



# **SAGE White Paper: How Boost Revenue with Effective Cross-Selling**

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**Complete Transcript of Web Seminar Broadcast on  
November 29, 2007**

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## **Speakers:**

Larry Bodine, **PBDI**  
Michael Cummings, **SAGE Law Marketing**  
Ron Paquette, **Redwood Analytics**

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## Overview

In this white paper, a complete transcript of the seminar attended by thousands of attorneys, you will learn the best practices in adding additional work from current clients – pragmatic and proven methods for strengthening your relationships with your clients and profiting from it – plus why it's so critical to doing so.

Partners often cringe at the thought of cross-selling. They have a fear of losing their clients, a fear of imposing on their partners and a lack of training on cross-selling.

However, one of the keys to keeping clients (or losing them to other firms) is cross selling, according to new research by the Redwood Think Tank. Redwood's study reveals that cross selling has a dramatic effect on client retention: the more varied the legal services provided to a client, the less likely they are to leave. In this seminar, Redwood Think Tank analyst Ron Paquette and marketing experts Larry Bodine and Michael Cummings show you how to identify and influence client retention factors.

The program is based on successful cross selling programs at law firms, and covers:

- Techniques of effective cross marketing and selling.
- Overcoming the obstacles to cross marketing & selling.
- How clients view cross selling by their professional services firms.
- The 5 steps to mastering cross marketing and selling.
- How to sell as a team.

You learn how proven strategies to increase your firm's share of a client's legal work, how to define your cross-selling opportunities, and how to get your lawyers to pursue them.

Topics include:

- The factors that best predict client retention and departure
- How to focus your efforts on the most profitable clients
- The 10 things you should know about your clients
- Establishing client teams
- Organizing around the market, instead of marketing your organization

**Larry Bodine:** Good afternoon, and welcome to “Boost Revenue with Effective Cross-Selling,” a live web seminar brought to you today by the Professional Business Development Institute. This is Larry Bodine, and I want to welcome everybody on the call. We've got a really nice turnout; we've got law firms from all over the United States as well as a firm from Guadalajara, Mexico. We welcome you to today's program.

I'm the speaker on the left. I'm a business development consultant based in the Chicagoland area. I help law firms get more clients through business development training and individual coaching programs.

My colleague today is Michael Cummings. Mike has been a business development consultant and marketing trainer for more than 20 years. He's the principal of SAGE Law Marketing based in St. Charles, Illinois, also a suburb of Chicago, and he brings with him many years of experience at Mercer Management where he was a partner and also at Arthur Andersen.

Rounding out the panel today, we have Ron Paquette from Redwood Analytics. Ron is calling in today from Richmond, Virginia. One of the wonderful things about a web seminar is that nobody has to travel. He is an analyst for a fascinating organization called the Redwood Think Tank. The members of the Think Tank are law firm senior partners and executives who have shown an interest in keeping their competitive edge in the market. The Think Tank, including Ron, does a variety of research projects, one of which we're going to share with you today. A wonderful thing about Ron is he's not only an excellent researcher, but he actually has direct business development and marketing experience from a financial services firm that he was with prior to Redwood. He was there for seven years and managed marketing campaigns; decided whom the company mailed to; evaluated account management opportunities; and he helped expand their west coast office, so Ron brings a lot to the party today.

At this point, I wanted to turn the podium over to Ron to talk about their client attrition study, something that leads right into cross-selling and actually lays the groundwork for it. Ron, tell us about some of the questions that launched this study.

**Ron Paquette:** This actually came from one of the partners who is a member of the Think Tank and some theories he had about whether or not we'd be able to identify the clients that are more likely to leave the firm versus those who are more likely to stick. So initially we were calling this kind of a “client stickiness” analysis. What we set out to do was see if there were any attributes about a client that you could identify to say, “This client is more or less likely to leave.” Then, “Is there anything actionable we can do?”

Along with that, what we wanted to do was try and assess the value. If we know that this certain group is more likely to leave, if we could influence that, how much would it affect the firm's bottom line? We're not going to talk specifically about that today, but we did do that follow-up with the clients that we worked with. All the results you're

about to see are a meshing of four firms from the Think Tank; however, we've actually validated this with another three firms and a fourth one is on the way. All the results look exactly the same across all of the firms, so we feel pretty good that this is going to be held true at your firm as well. The relative levels of attrition that you're going to see are going to vary from firm to firm, depending on the type of work that you do, but everything should be very similar, and the relative levels from one level to the next should still hold.

So why do we care about this? The first thing we wanted to do was assess what impact does attrition have on firm revenue? What we're looking at here – and again this is a compilation of the four firms – we held all of the clients from 2003, you can see as the x-axis moves from December 2003 all the way to December of 2005, so we've got two years of data here. All of the clients that are in this were active in 2003, and what we did was we held them as a static pool and saw if we added no new clients to the firm, what would the volume in work hours do over time? We had a little bit of variation from firm to firm, like I said, but on average what we're seeing is about a one percent degradation. So, if we look at December 2005, what we see is that we're just about 75 percent. About two years from now, if you add no new clients, you're going to lose about a quarter of your volume between now and then, so it's important to keep in mind that business development is absolutely critical to moving your firm forward. There are a couple different ways. Obviously, most firms don't see this decline because they are adding new clients, but what we wanted to talk about was another way that you could slow this down was by finding those clients that were more at risk and maybe doing some things to help retain those clients.

The next four slides are all going to look very, very similar in the structure; what I mean by that is that we've got on the y-axis – you can see it goes from 0 to 80 percent – that's our attrition rate. So for the next couple slides, we're going to see that same thing. Here's how it's defined: Of the clients in 2003, what percent of them were no longer around in 2005? So we looked at them; we evaluated them; we looked at their attributes in 2003; and then said, "What percent of them were left in 2005?" In this particular one what we're looking at is client's size. Decile 1 is just the top 10 percent of clients. In this case – ranked by hours but it will also work if you rank it by revenue – we didn't see any differences. What we can see is that the highest decile, your top 10 percent of clients, has the lowest attrition rate. We see the smallest clients over here in deciles 9 and 10 have extremely high attrition rates, which is good, because most of your volume is going to come from decile 1. You do want to know that they're going to be a little bit more stable there.

