



2018 MARKET-WIDE STUDY

Business Development Trends Across Firm Demographics

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Executive Summary

As recent studies by Altman Weil and Thomson Reuters have shown, law firms are slow to adapt to increasing competition and eroding market demand. Their business model prioritizes short-range benefits favoring year-end Profits Per Partner rather than long-range, strategic investments. Perhaps this is why law firms allocate significantly less revenue toward marketing budgets than organizations in other industries. As such, it remains challenging for marketers to gain buy-in from management and partners on any solution that requires a significant up-front spend. This dynamic is exacerbated whenever profits dip; partners jump ship in favor of lateral moves, CFOs slash investment dollars and firm leaders lose their already limited appetite for high-risk innovation that commits resources into uncharted territory.

For these reasons, it is no surprise that when presented with a proposed line item in the marketing budget one of the first questions leadership asks is, “Which other firms are doing this?” Firms pay close attention to established precedence and the successes and failures of their competitors. As such, The Ackert Advisory presents this report on our market-wide survey identifying the revenue generation strategies that are most popular and reportedly effective at various firms. Our intention is to respond to the ongoing challenge CMOs report on business development ([LexisNexis](#)) and to equip legal marketers with data that will help secure buy-in for long-term, strategic business development initiatives.

This study examines the most successful legal business development practices for a variety of demographics: firm size, lawyer cohort, practice area and industry group. Respondents described the efficacy of business development at their firms, including:

1. The success of various business development activities for senior associates, junior partners and senior partners
2. The most valid business development methods for various practice areas and industry groups
3. Firm size and percent of revenue spent on marketing budget (excluding salaries)
4. Type and frequency of business development training and coaching efforts in bolstering underperforming segments within the firm

While other studies take a “one size fits all” approach to marketing and business development techniques, this report examines specific lawyer demographics and maps the strategies that are most prevalent within subsets. Our research provides targeted strategies reported to generate the best results so that marketers, who are often understaffed and overwhelmed, know where to spend their limited time and budget.

It is crucial to note that this report provides a summary of what law firms are currently doing that works well. But in order to rise above the slack tide of the legal market, firms need to innovate and differentiate from their peers – not do what everyone else is doing. The final pages of this study provide recommendations on how firms can focus on proven revenue generation strategies while simultaneously strengthening key differentiators that will help them rise above the current landscape of flat growth.



Key Findings

1. Many of the top revenue generation strategies center around existing clients, rather than prospects or referral sources. While top-performing strategies differ by firm size, lawyer seniority, practice area and industry group, the global top strategies are BD coaching, client education and client site visits.
2. The most effective revenue generation strategies vary widely by firm size. For small firms, lawyers benefit by strengthening ties to the local business and public community. At mid-sized firms, sales/BD coaching is highly effective. At larger firms, client-focused activities like site visits and CLE are reported to be most effective.
3. Lawyer seniority also plays a role in the most effective BD strategies. Junior lawyers benefit from group activities like client education, committees and conference attendance; while senior lawyers gain more traction when they focus on their individual clients by going on site visits and asking them for new business.
4. Not all training and coaching is created equal. For senior associates, most firms employ frequent low-cost, high-volume training solutions like group seminars or webinars. Junior partners tend to receive quarterly individual coaching, whether provided internally or outsourced. Senior partners are given a hands-off treatment at most firms, with coaching limited to one-off initiatives or retreat presentations delivered semi-annually.

Continue reading for more insights, explanations and best practices.

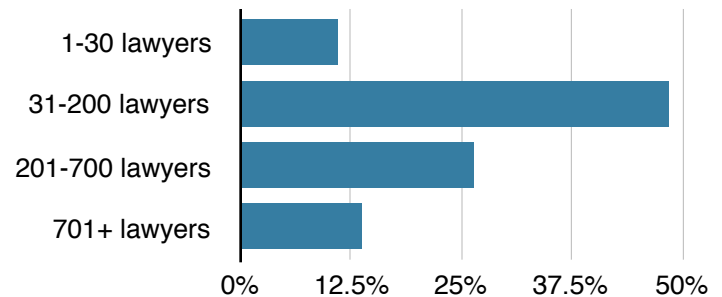


Data Analysis

The data in the following analysis was compiled via a survey taken by nearly 100 legal marketers and business development professionals in North America. Most respondents are at the Manager, Director and CXO level. Firm sizes ranged from boutique to global, as illustrated in Figure 0 on the right.

