hinshaw employee on the firm's own timetable as it built up the infrastructure and processes to create an in-house solution.

“So far, it has worked out very well from the firm's perspective,” Boken said. “The partners appreciate the firm making this resource available. No downsides that I can identify at this time.”

But whether firms choose to outsource or look internally for business development help, lawyers need to recognize that they are the crucial salesman for the firm at the end of the day, Savarino said.

“All lawyers must have some basic client relations skills — whether or not they want to actually engage in the sales process itself,” she said. “Even if they are mainly an internal service partner, they still have to communicate and get along with their partners and staff. So every lawyer has a responsibility within the business development process, but the roles vary.”

Even if attorneys hate it, dealing with people and being able to communicate is mandatory for lawyers, and firms would be wise to drive home this fact as they continue to evaluate their business development needs, according to Savarino.

“Bottom line, with the accelerated rate of industry and economic change, most firms benefit from a formal, annual review and upgrade of their overall business development program — whether they have salespeople or not, are contemplating hiring one, whether their program is 100 percent internally supported and whether outside support is utilized,” she said.