As a side note, we've done some research as well to just look at firm concentration. Everyone's heard of the 80-20 rule – and we've done this for 20 different firms – it's really the 90-20 rule when it comes to law firms. What I mean by that is that 90 percent of your work volume and your revenue comes from the top 20 percent of your clients. A little bit more concentrated than we're used to, but that helps because now we can not focus as much on the small clients because we want to get the most return for any effort that we expend.

So from here forward, all of the other attrition that we're going to look at is only on the first 3 deciles, which is about 95 percent of the work, but again it's only 30 percent of the clients. Because we had such high attrition in deciles 4 through 10, we felt like it was going to throw off the information, and the clients in deciles 4 through 10 were less likely to even have things like cross-sell because they're providing such little work. How is it possible that they could be doing multiple types of work if they're only providing five hours to the firm? So this is one that really applies to the topic that Larry and Mike are going to be talking about later.

This is a cross-sell here. What we see here is the number of areas of law. In this case, it's a matter-based designation that you're doing corporate work, that this matter is corporate. How many different types of matters are you doing for that client? As a side note, we did have some firms that didn't have matter-based descriptions, and what we did was we just used work department instead. So if there are attorneys from multiple work departments working on this client, then it's a similar type relationship. We can assume that there are more types of work. What we see here is if you only have one – so those clients that have one area of law – their attrition is over 35 percent. Keep in mind this is just the first three deciles, so these are your larger clients. But if you get down to two, you can reduce that by about a third. If you get down to three, you can reduce it by two thirds.

So we've always heard that cross-selling is a good thing. Now we can see data here proven in this case on four different law firms, and now we have validated this with four additional ones, so we know that this is going to be true across the board. Now we can prove why it is important to be doing cross-selling. We're going to maintain that relationship so that marketing efforts for acquiring a new customer will get a higher return because we can hold on to these customers longer.

**Larry Bodine:** An interesting thing is I notice that clients that are served in four to five different areas have the very lowest attrition rate. In fact, it's approaching zero.

**Ron Paquette:** Right. And we do have some data points in the sixth plus as well that had zero attrition.

**Larry Bodine:** That's incredible. So the lesson that I get from this is that if there's only one attorney working or one service area that a client is using, there's a high likelihood – a one out of three chance – that they'll leave the firm. But if you have four or five service areas, the chances that they'll leave approach zero.

**Ron Paquette:** Yes.

**Larry Bodine:** That's a compelling argument for cross-selling if I ever heard it.

**Ron Paquette:** Absolutely. This is the one that we think is the most actionable that a firm can do with their marketing time. The next one is interesting, albeit not as actionable, but it does have to do with client age. The way we defined age was the number of years since the client's open date in the billing system. So we can see those that are brand new that just got opened this year have attrition of 50 percent and then moving on down, but we see it stable out at four years and above until we get to these clients that have been there for more than 20 years. What we know is that maybe a client is more volatile and more at risk of leaving in their first couple years, but if you can take the effort to go ahead and make sure that they can stick around for the first couple years – make them feel valued; show them the value of the firm; show them why you guys can provide good quality work; meet their needs – that they're more likely to stick around if they're there after three years.

**Larry Bodine:** What are some things from a practical standpoint that law firms are doing for these high-volatility clients, the ones that have just been with the firm a year or less?

**Ron Paquette:** You would probably have more experience with that. I know one of the things has to do with what we're going to see on the next slide and what we saw on the last slide around cross-sell and then even partner involvement. I know that with the new clients, especially those that are of good size so we know that there's some potential – we're not talking about a new small client but talking about a new potentially strategic client – they are bringing in client teams, sending people to sites, and just working to build that relationship and trying to find out and meet their needs, whether it might be in an area that they're working on now or not. That comes down to cross-selling. You're doing some corporate work, you hear they might need some litigation help, and you're cross-selling and talking about some of the great litigators that work for your firm.

**Larry Bodine:** The lesson I learn from that is if you've got a new client, the time to start cross-selling them is immediately.

**Ron Paquette:** Absolutely.

**Larry Bodine:** In other words, don't wait until they've left the firm. The most sensitive time to turn them in to a long-term client is within the first year.

**Ron Paquette:** Yes. The next one we see is around partner involvement. The way that we've defined this metric is how many partners were reporting at least five percent of the partner time on this client? Regardless of how many total hours were worked, if

there were 100 partner hours, how many partners did at least 5 of those hours? What we see here is that the more partners involved, the lower the attrition. There are a lot of different theories here. We actually had a good population where there were zero partners involved at that level and we can see very, very high attrition; but that population is very small compared to the others. It was specifically significant, but it was not a majority of the clients. As you would expect, most clients do have partner involvement, but even looking at the difference between those who have 1 partner approaching 40 percent all the way down to if you look at 4 partners just barely peaking over the 10 percent mark. So the more partners involved, the lower the likelihood that these clients are going to leave or take their work elsewhere.

**Larry Bodine:** Mike, to me this sounds like if you've got a partner that isn't sharing a client, that's a high risk; wouldn't you say?

**Michael Cummings:** Yes. He's increasing it by at least 30 percent that he's going to lose that client.

**Ron Paquette:** As a side note, I'm sure some of the more analytically savvy people are thinking, "With more partners involved, that probably means there's more different types of work, and that this is related to the other variable that we looked at with the cross-sell." It does make sense that that would be true, but we've had a statistician take a look, and these variables, while there is some relation, they are separate enough to look at and evaluate on their own merits. So having more partners does not necessarily mean more types of work or vice-versa.

**Larry Bodine:** So what you're saying is if you have two partners working for a client and they're in the same practice, that's fine.