Respondents answered 8 questions concerning the effectiveness of different revenue generation strategies across various firm and lawyer demographics.

Figure 0. Survey Participants by Firm Size



I. Marketing Budgets

The first survey question asked respondents approximately what percentage of gross revenue is allocated for their marketing budgets (excluding salaries). The results are displayed in Figure 1.

The most frequent response was 2%, reported by 27.5% of respondents. The top 5 answers, representing over 80% of respondents, all ranged between 1-3%.

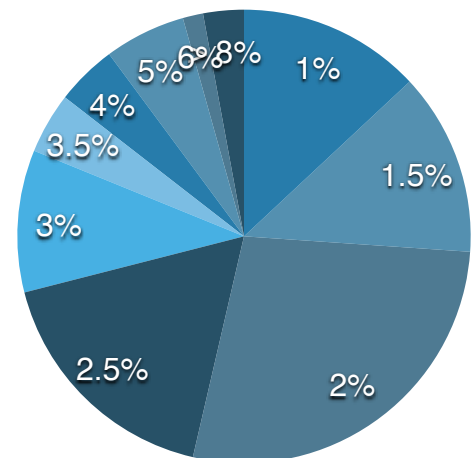
The global average was 2.3%. Controlling for firm size, we found the following:

- Small firms (1-30 lawyers) allocated a slightly higher average of 2.9%.
- Medium firms (31-200 lawyers) reported an average of 2.4%.
- Large firms (201-700 lawyers) reported 2.5%.
- Mega-firms (700+ lawyers) spend about 2.9%.

This figure stands in stark contrast to the average marketing budget in non-legal industries, which is 7.5% and often much higher. (Deloitte)

Given law firms' continual reluctance to invest in marketing and business development, our aim is to empower firm professionals with data on where their limited dollars will be most effectively spent, as well as proof-of-concept to assist with securing buy-in for new initiatives.

