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## Practice Center

LAW AND MANAGEMENT

# Coming Together

By Allan Colman

The free-market system is not always as tidy as some enthusiasts claim.

Consider a bad law firm merger. While there have unfortunately been enough such fiascos in the past three decades, the bad ones aren't always easy to identify. The merged firm is often so large that it may lumber along for years as profits stagnate and practice groups in disparate offices settle into their silos.

### Law Firm Marketing

May be their profits eventually climb as increased size generates top-line growth. But don't be deceived. The question that many mergers beg is: What might have been achieved with so much raw professional talent thrust together nationally or globally? What might have been achieved that isn't being achieved?

The waste of potential may be blamed on mistakes made during the negotiations — failures to adequately structure post-merger governance, perhaps, or to reach a real meeting

of minds on long-term growth objectives. Sometimes there are post-merger leadership failures as the best-laid integration plans simply do not gel.

But rest assured that most under-achieving mergers share one fundamental deficiency. It is the failure to work a practicable marketing strategy into the very soul of the merger — before it happens, while it happens and after it happens.

### MARKETING MYOPIA

In some ways it's understandable

**A detailed marketing plan is crucial to a successful law firm merger**



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the process by which the institution actually defines itself. Marketing has an immediate impact on recruitment as well as business development. It likewise has an immediate impact on internal perceptions.

As such, the post-merger “integration” will be directly affected or even driven by a detailed marketing plan worked out pre-merger. How the newly conjoined practice teams develop business is as essential to their operational dynamics as how they service clients. Compensation and pensions obviously persuade lawyers to commit themselves or not commit themselves to the merged firm, but so too does the brand identity that the merged firm creates for itself.

Leaving marketing for later is thus a first serious strategic mistake. The second typical mistake is that firms simply announce the merger in the hope that — even in an era when law firm mergers occur every week or so — somebody somewhere will care. They encase the announcement with predictably solemn assertions: For example, the merger is “client-driven,” and the merging firms have “complementary practices” that will generate “significant new synergies” and “a new platform.”

### SHOW, DON'T TELL

Merging firms need to ask two essential marketing questions at the earliest possible moment:

First, who is going to care about the merger? The answer, of course,

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is anyone directly affected by it, mainly clients and internal stakeholders. So the marketing must provide for direct and well-timed outreach to both constituencies, by phone whenever appropriate.

Second — the proverbial \$64,000 question — how can firms get more people to care? Well, what do people care *about*? Sellers must identify the needs and fears of their buyers, and gear the substance of the marketing to those exigencies. While marketing in a merger situation is not conceptually unique, it is exponentially more complicated because now you must refine the message and re-identify the messengers across multiple fronts. Those fronts encompass the capabilities of the merging firms and the altogether new capabilities that the merged firm presents.

To that end, the key is in showing — not telling — the marketplace that your intellectual and professional platform is indeed broader and deeper. For example:

- New sub-specializations can be defined and marketed — a nanotechnology or subprime or global warming team that could not have been formed without the multidisciplinary resources that the merger aggregates.

- Published articles on legal or client industry issues should be co-bylined by lawyers from both the merging firms.

- Talk about mergers in general, with your own as only one example. It's an evergreen topic and a permanent opportunity. Years after the fact, partners from the two original firms can talk at in-house legal or other professional conferences and share their insights into a process that critically affects the delivery of legal services — and, by so doing, implicitly remind the market that their own experience is an example of how it's done right.

Also remember that when partners from both the original firms co-venture discrete marketing initiatives, it also shows that these partners are, in fact, collaborating effectively on a daily basis. Again, the operative word is “shows.”

What we're really talking about is the quintessential “rollout,” which begins in earnest after the “launch” is over. It identifies what the marketplace really wants and it delivers it. It highlights the merger event, but only implicitly. The launch showcases the event with a press release — but the rollout is the real meat and potatoes of merger marketing.

The rollout requires in-depth knowledge of your own resources in terms of people and expertise (including specific industry expertise). Those resources can be tough enough to identify at your own firm. In a merger, it requires an assiduous cataloging of what the two firms bring

to the table.

Imagine the rewards of such labor. Imagine being able to spring a new multidisciplinary sub-specialization on the marketplace within days of announcing a merger! The effect is powerfully beneficial on two fronts.

First, it sells a new practice group. Second, it confirms the wisdom of the merger that made such a practice group possible.

The longer you wait, however, the duller and more diluted the message becomes. Again, the point cannot be overemphasized: The sooner your marketing counselors are engaged in the merger process — cataloging and preparing to take potential deliverables to market — the smoother and more profitable the integration process will be.

#### MULTIFACETED FRONT

During merger negotiations (or for due diligence before negotiations begin), your marketing team must assess multiple high-impact factors at three levels. First, there are strategic considerations, such as:

- Who will the merged firm's competition be?

- Are there positive or negative practice area trends?

- How will external perceptions of both firms affect perceptions of a merger? (Just because both firms are perceived favorably doesn't mean that merging the two will appear to make sense.)

- What new service offerings are on the table for both firms, and how does the merger support them?

- From a marketing standpoint, how do diversity initiatives and pro bono operate at the other firm? What might a combined program look like?

- What external alliances are favored at the other firm? Is there a member of a law firm network that conflicts with any to which you might belong?

Second, how can specific marketing tactics serve or disserve the business development goals of the merged firm? For example:

- How many RFPs does the other firm do? How many does it win? What is its process for writing RFPs?

- Does the other firm have a marketing partner or a business development committee? What marketing burdens are shouldered by the practice group leaders?

- What sorts of events and sponsorships does the other firm pursue?

- What kinds of electronic and print collateral do both firms have and what might a combined style look like?

- Where else is the other firm most active and effective — publishing, speaking, seminars?

Finally, what is your sense of the overall marketing culture of the other firm? For example:

- Does the firm monitor the progress of its own sales efforts?

- Does it ever formally ask clients for feedback?

- Does it encourage associates to develop marketing plans and relationships?

- Are there compensation benefits for successful marketing? How do those rewards complement or conflict with the policies on origination credits?

These final considerations are the most important. Too much difference between the firms on these points can (and perhaps should) be no less a deal-stopper than an unfunded retirement plan or an impasse in naming the new firm.

#### WIN, LOSE, OR DRAW

To sum up: Remember that the launch is the least of it. Be ready long beforehand for a more protracted rollout that promotes the merger — not by dazzling the world with what is now a commonplace occurrence — but by telling your business targets what they actually need and want to hear.

Catalogue the potential new offerings and subtly underscore the strategic impact of the merger by drawing on lawyers from both firms to jointly market those offerings. Don't wait until after the merger to think about the similarities and differences in the marketing cultures of the two firms. They're as potentially decisive as your respective financials.

Here's some good news to reflect on. All these marketing practices ought to benefit both firms even if merger talks break off (as so often happens). At the very least, the experience should foster significantly greater sophistication by taking the best practices of each group and building an even stronger group for the future. It may also disclose projects and areas of expertise that can still be developed and promoted absent a merger.

Remember, you're not just marketing a merger. You're marketing two law firms and the people in them. They have a lot to say about themselves whatever happens.

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