**Ron Paquette:** Yes.

**Larry Bodine:** That reduces the likelihood that they'll leave.

**Ron Paquette:** Right. But having multiple partners and multiple types of work reduces it even further. They're not basically the same variable from a different angle. They are independent is basically what I was trying to say.

**Larry Bodine:** Understood. Sum up what this all means for us.

**Ron Paquette:** The biggest thing is that there are huge opportunities because now we can prove to a lot of attorneys who may have been resistant to do some of these things; they didn't want to cross-sell or they didn't want to share. If they're truly a firm player, a team player, then we can bring this to the table and show them why it's there, and it allows the potential to use this to create a business case around some of the marketing. In summary, the biggest thing that we can do is try and get these clients that we see into all four buckets. We want to see them looking good from all four perspectives. What we did is we looked at the largest clients – they're in that top 10 percent; they've been with us more than three years (remember we saw that that's where it had flattened out); they're served broadly, so they have three or more practice areas or types of law depending on the firm; and they have more than two partners as well. What we see here is that for the four firms we looked at here – and again it has been validated for even more – the attrition is extremely low. If you remember back to the charts, we were looking at some of them up near 30 or 40 percent. When we combine all four of these – we actually had one firm that had none of those clients leave out of a couple hundred. The firm there had a couple hundred clients that met all four criteria and not one of them had left the firm. All were still providing work two years later.

**Larry Bodine:** That's a goal to aim for. I know it's true with law firms, particularly litigators: The bane is that you get a client who will give you one assignment, and then that's the last you see of them. Ideally, what you want is the opposite where you have some clients that come back to you over and over again. You sell them work in a variety of different areas, and you don't lose any business at all.

**Ron Paquette:** Right.

**Larry Bodine:** Considered with the fact that if you do nothing, you're going to lose 12 percent of your revenues, according to the data, over a year's time.

**Ron Paquette:** If a firm is staying flat from year to year, chances are what they're doing is their new originations are just barely making up for their client attrition, for their natural attrition. So by just changing that attrition, we can change a flat growth curve into one that is actually increasing year over year.

**Larry Bodine:** So for planning purposes, if you're undertaking an initiative to build revenue, the bottom line is you've got to develop at least 12 percent, but that's just going to keep you where you're at. So realistically, if you want to add new business, you've got to increase more than 12 percent. So if you want to add 10 percent, you've got to bring in 22 percent more business.

**Ron Paquette:** Absolutely, and the way to add that is it could be new business originations or it could be to slow that 12 percent down. By taking this information that we see here and trying to better cross-sell, get partners involved, and maybe take extra effort in the first couple years of that client relationship, maybe that 12 percent for your firm can be slowed down to 9 percent or 8 percent by maintaining those clients more and continuing that relationship.

**Larry Bodine:** This is something brand new that I haven't heard articulated in any other place that the key time to cross-sell is the first year. You don't want to wait until year two.

**Ron Paquette:** Absolutely. But at the same time, to cross-sell during year two would still increase the likelihood that that client will maintain a long-term relationship, so don't only look at your new clients. While it's going to be good because they are more volatile and you can start to establish that relationship from the beginning, there's nothing to say that a client that's over a couple years old is lost and will not be able to be cross sold.

**Larry Bodine:** That's fascinating. I want to encourage everybody in the audience who has a question about any of these statistics to please use that instant messaging feature; now is your chance to apply these statistics to yourself and ask any questions for Ron. Ron, did you have anything you wanted to add?

**Ron Paquette:** I think that's it. As we're talking through some of the topics that you guys have, there might be some points that I can bring up related to the research that maybe we didn't show results of here just from a time and depth perspective.

**Larry Bodine:** Terrific. Let's get right into it. Let's talk about how law firms and lawyers can master cross-selling and marketing. This is where Mike Cummings and I are going to draw on our experience in the field and the hundreds of professionals that we've trained. It really boils down to five things. First is, believe it or not, you're going to run into obstacles to cross-selling, even though you just heard a compelling argument to do it. We're going to talk about that. There are three ways to do cross-selling. Mike will give a discussion of that. It all turns on focusing on what the clients wants to buy. What is their business pain and their trauma as opposed to what you have to sell? Then we want to talk about how clients buy and how you can qualify and sell as a team.

So getting right into it. These, in my experience, are the most typical objections that you're going to hear to cross-selling: You're going to find a partner who is hoarding a particular client and saying, "This is my personal relationship, it's my portable book of business, and I really don't want anyone else horning in on it." That's a bogus line of reasoning because the real reason is that the partner is fearing loss of control. For

cross-selling to work, it happens in pairs. It happens with two attorneys, so in this case, the management or the leadership of the firm needs to state that partners who represent a client have an affirmative duty to introduce other practice areas and other partners to the client or else the firm is going to lose it in the long term. You saw the odds.

The second thing that you hear a lot is a partner will say, "I'd really rather send the work to somebody outside the firm because our tax partner really isn't any good." Believe it or not, I actually heard that when I was a marketing director at a law firm, and to me that's anathema. You never send work outside if you can do it yourself. This is also a bogus line of reasoning because it demonstrates that the partner representing the client doesn't know what the other partners do. In my opinion, to cross-sell well a partner needs to build rapport with other partners. You need to read their bios and find out what they do. If you think the tax partner isn't any good, that probably means you don't really know what the tax partner does, and you should ask them out to lunch and spend some time with them and learn the other lawyer's practice better. What you don't want to do is send the business to someone else; then you've lost it forever.

The other objection I hear frequently is "We would try to cross-sell that client, but their brother-in-law is a partner at a firm, and they've rapped up all the other business, so there's no chance for us to get their work because the other law firm has a lock." Again, I think that's a totally bogus argument because the whole idea of business development is to unseat a competitor – in other words, to put their work into play. Frankly, every good client that you're going to find has already got a law firm, so you need to develop a strategy to unseat competitors. Certainly, if you have a client and there are other law firms working for the client, you need to come up with a strategy to eliminate them.