Figure 1. Marketing Budget as Percentage of Gross Revenue

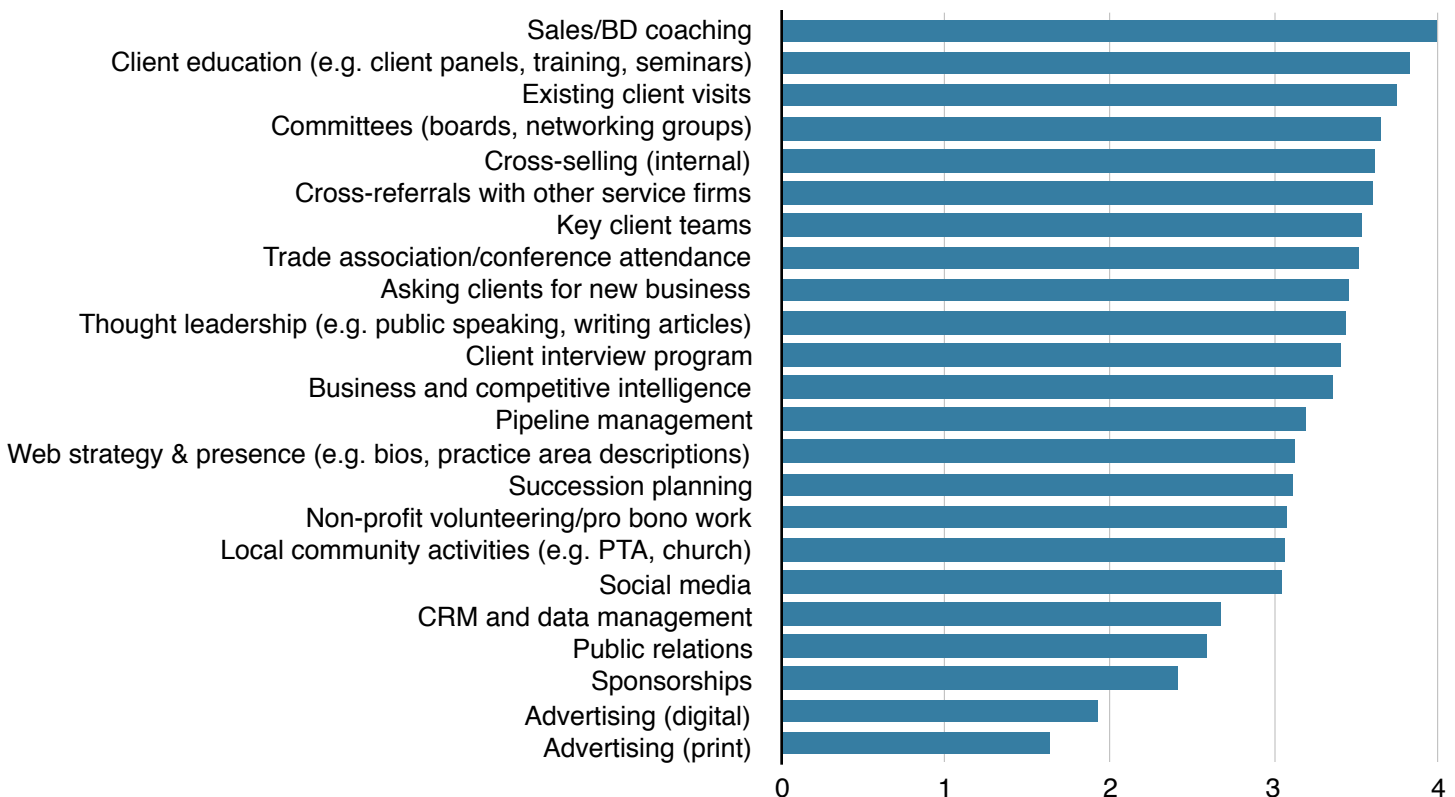




II. Most Effective Marketing & Business Development Strategies

The next series of questions asked respondents to rate the effectiveness of 23 different revenue generation strategies, specifically for senior associates, junior partners and senior partners. Respondents rated each strategy on a scale of 1-5, with 1 being ineffective and 5 being very effective. The weighted averages are listed in Figure 2 below.

Figure 2. Top Revenue-Generating Strategies



Without controlling for firm size, the top three revenue generation strategies were existing sales/BD coaching, client education and existing client visits, all ranking at nearly 4 on the scale of 1 to 5.

Firms can use this data to focus more on what's working and less on what's not. For example, despite the massive sums that law firms spend on advertising every year, print and digital advertising were rated least effective of all the strategies listed. Law firms spent about 10% of their meager marketing budgets on public relations in 2017 ([LexisNexis](#)) even though PR is near the bottom of the list in terms of efficacy in generating business. On the other hand, the LexisNexis survey reports that less than 10% of marketing budgets were spent on coaching and training even though BD coaching contributes to revenue-generation more than anything else on the list. Law firms can improve their ROI by reallocating their investments accordingly.



While investing marketing resources into any of the top strategies above is generally a safer bet for generating a meaningful ROI, comparing one's own firm with global averages can only be so helpful. In the following sections, we will compare subsets of data in order to identify which marketing and BD strategies are most effective for firms according to size.

Best Strategies for Boutique Firms

The following rankings describe the most effective marketing and business development strategies for senior associates, junior partners and senior partners at small firms with 1-30 lawyers:

SENIOR ASSOCIATES	JUNIOR PARTNERS	SENIOR PARTNERS
1. Committees	1. Cross-referrals with service firms	1. Cross-referrals with service firms
2. Cross-selling (internal)	2. Existing client visits	2. Cross-selling (internal)
3. Existing client visits	3. Web strategy & presence	3. Existing client visits
4. Cross-referrals with service firms	4. Committees	4. Client interview programs
5. Local community activities	5. Social media	5. Committees

These rankings are significantly different from the global top three strategies shown in Figure 2. Lawyers at boutique firms benefit by strengthening ties to the local business and public community through committee involvement, cross-referrals with other service firms, and activities like coaching sports, PTA meetings, and church attendance. These locally-based strategies made the top of the list for boutique firms, whereas they didn't even rank for other respondents.

