



## DON'T WAIT TO SAVE YOUR PRACTICE

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I have been fielding an alarming increase in calls from solo and small firm attorneys whose practices are failing. Although facts and circumstances differ, there is a commonality most of the time. My hope is that by sharing what these firms have in common, you will avoid the same fate.

Many of you don't know that I managed a variety of corporate environments before I joined my first law firm. One of those was an advertising & public relations company. For over seven years I had the opportunity to learn as much as I could about this service industry. I also had the greater opportunity of learning about the impact of marketing on the success of the clients who came and went.

A unique perspective I gained during that time was that the best time to advertise and market is when business is good. During economic downturns there would be those who cut back, and those who stayed the course or even increased their budgets and marketing efforts. Without exception, those who maintained or increased marketing efforts came back faster and stronger. Those who cut back weakened, and many did not survive, or regain market position once the downturn was past.

This knowledge has allowed me to quickly identify the common problem of the majority of failing solos. The root of the cause is becoming too comfortable with the flow of new business into the pipeline. Attorneys get busy. Referral sources are established. Marketing and networking activities have paid off. It's easy to understand how one can get lulled into what I call "marketing complacency" and lose the hunger which drives one to beat the bushes for new work.

Clients used to be loyal. There used to be abundant work for all. Referral sources were reliable. Outside competition was not nipping at our heels. That was yesterday. Not today.

For those who are more experienced and have been in practice longer, the change in the marketplace isn't apparent at first. It's an insidious change that marches forward slowly, under the radar. But eventually it jumps up and bites you right on the nose. Unless you're in a strong niche practice, with little competition in your geographic area, by the time you realize things have changed, e.g. you are unable to escape the bite, it may already be too late to do anything about it. So listen up, this may be your only warning.

Referral sources die. They move away. They retire. They give in to all the hungry requests and start funneling some of the work elsewhere. You may not even notice that you haven't heard from many in quite a while, or that you're getting less work than you did before. You don't go out of your way to keep building new referral sources when you're overwhelmed with work. Next thing you know, many of those remaining have stronger alliances with others, and new possibilities are aligned as well, and much tougher to convince to divert work to you.

Your interactions with your colleagues are fewer and further between. Your colleagues perceive you are very busy and successful, conclude you don't need business, and start sending work elsewhere to those with a greater need, and perhaps a lower rate and, because they are hungry, a greater service mentality as well. Perhaps your colleagues are already cutting back, or have died or retired. As a consequence, they don't send you as much. You probably have not cultivated the next generation. You've been too busy, and in a comfortable place.

With increasing competition, active marketing becomes essential for many practice areas. Once you lose standing, e.g. search engine placement in cyberspace, it's extremely costly to get it back. Many of you invested early on in a web presence. Perhaps you even blogged for higher ratings. But the thread in common for the failing firms is that at some point they felt they didn't have to further invest in this area. Just as competition doubled, tripled or quadrupled budgets; expanding to TV, radio, YouTube, LinkedIn, Facebook and Twitter, many solo and small firm attorneys drew the line in the sand.

Most attorneys say it was / is too much work for an uncertain reward. It's understandable to come to that conclusion when business is good. It seems to make perfect sense when the pipeline of work has a continual flow. Especially when



results seem unmeasurable, or lacking, in comparison to budget and time. But by the time you realize that the flow is just a trickle, it's probably too late to do much about it without a very large budget. If you do PI, SSD, WC, DUI, you know exactly what I mean.

Ouch! Funny how it works that when you most need business you are not in a financial position to effectively market yourself. That's why it's so important to avoid becoming complacent when times are good. That's precisely the time to increase the budget and protect yourself from competition, and perhaps take your firm to the next level.

On this point I often get the argument "Well, my plate is really full, and I didn't want to manage a larger firm." Ok, so how about managing the intake quality better? How about turning work away to a hungry colleague happy to have it? Take on higher quality cases and do less work for greater profit. That's a better option than all of a sudden realizing that the flow of cases has mostly dried up.

You may not like me for saying this, but remember I am only the messenger. You can't afford to become complacent in today's marketplace. You have to continue to beat the bushes for new referral sources, and new ways to "touch" potential clients. You have to actively keep in contact with referral sources. You have to keep letting colleagues know you appreciate business referrals. And for many areas of law, you need to invest in maintaining your internet presence.

You need a plan for each of the goals above. Remember that I'm here to help you think it through.

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