The best way you do that is to find out the pain and the business trauma of what's going on at the client and offer them a compelling reason why they should work with your firm. That reason shouldn't be "We're cheaper." It should be some combination of "We're going to save you money," or "We're going to make you money." We're going to talk about that more.

Lastly, I've heard firms say, "I would do cross-selling, but there's nothing in it for me. If I originate a new file, the partner who owns the client is going to get all the credit and all the revenue." Changing compensation in a law firm is kind of like amending the U.S. constitution. It's difficult but it can be done. If there is some compensation issue in your firm that prevents cross-selling, you've got to get rid of it. It's a cancer and you need to cut it out. You need to have a compensation system that rewards lawyers for cross-selling, because the line is "What's rewarded gets done." And cross-selling is definitely something you want to encourage and reward. Mike?

**Michael Cummings:** Thanks, Larry. These next two slides will help to get behind the client psychology that helps explain some of those numbers that Ron went through, which were absolutely fascinating. Since Larry and I are in Illinois, we always have to have one slide with Abraham Lincoln in it, but he actually has a point in this slide. He is

well known for many statements, but the one that applies here is “People don't care how much you know until they know how much you care.” That's what clients are looking for when you're in those first three years of the relationship that Ron talked about.

The bottom line of this slide is clients want you to cross-market and cross-sell, and if you don't you'll see what happens based on the numbers that Ron went through. So for the rest of the slide pretend this is not me talking; pretend this is one of your large clients in the first three years that you just landed. Here's what they want to tell you: First of all, be there. What I've found with most rainmakers that I talk to and I ask them, “What's the secret of your success to cross-marketing and cross-selling?” More often than not, this is what they say: “I'm just around the clients a lot, so I get to know them as people. I get to know many people at the client. I get to understand their business.” So the physical act of being there is valued by clients.

Two is what clients want you to do is add value to your working relationship. If you simply do what they hired you to do and no more, then you're going to end up on that attrition bar that you don't want to end up on in Ron's previous slides. They want you to add value throughout the working relationship, and that's what they're looking at. The way you do that is they want you to bring them ideas that are relevant and tailored to them. They don't want you to be sending them the generic firm newsletter or the firm brochure or anything that's not applicable and tailored to them. What they want you to do is, as an expert in your area of law and based on your knowledge of your business, what things should they be thinking about that they may not currently be taking action on? What they really want you to do is prove that you understand their business – not that you're simply an expert their law, but that you're producing the kinds of results and solutions that they can point to to their bosses that they see a direct ROI; they want you to show that you understand their business.

The last two are the human factors. Don't take them for granted or grow complacent. That's probably why the first three years are so important. If you don't do anything extra, if you don't show appreciation for their business by aggressively bringing them ideas and introducing new partners, they interpret that as complacency, and it's just as easy for them to go hire another law firm because they really don't have anything vested or invested in you.

The last one I thought was fascinating when you saw the number of people involved from the law firm in the client's business. They hire and stay loyal to people and teams, not firms. It's the actual people that are working with the client that are going to engender a loyalty and engender continued business with them; it's not anything that the firm does

If we hit the next slide, Larry – this depicts a little bit of what Ron was referring to in the attrition rates. The way this slide works is the client tends to look at the world from the top of this pyramid on down, whereas attorneys tend to look at the world from the bottom of the pyramid up. What that means is if you ask a client, “If you think about the attorneys that are most valuable to you in your business, what are the characteristic of what makes them valuable?” They always say two things: “We have really good personal chemistry and a working relationship and rapport with the people

that are serving our account; so the individuals working with us, we have a really good personal relationship with them. Two is that they deliver solid, provable business results for us. They produce the kind of results that we expected and the kind of results that we can see in our business.” That's why the firms that get over that three year hurdle, if they're delivering those top two levels, then they're going to get a whole bunch of their business.

If you saw the attrition rates that Ron referred to, what that says is a lot of attorneys, on the other hand, think that, “If I just get the work done on time, it's of the highest legal quality, and it solves the basic legal issue that the client was dealing with, they're going to be happy with us.” Where that puts you at is that bottom level which is called a technical specialist in the eyes of the client. In effect, when you saw those high attrition rates Ron was referring to in those first three years, those clients had basically a transactional relationship with their attorneys. They didn't even view that as a relationship, they viewed that as a transaction or a series of transactions. They had, again, nothing vested in the relationship with the client because the firm and the people working on the account weren't delivering these higher level values of personal counselor and trusted business advisor.

So the bottom line is in those first three years, cross-marketing and cross-selling is how you actually get to those top two levels. If you're proactive in understanding the client's business and bringing them ideas, your behavior is what's going to put you at those top two levels in the eyes of the client, and that's why they're going to stick with you past that three-year hurdle. Larry?

**Larry Bodine:** Before we get on to which clients you should cross-sell, we've got a question for you, Ron, from the audience. The question is “Do you anticipate that these study numbers would be similar for a small firm, say 31 attorneys, as well as large firms that have several hundred attorneys?”

**Ron Paquette:** I anticipate that they would be the same. We haven't done it on that small of a client as of yet. We did do a variety of sizes, although they are above a certain threshold, but I think when you hit on some of the things you've just seen – talking about relationships and who is involved and meeting needs – I think all these numbers are doing is validating the stuff that Mike that just going over. So in my mind there's no reason to, but it does bring up a good point that we should probably validate it just in case. But hearing all of the background that Mike went over as to why are these things true, we've just validated what Mike was going through and saying. I think that's going to be true no matter the size of the firm because it's still dealing with people.

**Larry Bodine:** That's right. So if you're a two-partner firm, you want to get both partners actively involved in cross-selling. Let's talk about focusing on the right clients. When you're doing cross-selling, in many instances you have many, many clients that you can possibly cross-sell, and not all clients are created equal. We're recommending

that you just pick the 10 percent of the clients who could be cross-sold and just pick the 10 percent with the highest potential. Only focus on them.