Best Strategies for Small Firms

For small firms with 31-200 lawyers, the following strategies were rated most effective:

SENIOR ASSOCIATES	JUNIOR PARTNERS	SENIOR PARTNERS
1. Sales/BD coaching	1. Sales/BD coaching	1. Asking clients for new business
2. Cross-referrals with service firms	2. Existing client visits	2. Existing client visits
3. Client education	3. Asking clients for new business	3. Client interview programs
4. Committees, boards, etc.	4. Client education, seminars, etc.	4. Client education, seminars, etc.
5. Existing client visits	5. Cross-referrals with service firms	5. Cross-referrals with service firms

An interesting data point here is that for senior partners at small firms, sales/BD coaching is not even close to being in the top 5 most effective strategies. It ranked 11th on the list. Small firms that are considering investment in costly coaching programs should take note that coaching is highly effective for younger lawyers. However, respondents reported that senior partners are most effective when focusing on their existing clients, whether asking them for new business, going on site visits, conducting interview programs, or giving CLE presentations.



Best Strategies for Mid-Sized Firms

The following strategies are most effective for lawyers at firms employing 201-700 lawyers:

SENIOR ASSOCIATES	JUNIOR PARTNERS	SENIOR PARTNERS
1. Sales/BD coaching	1. Existing client visits	1. Existing client visits
2. Client education, seminars, etc.	2. Sales/BD coaching	2. Asking clients for new business
3. Existing client visits	3. Client education, seminars, etc.	3. Cross-selling (internal)
4. Trade associations & conferences	4. Key client teams	4. Client interview programs
5. Committees, boards, etc.	5. Cross-selling (internal)	5. Key client teams

Senior associates benefit from expanding their networks through committees, conference attendance, sales coaching and client education.

Junior partners are also good candidates for coaching but they mature into client-focused business development methods earlier than junior partners at smaller firms.

Senior partners should focus on generating new business through their existing clients by way of site visits, CLE and client team initiatives. However, given that 88% of firms have chronically under-performing partners according to [Altman Weil](#), mid-sized firms may benefit when they provide coaching to senior partners as well.

Best Strategies for Large Firms

Large firms, or those with 700+ lawyers, take a more strategic and long-term approach to revenue generation.

SENIOR ASSOCIATES	JUNIOR PARTNERS	SENIOR PARTNERS
1. Sales/BD coaching	1. Key client teams	1. Existing client visits
2. Key client teams	2. Sales/BD coaching	2. Asking clients for new business
3. Client education, seminars, etc.	3. Cross-selling (internal)	3. Client interview programs
4. Existing client visits	4. Client education, seminars, etc.	4. Key client teams
5. Succession planning	5. Client interview programs	5. Thought leadership

While client focus remains a prominent part of every lawyer's BD strategy, large firms have a few noteworthy divergences from the BD methods employed by smaller firms. For senior associates, one of the top 5 strategies is succession planning, which remains an afterthought for many law firms despite aging partner populations.

Another noteworthy difference is the appearance of thought leadership on the list of key strategies for senior partners. Thought leadership is the one and only marketing-oriented activity that made the top-five list for any lawyer/firm cohort in this study. All other activities fall squarely within the realms of client development or business development.



III. Most Successful Practice Areas

The next question asked respondents to select the top three practice areas that generate the best business development results for their firms.

What revenue generation strategies contribute to the success of these practice areas? Setting aside external forces like market demand, we examined the internal business development and marketing strategies that are most effective for each of the top-performing practice areas.

Corporate Lawyers

For corporate lawyers, by far the most effective revenue-generation strategy is asking clients for new business, according to 35% of respondents. Two other strategies earned honorable mention, with 15% of respondent votes: cross-selling and existing client visits.