Here are the criteria how you determine which clients you would cross-sell. Start here at the top, and say you've got 8 clients that you want to cross-sell. Your first criterion is just how urgent is a client's business need? Do they have a matter that's a company matter, or is this just some sort of commodity routine work that we might be able to get them to buy from us? So you want to focus on the ones that have the most urgent needs. That's going to narrow it down. This is kind of a funnel.

The next criterion is just how close are you with this client? If you're in the bottom of the pyramid as Mike pointed out and you're just a technical expert, you don't have a very good relationship with them. However, the clients that you do want to cross-sell are the ones that you have a personal relationship with or the ones that the clients turn to you for business advice. That takes us a little bit farther down.

The last criterion is can you really solve their problem? If they have a super-urgent need and they're a very close client and they have some sort of admiralty law issue on the Chicago River that you don't have any idea how to handle, then you should probably eliminate them. You need to be realistic. You can't just decide, "Let's cross-sell the client and we'll learn the area of law." You want to approach the clients you have the most potential with. Down at the bottom will probably only come out three or four clients that you want to cross-sell out of the eight that you had to begin with, but you're going to be spending your time where it's going to produce the best results.

There are basically three ways that you can increase your share of business from a client. The first one is obvious: You'd sell more of the kind of work that you're already doing. This is that beloved repeat business that we all love to get. You do a job for them once and they come back to you over and over again. That's the low-hanging fruit. That's the easy stuff.

Where cross-selling comes in is where you sell them new work. This could be a new practice area, or it could be the same kind of work but for a different division for the company. So there are really two kinds of ways of looking at that. They could either buy something different from you, or someone else at the client could buy some legal services from you.

Then the third – this is where the real rainmakers shine – is taking work away from competitors. Of course, you need to have a relationship with the decision makers; you've got to know the client really well in order to do this. That's what the top rainmakers do. A top rainmaker goes over to a client's office, meets with the client, discusses what you've done for the company, discusses things that still need to be done, and then importantly, what are the issues that are coming up on the horizon? To take away work from competitors, you need to spot those issues before the client does.  
Mike?

**Michael Cummings:** Thanks, Larry. One quick point here: Sometimes when we say the word "sell," people have a bad reaction to that word, so let me explain what Larry and I mean by "selling." Basically, what we mean by "selling" is "client service." When we

use the word “sell,” what that really means is identifying opportunities to be of help to your clients, ways to be more valuable to them. What we certainly don't mean is pitching services to them in its context, so I just wanted to get that out of the way.

Then two is based on Ron's data, the best way to think about this slide is pretend that I am a partner on a large client in this number one decile. I just landed that client, and I've seen Ron's study, and I know I've got to really be working hard to make sure that client doesn't leave me in three years. So this should be the mindset of me and my team as I work on that first matter, but it equally applies to anybody servicing a large client, but let's just stay with that for a while. I came out of the consulting profession and there was a truism there that says, “The purpose of the current matter is to sell the next one,” because that's the only way you actually start to prove value to the client and establish a continuous relationship. So if I'm working on the first matter that Ron went through, my first thought is, “How am I going to sell follow-on work? Or how am I going to continue to service the client based on what I'm learning in this current matter that I'm working on?”

The bottom three bullet points might be three ways. I might do a study, but the client might not know how to execute my recommendation, so I might stay on and help them execute. Or in the context of doing that work, I may have identified some other problems or opportunities that the client hasn't identified so that I can then suggest ways that they can take advantage of those. Third is the client may have resource gaps both in pure person power or in skills. So if they're missing some gaps to be able to take care of the problem that I've just worked on with them, I'm going to talk to them about how I could help.

One thing I would suggest that you recommend to your firms is on your very first assignment with a client you have an explicit requirement that you talk about how you can extend the relationship based on what you learned in that matter. Make it mandatory that there's a follow-on sales call or a follow-on meeting with the client to just talk about ways to continue the relationship.

The second way you can sell more work that you're currently doing is if you did one project for a client and they have other people within their company that have the exact same issue, immediately look for an introduction to get to that next person.

So the next thing we're trying to do is sell the same kind of project, or if somebody else has a similar problem, look to get introduced to that second person to see if that person has the same interest in solving the problem that the current person at the client does. So what you do there is ask your current client for an introduction to the other individual, create a case study on what you did for that first client and why it might apply to the second person within the firm that you're working with, and create pain questions. We'll talk a lot more about that as we talk about the selling process, but the idea here is the proactivity. In the first box while I'm working on the first matter for the client, I'm continually thinking about how I can sell follow-on work. While I'm working with that client, I'm also thinking about who else within this company may have that same problem. This is while I'm executing the work; I don't think about this afterwards.

The third one: For example, if you're working in the employment group and you're working on a very discreet matter, or if you're in the corporate group and you're working on a very discreet matter, what you want to be looking for is all the pain that's surrounding that problem that you could be helpful on as well, even if it's not directly related to the current matter that you're doing. So what you want to do is to say, "Based on the current matter I'm doing, (Mr. Client or Miss Client), we have identified these two or three other possibilities for you to consider. It doesn't directly relate to what we've done here, but (for example) you may need to have a change of policy. You may need to have a different kind of procedure followed. So what we can do is see if we can figure out broader ways that we can be helpful to you."

The reason that diagram works that way is what you'll find is clients will very often try to put you in a very little box. "We have this very discreet, specific problem that we go to this particular attorney or this particular firm for," and one of your goals is, as you're working with the client, you want to make that box bigger. You want to expand all of the different areas where they could think of using you or consider using you and work with the client to have them see you as part of this bigger piece of pie.

So again, throughout the current matter, you're going to be identifying the needs that the client might have; get to know what their management agenda is. If you know some other people at the client, somebody we would call an "internal coach," ask them about ways that you can extend the relationship. Then package your capabilities in these new areas and go talk to the client about why they have this pain and how you can be helpful.

The bottom line here is you have to have this expanded service mentality as you're working on that first assignment that Ron was referring to to figure out how are you going to go from being a transaction to this client to having some form of relationship with them? That's why this is important, because what you want to be doing is – for example, most attorneys will have a to-do list for a client. What will be on that to-do list will be all the work tasks. It will be "We have to get this contract up by this stage; it has to be reviewed by this partner three days before," so you have all those things on your to do list.

What rainmakers have, and we recommend everybody has, particularly in that first assignment, is that you have a relationship building to-do list as well, because what you want to be doing is to be building all the human relationships you need to have that surround that work so that people start to see you at those top two levels of the pyramid we talked about before. So let's say you did a project and there's not an immediate follow-on, what you want to be doing is staying in touch with all the people you know there and that you've worked with at the client. You want to extend the personal relationships past the end of the current matter that you're working on. Two is you want to know all the relationships and connections that you and your colleagues and your firm have at that client, because that's just the way to, again, keep the human – what were we referring to, Larry? The zippering.

**Larry Bodine:** That's right.

**Michael Cummings:** You want to know all the connections and all the human relationships that you possibly have at that client, and make sure they're all being managed to those top two levels of the pyramid.

**Larry Bodine:** Zippering, for example, means that the senior partner knows the CEO, and your newest associate knows the line manager out in the field, and then all of the other lawyers have a relationship up and down the corporate hierarchy, so that if you have many points of contact – which gets to what Ron was pointing out with the Redwood statistics – equals a client that's going to stay a long time.

**Michael Cummings:** Three is let's say you have no idea about how to build a relationship with the client that you're working with, use this third bullet point. Ask the client, “Would you be willing to get together once a quarter or twice a year just so that we know what's going on in your business, understand what's up with you and your group, what your priorities are, and what your business is working on? We won't bill you for this; it's just a listening exercise on our part. Because you're our client and we value your business, we want to make sure we're with you periodically to make sure we understand what's going on with you; what's going on with your business; toss some ideas around about how we might be helpful; but it's mainly for us to understand what's going on with you and your business.” Sometimes people think that a client will never do that, but the clients almost unequivocally love these kinds of dialogues. As long as they know you're not there to pitch them business – you're literally there to hear what's going on with them and their business – they'll easily agree to this.

Third is, with your client, always be asking for introductions to other people within the client, even if they're not directly in the legal department or somebody that you can immediately do work for. Just say, “We do a lot of work with supplier contracts. Would you be willing to make an introduction for us to the person that handles your supply chain within the company? Or would it be possible to meet the CFO or meet the human resources person?” So you want to be meeting with as many senior executive decision makers as you can, and the easiest way to get those meetings is to ask your current client to make those introductions to you to other people within the company.

If you're truly at those top two levels with the client, talk to your client and just ask their advice and counsel. Say, “What we're trying to do is figure out ways that we can be helpful to you and your company.” I have a perfect example of this. One of my clients up in Detroit was doing a lot of work with one of the assistant general counsels for a very large company, Kelly Services. He was trying to figure out “How can I do more work for the person in charge of the litigation at the company?” So I told him, “Why don't you just ask your friend to see what his advice would be about how you could do some more work with this other person?” So the person I was coaching called up his contact and he said, “The easiest way to do that, Tom, is why don't I just set up a lunch with the three of us and we could talk about what she's working on and see if there's any that you guys can help her?”

I would encourage you all to have those kinds of frank conversations with your clients if you're at those top two levels. Just tell them, "I'm trying to figure out ways that our firm and our team can be more valuable to your company. If you were us, what kinds of things should we be doing differently to make that happen?" The last one is get to know the other people serving that client. Get to know the bankers; get to know the accountants; get to know the investment bankers; get to know the executive recruiters; get to know other professionals who are working with that same client and get their insights on what's going on and how you could be more helpful to people. So the bottom line here is throughout all of your work with clients, it's as important to be building relationships as it is to getting the work out.

**Larry Bodine:** Now, drum roll, please. I want to give you the secret to cross-selling. Mike and I, using Ron's input, have boiled it down, and I'd like everybody to pay attention to this point here. Here's the secret: When you're talking to a client and you're trying to interest them in using another area of your firm, get the focus off your firm, off your practice group, yourself, and what you have to sell. As a practical matter, what that means is if you're sitting there in front of the client, don't talk about your credentials; your honors; the articles that you've written; the firm history; the jurisdictions you're admitted in. This is frankly not interesting to the client, and it is not doing anything to help you generate more work. Instead, what you need to be focusing on are the needs of the client.

We have a question from the audience. One listener says, "What do you think about the idea of sending the clients a checklist of legal needs that you can handle?" I think that's an excellent approach. In fact, one of the things you might consider is putting together a business legal audit. It's essentially a checklist, so that would presume that you're doing corporate work for them. That's an ideal opportunity to inquire, "Do you have any employee problems? Any chance you have a problem employee? What about your benefits plan, what about your sales documents? While we're on the topic, how are your collections going? Have you put protections in place for your business ideas?" So on and so forth. Just go down the list of the ways that you can help the client and focus on that. Don't talk about yourself. Mike?

**Michael Cummings:** Thanks, Larry. What this slide depicts is the client's point of view of how they actually buy legal services. It has everything to do with the best ways to cross-market and cross-sell. The value chain across the top, those little triangles – what that says is from left to right, that's actually how a client decides to hire an outside attorney to solve a problem. So if I'm a client – let's say I'm working at Kelly services – and something happens at our business that causes our business pain. Somehow then that pain ends up as being the responsibility of my group and me to solve in the second one. So my business has a pain, and then I have a pain. I say, "I have to solve that pain, and I don't have the legal expertise in house to do that, so I have a need for outside legal services." Then I go through a process that says, "It's probably going to cost us money, but the pain is going to affect the company in this amount of money. Okay, this makes sense for me to go outside and get a legal firm." Then I call up a friend of mine

and ask to get three law firms in here, and let's figure out who is the best one to work with. So that's how a client would buy something. If I'm trying to cross-market or cross-sell to that client, when do I want to be talking to them? When do you think, Larry?