Labor/Employment Lawyers

The top BD strategy for L&E lawyers is client education (48%), with cross-selling and asking clients for new business coming in at a distant second and third (13% of respondent votes).

Intellectual Property Lawyers

The top three BD strategies for IP lawyers are more or less equally effective: client education (26%), asking clients for new business (26%) and existing client visits (20%).

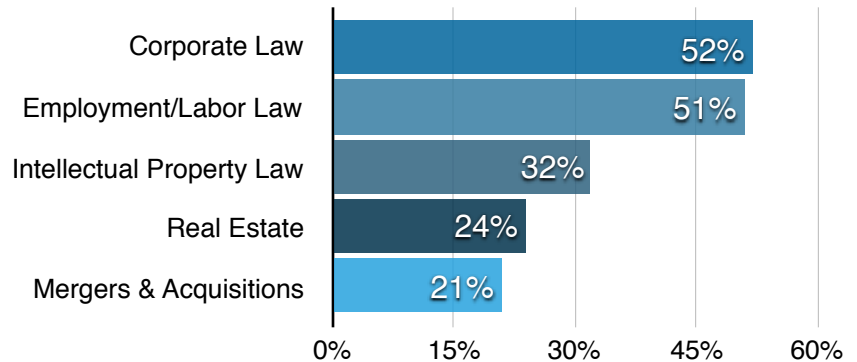
Real Estate Lawyers

Like corporate lawyers, real estate lawyers benefit most from asking clients for new business, with 42% of respondents reporting it as the most effective BD strategy. Cross-selling (17%), existing client visits (17%), and cross-referrals with other service firms (17%) also made the top four.

Merger & Acquisition Lawyers

For M&A lawyers, only two BD strategies stand out as being especially effective: existing client visits (36%) and cross-selling (18%). The rest of the responses received less than 10% of respondent votes.

Figure 3. Most Successful Practice Areas



**Note: the percentages in Figure 2 add up to more than 100% because respondents were able to select three top-performing practice areas.*



IV. Most Successful Industry Groups

Many law firms are transitioning away from the firm-focused practice group model and adopting a more client-centric industry group model instead. We explored this by asking respondents to select the top three industry groups in which lawyers generate the best business development results for their firms. The results are shown in Figure 4.

The top five industry groups that generate the best business development results are healthcare, real estate, financial services, construction and technology. They were reported as being in the top three most successful for all of our respondent firms.

Although some smaller or niched firms will not cater to all the industries above, many firms will benefit from understanding how to invest their budgets to provide targeted BD resources to lawyers working within different industries.

As with practice areas above in section III, we also asked which marketing and business development strategies were most effective for each top-performing industry group. The results are as follows:

Healthcare & Life Sciences

Lawyers working in the healthcare industry fare best when they focus on their existing clients. Asking clients for new business is the most effective BD strategy as ranked by 36% of respondents, followed by existing client visits (18%) and key client teams (18%).

Real Estate, REITS and Land Use

There are two standout BD strategies for real estate lawyers. Existing client visits and cross-selling are tied for first place, each earning votes from 25% of respondents.

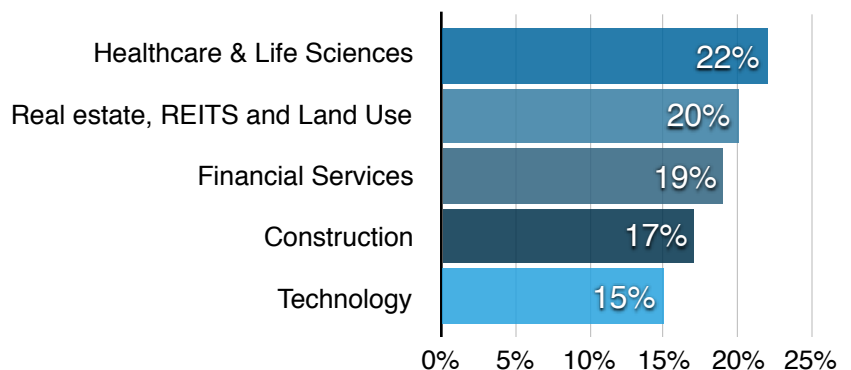
Financial Services

For lawyers working in financial services, by far the most effective BD strategy is key client teams (40%). Also ranking in the top three are existing client visits (20%) and asking clients for new business (20%).