**Larry Bodine:** As early as possible. You want to get to them when they have the pain at the beginning of the process. Or better yet, you want to be the one to point it out.

**Michael Cummings:** Point it out. Right. So cross-marketing and cross-selling has to do with identifying the points of pain early on that create an opportunity for you and your firm. Now what's the typical way a law firm sells? Larry said one important thing I just want to touch on. Selling is not promotion. Selling is not pitching a practice area to a client, so it's not about you telling a client, "We're great. Here's this person who is the expert in this. Here's why he's an expert." That's poor cross-marketing and poor cross-selling. Really good cross-marketing and cross-selling is being with your client enough so that you know their business pain and you know the decision-maker well enough that you know what their individual pain is and knowing how you can help that person solve that pain.

More about cross-marketing and cross-selling is those first two slices of the pie, and that's where your team and your firm should be spending their effort. It's more important to be identifying four or five or six areas of potential pain, seeing which ones have the most urgency that create the opportunity for you. Then if you're the ones that are involved in those first two slices, then they may never even call another firm at the end of the process.

You've got to know their client, know what their management agenda is. You only cross-market to their severe points of pain and trauma. If you're continually pitching stuff to them that is irrelevant or not related to their pain, they're going to stop listening to you. So you want to pick your best spots. Pick the highest pain. Make sure that you qualify the client that this is their pain by exploring it with them. I would only make one change to Larry's checklist on the question. Instead of sending it to the client, I'd go interview them. I'd physically get in front of them and run through the checklist and ask them the questions to see if they have the issue.

**Larry Bodine:** That's a very good point. The more that you can do in person, the better. Let me just get you four tactics here for law firms to use when they're getting ready to do cross-selling. One of them is, of course, you've got to find out what is the pain? What's the business trauma of our client? Here's a cool technique. It's called reverse seminar. Instead of you presenting a program, you invite a client that you have a good, close relationship with to come into your firm and all the lawyers attend, and the client tells you what's going on at their business. They tell you how they make money, they tell you about their competition, and they tell you about all their business trauma and legal pain. Then it's a magic opportunity for you to just say, "We can help you with that."

As we've already discussed, another way to do this is to visit the client and conduct a legal audit. If you're working with a client, you're going to be finding out a lot of things about the company. You need to make the most of that. If you discover some kind of business issue that they're facing in another division, that's the time to call in another partner and arrange an introduction.

Going back to the top, it's an important thing for you to find out who else is representing your client. That's a step that a lot of law firms fail to make. Maybe you've gotten a lot of business from the client, but you're only getting 10 percent of their legal work. Maybe that dollar amount is staying the same, but the percentage that you're getting from the client is decreasing at that 1 percent per month. There are two online data bases that I recommend. There are many of them, but there's one by LexisNexis that's called atVantage, and there's one by Thomson that's called their Monitor Suite. What you can do is you can look up a company and it will tell you what law firms represent the client and what areas of law those firms are serving the client. So I would start with, as Ron mentioned, the 10 percent that generate 90 percent of your revenue. You want to make sure that you know all the other law firms that are basically eating your lunch and doing work for the client and come up with a strategy to oust them, but the only way you can do that is to figure out who they are first.

Then of course, an excellent way to find out about client pain is going to industry conferences; I would recommend you go to the industry conference with a client. Every client belongs to a trade association and they go to meetings. Ask the client if you can along. That's where you're going to find out about the industry trends that are affecting your client, and it's going to open your eyes to business problems that you can solve. Tell us how we listen, Mike.

**Michael Cummings:** How many firms treat cross-marketing or cross-selling is that they're going to go to a client and make a group presentation. They'll have the litigation partner and the corporate partner get up and talk about themselves, their track record, etc., and that's the absolute worst way to do cross-selling or cross marketing. Selling is basically a listening exercise. It's more difficult the more people you have involved in it. That's why we have this slide here. You really have to learn to qualify and sell as a team. What that really should say is learn how to interview and listen as a team.

So selling is interviewing. Let's say we have two or three people going to the client to understand other ways that we can be of service to them. Basically, you have one person, likely the client partner, to be the lead interviewer and master of ceremonies. He is not making a presentation; what he's doing is facilitating a dialogue between your experts and the client. The rule is the client must tell you their trauma and how to sell them work. In other words, that's why 80 percent or 90 percent of the talking must be done by the client, because they have to tell you all you need to know to be able to figure out how to cross-market and cross-sell them. They have to tell you their pain; they have to tell you why it's painful; they have to tell you how they're going to make a decision to hire you; and they're going to have to tell you what you have to do in order to win the work. All that has to come from the client, not from your talking.

What clients tell us is the expertise in their eyes is demonstrated by the quality of the questions you ask and the specificity to their business and the kind of results orientation to it. So it's the quality of the questioning that demonstrates you're an expert, not by what you say about yourself. Because you're dealing with people and egos, what you want to do is have about a 30-second commercial for any person that's being newly introduced to the client as an expert. It's very relevant; it's very brief and pointed to the situation. You don't want someone going on and on about their expertise and background.

**Larry Bodine:** That's right. Don't talk about yourself.

**Michael Cummings:** That's important to learn that selling as a team means listening as a team. As a resource, we've provided this agenda for a cross-selling call. You'll see if you follow this there's nothing in there about firm history. There's nothing in their about lines of practice. What it really says is "Here's the purpose of the meeting: It's for us to understand your business better and see if there are ways that we can be of further service to you." A brief introduction, we talked about that. Third is any observations or specific assumptions that you have about the client's needs based on what you've done for them. So this shows that you're listening, that you understand their business, and you're pinpointing their pain.

Then really, the best cross-selling situation is a dialogue. A lot of your preparation really is just around questions that you want to have the client answer for you. Really, that's the big preparation is what does the client have to tell us to figure out if they need these kinds of services? If you prepare anything, have something that's a brief point of view or a case study, but something that's specific to that client or specific to that circumstance or at least specific to that industry. Don't present anything that's not client relevant or where the client can't actually see value in it. If you want to have one slide that says here's how we work on this specific project or this problem.

The big thing is in any sales calls you want to be closing for next steps. You want the client to make some kind of decision, and the decision can be "We're not interested, so let's do nothing." That's actually a very good conclusion. Or they continue the discussion in some fashion or get you to the right people to talk to about whether this is an issue or not, but you want to have some action or result coming out of the sales meeting.

On the left-hand side, the thermometer says basically all you want to do is take their trauma temperature. If you remember back a couple of slides where you had the slices, what you want to do is say, "What areas do you have pain in, how painful is it, and does that create an opportunity for us?" That's the result you want to have out of a cross-marketing or cross-selling call with a client. Larry, I think that gets us to our finishing time.

**Larry Bodine:** That's right. We want to make ourselves available for questions now, or if questions should arise later on, feel free to telephone any one of us. Here are our phone numbers and our email addresses and our website address. There's a typo in Mike's address. It's [sagelawmarketing.com](http://sagelawmarketing.com). If you have a question right now, I highly encourage you to ask it. We just got one in. It says, "Obviously, meetings in person are preferred, but many clients or contacts may be dispersed around the country, and making in-person meetings is not practical. Mike, how would you conduct telephone sessions along these lines? And when would you use the phone rather than in person?"

**Michael Cummings:** Basically, the telephone call should be orchestrated as if you're in person. If the person is too far away or whatever, there's nothing wrong with doing the selling situation over the phone as a conference call or as a web seminar; use technology to your advantage. You can accomplish all these same things by phone. Ron has probably done the same. I'm sure you've done the same, Larry. I've had client relationships with people I've never met.

**Larry Bodine:** Ron, why don't you sum up for us, here? Hit the key findings for us in a couple of sentences.

**Ron Paquette:** Basically, I'd say that everyone wants to be growing their firm, and everyone is already engaging in new client originations, but there's a huge potential that we saw in the declining of one percent a month to slow down that attrition. Now that we've got some insight both into the personal side of things that Mike went over as well as some of the statistical data, there's a huge opportunity to identify those clients out there that don't have the broad relationships, haven't been there as long, or are not served by as many partners to go ahead and increase those metrics and make the clients to fit more into this mold and slow down the attrition as one of your major strategies for increasing revenue.

**Larry Bodine:** Absolutely. We're near the conclusion of the program, but I have two points to make and I'd like everybody to grab a pencil, please. The first thing I'd like you to write down is this web address. We publish a newsletter that is available at this particular web address. It's called [Originate](http://Originate). All we talk about is how to generate more business and how to get more clients through cross-selling and all of the hard-core business development techniques that you can put to use in your own firm. It's all very practical and all very nuts and bolts. I think it's something that you'll really enjoy. There are a lot of newsletters out there that focus on marketing, which may include PR and advertising and other things that you really don't have any control over, but this newsletter is directed to you as an individual and what you as a person can go out and do and generate more clients. I highly encourage you to visit [pbdi.org/originate](http://pbdi.org/originate).

Also note the date, December 12, 2007. That's when we're going to be holding our next web seminar. It's going to focus on how to win a competitive proposal process.

At one time or another, everybody on the phone is going to receive an RFP, and the wrong way to handle it is to let it sit on the partner's desk for a month and then dump it the Friday before it's due on the marketing director's desk. We're going to show you a process based on the experience of Gail Huneryager. She is the director of business development for a very successful law firm, Crowe & Dunlevey, and she has all sorts of experience as do Mike and I in deciding, number one, should you respond to an RFP? Then, what are the elements you should use; the process that you should put in place; how you can develop a value proposition that's going to help you win; how to make your firm different. That's one of the toughest things that there is. Everybody is really good at practicing law, so how do you make yourself different? Then, we're also going to go into how you can change the rules, things that you can do that are maybe outside the four corners of the RFP that you could do to make the process work for you. So we highly encourage you to attend our next webinar December 12, 2007. With that, I'm going to conclude the program – unless, Mike, is there something that you wanted to add?

**Michael Cummings:** I just wanted to complement Ron's data. What's cool about that is if I were looking at Ron's data as a marketing person, I now can have bottom-line profitability-based data that says, "Our firm has to be doing cross-marketing and cross-selling." So I'd encourage everybody to look on Ron's website to see what other insights they can get.

**Larry Bodine:** We have one last question: "How would you suggest cross-selling to corporate client employees for their personal legal work?" Mike, suppose you're doing some work for a corporate CEO and he's interested in buying a home or she's interested in getting a divorce, something like that.

**Michael Cummings:** The first caution that goes in my mind is make sure you want to do that, because if you screw up the personal stuff, that could affect your corporate relationship. That was the first thought that popped in my mind. Second of all, if you follow the same formula Larry talked about, which is if you're heading towards the top of that pyramid and you have good personal chemistry with them, just start to ask them questions about what's going on in their personal life; what kind of transactions they're facing; what kinds of priorities they have in their personal life. As you hear things that sound like pain, just delve into it a little bit more, and then ask them if they'd be interested in either ideas or help from you.

**Larry Bodine:** That's a great idea, and that's one of the ways that you can use to become a personal counselor. You want your clients coming to you with their personal problems, so it may pay to have somebody on the firm, one person who does residential closings, just so you can keep that in the firm. Maybe if you're a corporate firm you don't want to start a matrimonial practice, but it makes sense to have close ties with another firm that does that you can refer the work to that isn't going to steal your

client. But really, anything you can do to get to this personal counselor level is going to eliminate client attrition and bring you a client that has been with you for a long time.

On that note, I'm going to conclude the program and wish you all happy hunting in your business development efforts. Have a terrific week and enjoy the holidays. Goodbye.