Construction

The one BD strategy that stands out as most effective for lawyers in the construction industry is trade association/conference attendance, earning votes from 25% of respondents.

Figure 4. Most Successful Industry Groups



**Note: the percentages in Figure 4 add up to more than 100% because respondents were able to select three top-performing industry groups.*



Technology

Asking clients for new business and cross-selling are the two most highly-rated BD strategies for the technology sector, each earning votes from 25% of respondents.

It is worth noting that there are certain discrepancies between the data sets in Sections III and IV focusing on practice areas versus industry groups, respectively. Key client teams, for example, is not a top strategy for corporate lawyers but it is for the financial services industry (the corporate lawyers' predominant service industry). These statistical anomalies occurred when we drilled further into the responses and the data sets became smaller. As such, they should be taken with a grain of salt.

V. Business Development Coaching

Globally, the #1 revenue-generation method as reported by all respondents was Sales and BD coaching (see Figure 2). Because coaching is defined differently from firm to firm and there are many techniques available, the last two questions of the survey prompted further distinction.

Respondents were asked how frequently their lawyers receive coaching, as well as what kinds of training or coaching they receive. The results are shown in Figure 5.

For senior associates, if they receive coaching at all (i.e. excluding the 'hardly ever' responses), quarterly coaching is the most common frequency of delivery. Monthly coaching was the second-most reported frequency. This trend was the same for junior partners.

Senior partners are less likely to receive coaching, as shown by the high proportion of 'hardly ever' responses. When they do receive coaching, it is less frequently than younger lawyers, with the #1 response being semi-annual coaching.

Because there is no one-size-fits-all solution to coaching, the final question of the survey examined the different types of coaching used among lawyer age cohorts.

The following table in Figure 6 shows the types of BD coaching most frequently offered to senior associates, junior partners and senior partners. Note that the percentages in each column add up to more than 100% because respondents were able to select more than one type of coaching for each cohort.

Figure 5. Frequency of Coaching

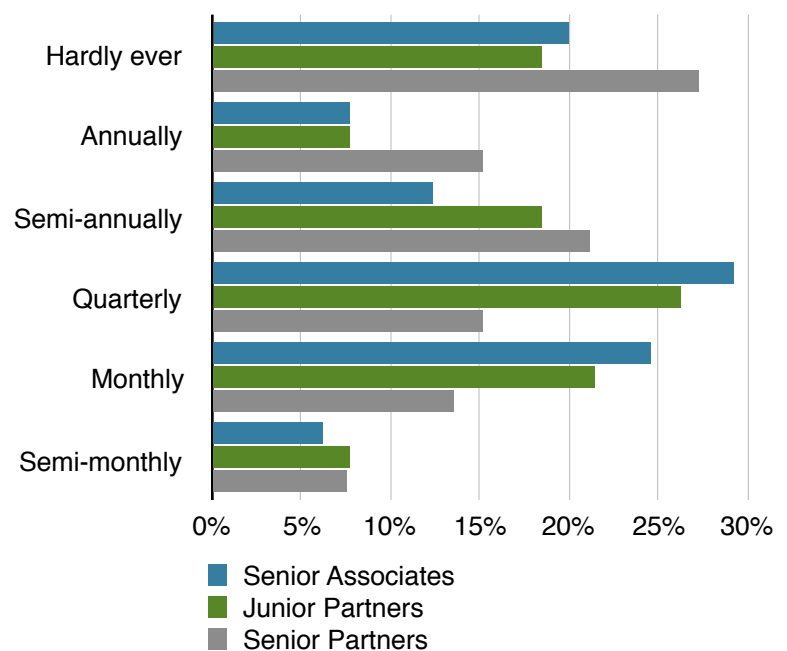




Figure 6. Types of BD Coaching/Training

SENIOR ASSOCIATES		JUNIOR PARTNERS		SENIOR PARTNERS	
Group training (e.g. seminars, lunch & learns)	100%	Individual coaching with internal marketing/BD staff	91%	One-off presentations (e.g. partner retreats)	92%
Online training (e.g. webinars, e-learning)	90%	One-off presentations (e.g. partner retreats)	86%	Individual coaching with internal marketing/BD staff	74%
Individual coaching with internal marketing/BD staff	84%	Outsourced coaching with BD consultant/coach	83%	Group training (e.g. seminars, lunch & learns)	64%
Group coaching (conference calls, roundtables)	80%	Group training (e.g. seminars, lunch & learns)	80%	Outsourced coaching with BD consultant/coach	60%
One-off presentations (e.g. partner retreats)	59%	Group coaching (conference calls, roundtables)	76%	Online training (e.g. webinars, e-learning)	58%
Outsourced coaching with BD consultant/coach	52%	Online training (e.g. webinars, e-learning)	68%	Group coaching (conference calls, roundtables)	40%

For senior associates, most firms employ low-cost solutions like group seminars or online training. Marketing and BD staff provide individual coaching, most often to rising stars who show promise of becoming rainmakers.

Firms provide junior partners with more individual attention, whether in the form of one-on-one coaching provided internally or outsourced to an external coach. One-off presentations like partner retreats are also frequently used.

Senior partners are given a hands-off treatment with regard to BD coaching and training. 92% of firms employ one-off presentations and 74% provide group training but the remaining categories are used much less frequently for senior partners than they are for younger lawyers.

In Section II, BD coaching was not ranked as a top-five effective strategy for senior partners. This is probably due to cultural factors. According to an [Altman Weil](#) report, 65% of law firm leaders say that their partners resist most change efforts.

The report also shows that 88% of firms have chronically under-performing partners. This is probably one of the reasons we find that 60% of firms invest in outsourced BD coaching for senior partners.



Conclusion

Keep context in mind as you process this report. This data is based on survey respondents' claims to "what has worked best" in the past. Given that the current state of the legal market consists of stagnating demand, flat growth and underperforming partners; our industry must adopt new strategies and behaviors if we expect to break from a decade of horizontal inertia.

After analyzing and summarizing our findings, several themes emerge to the fore. First, the most effective revenue generation strategies across lawyer and firm demographics involve a one-to-one rather than a one-to-many approach. Individual business development conversations with clients and referral sources generate better results than one-to-many marketing activities like advertising and PR, with the noteworthy exception of thought leadership which is often used initiate one-to-one conversations on topical issues.

Second, the data resoundingly shows that mid-to-large sized firms need to improve their cross-selling cultures. The average law firm loses 15% of its top clients per year but when a firm sells more than three practice areas into any client, the client is more than twice as likely to stay with the firm long term. (LexisNexis) In turn, increasing retention rates by 5% increases firm profits by 25% or more. (BTI Consulting) Formalized cross-selling and client team accelerator programs are essential to improving performance and ultimately, firm profits.

Unlike prospects and referral sources, clients are already familiar with a lawyer's work, they have an established rapport and they are much more likely to engage the firm again. Lawyers across all demographics should stay top-of-mind with their clients by going on site visits, staying attuned to their business needs, delivering educational seminars and asking for new business. Key client teams and client interview programs also emerged as effective strategies because these initiatives form a structure through which law firms can routinely uncover clients' emerging business needs, receive service feedback and improve retention.

The most effective ways marketers can support their lawyers is to be responsive to what works best for each lawyer's particular demographic, whether it's practice area, industry group, or seniority cohort. Marketers can use the data in this report to provide tailored training and support that generates a greater return on resource investment.

This may mean reducing your firm's investment in low-return activities like advertising and redirecting those funds to create a formalized client site visit program. It may mean segmenting BD initiatives according to practice area or industry group and focusing resources on the most effective strategies for each demographic. While this white paper provides research and recommendations, it is impossible to predict the full road map to sustainable growth. Firms will need to optimize traditional programs (e.g. cross-selling) and institutionalize modern ones (e.g. productization, pipeline management, AI-assisted service delivery, experience management and other martech solutions). In the meantime, the suggestions in the Best Practices section on the next page will provide a reasonable starting point.



Best Practices

In light of these conclusions, we offer a series of best practices that will help firms of all sizes focus their business development initiatives on the cohorts, practice areas or industry groups that are most likely to perform well. We hope these suggestions will encourage leadership to broaden your firm's investment in its marketing budget and help secure buy-in for the initiatives that move the needle.

1. Firms with limited time and budget should prioritize marketing resources toward high-performing practice areas (corporate, L&E, IP, real estate, and M&A) or industry groups (healthcare, real estate, financial services, construction and technology).
2. Calibrate marketing support to the subsets within your lawyer population. For example, identify industry trade shows for your construction lawyers to attend, produce a CLE panel for the key clients of your L&E lawyers, or organize a pitching workshop to train your senior partners on how to ask a client for new business.
3. Invest in resources that strengthen client relationships. Cross-selling, key client teams and client interview programs broaden and deepen client relationships, which in turn improves retention and profitability. Coach lawyers of all seniority cohorts and practice areas to go on site visits, deliver CLE programs, research and anticipate clients' business needs and ask for new business. Firms that do not have formal, structured training programs in each of these areas should put them in place immediately.
4. One-to-one business development strategies consistently outperform one-to-many marketing strategies. Firms can increase the ROI on their budget by limiting investment in less effective marketing strategies like advertising and public relations and reallocating those resources to more effective one-to-one strategies like client site visits, client education, cross-selling, client teams and BD coaching that teaches lawyers how to become more effective at these activities.
5. Business development coaching is a sound investment across the board, but should be tailored to its audience. Senior associates should receive low-cost group training such as seminars, lunch & learns, webinars and e-learning on a monthly or quarterly basis. Junior partners should receive individualized coaching on a monthly basis. Senior partners with healthy books of business should receive one-off presentations like partner retreats or pitching workshops on a semi-annual or quarterly basis. But underperforming senior partners should receive monthly individualized coaching by way of intervention. If marketers find that their existing internal resources are too limited to provide this level of support, they should consider outsourcing to professional coaching firms.
6. Boutique firms with 1-30 lawyers should strengthen ties to the local business and public community through committee involvement, cross-referrals with other service firms, activities like coaching sports, PTA meetings and participation in religious communities (e.g. church attendance).
7. Small firms with 31-200 lawyers should take note that coaching tends to be much more effective for younger lawyers than for senior partners. Firms of this size should only invest in coaching senior partners who show a meaningful appetite to improve their efficacy with client development.
8. At mid-sized and large firms (200+ lawyers), coach associates so they can get a head start on institutional client pursuits. At the partner level, invest in client team and feedback programs that bolster partner/client relationships. Also, formalize succession planning initiatives so as to more effectively retain clients during career transitions. Senior partners at mid-to-large firms should all participate in thought leadership initiatives.



About the Authors



David Ackert is the President of Ackert Inc., a business development coaching and training firm with law firm clients across the globe. Widely recognized as a pioneer in the intersection of business development coaching and technology, David is the founder of Practice Pipeline, a pipeline management software platform that integrates technology with peer-group coaching to improve business development results. He is also the founder of Practice Boomers, a BD training program that integrates e-learning with group coaching to generate consistently measurable ROI to law firms.



Olivia Watson is the Senior Marketing Manager at Ackert Inc. She has worked in multiple industries on diverse projects including environmental policy change advocacy, calculating greenhouse gas emissions and carbon offsets in large-scale systems, data trend reporting in the financial services sector, competitive intelligence in the fashion industry and numerous marketing and business development initiatives in B2B SaaS. Her written work has been featured/quoted by various publications including Strategies Magazine, JD Supra, PM Magazine, and the American Bar Association.

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