



LAW FIRM MARKETING – INCREASING YOUR REVENUE BY GRADING CLIENTS

Law firm marketing is comprised of many different elements. The analysis of your firm in law practice management can be complex, however, let's begin with a key success variable – your current client base. Managing your client base is the most important aspect of your law firm marketing efforts. I suggest you begin with grading your clients.

The ABCD Solution

In looking at your client base for law firm marketing purposes, you can use a time-tested method of analysis. This is the key concept of “ABCD clients”. Service professionals of many types use this method to accurately rate and organize their client base. And for effective marketing for law firms, this method is priceless. By the way it is not just about marketing. It is also about serving your clients better than ever.

As you certainly know in schools we use the letter grading system to rank the students in order of how well they perform on papers, tests, quizzes, etc. Similarly we will “grade” our clients. So think of your client grading system for law firm marketing as summing up all the aspects of a good client.

A client who gets an “A” would be one who has reasonable expectations, follows your instructions, is grateful for the work you do as well as courteous and professional in their demeanor with both you and in particular your staff. In fact if you are ever wondering if someone is an “A” client or a “D” client just ask your staff. The “A” client sends you referrals that turn into “A” clients as well. The “A” client is never concerned with the fees you charge since they know your services are worth the cost. They pay their bills on time all the time. And finally, their cases are interesting and substantial matters. Now isn't this the kind of client you are aiming for in your law firm marketing in the first place? Additionally, have you ever heard the old saying “birds of a feather flock together”? This means your “A” clients know a lot of other “A” clients who they can refer to you if you play your cards right.

Of course a client with a “B” grade would have many of the same qualities of the “A” client, but not all. A client with a “C” grade would be closer to a “D” client. A client with a “D” grade is the complete opposite of all the characteristics of an “A” client. They don't have reasonable expectations, they pay their bills late (some not at all), try to negotiate lower fees or retainers, don't follow your instructions (may even think they know better than you do), are rude or unprofessional, they do not send referrals (or if they do they are also “C or D” clients), their matters are not substantial and interesting, and they often complain about normal fees. Not a pretty picture these “D” clients. Let your competitors have them!

In targeting your law firm marketing, “C & D” clients are not the kind of client you want to attract. Most firms find that “C & D” clients take up between sixty to eighty percent of their time and efforts, while only bringing in twenty to forty percent of the firm's revenue. Does it make sense to cultivate this type “C & D” business? Of course not. You need to stop taking “C & D” business and “fire” (ethically of course) any “C & D” business that you can. Even if you only begin with the “Ds” it is a beginning. Quite liberating as well my clients report to fire these folks.

Effective marketing for law firms includes a realistic look at what will bring the best benefit for the best clients. Ridding yourself of clients who are graded a “C or D” is one of the best things you can do for your “A & B” clients. Without spending all your time on the “C & D” problems and concerns, you can pour your attention into your “A & B” clients (moving their matters to conclusion faster thus you can do more of them). Thus the “A & B” clients will be even more satisfied, resulting in more referrals and more business from them. Clearly a “win/win” for all.

Another big, big advantage of spending less or no time on your “C & D” business is you can focus more time on developing your “A & B” referral network. Your increased marketing time and more focused law firm marketing will result in more quality “A & B” business.

What I have found working individually with over 500 attorneys is most of you will need to limit your practice areas to one, two or maybe (and I do mean maybe) three practice areas in order to drop your “C & D” cases. Too many attorneys are practicing “threshold law” that is defined as taking anything that comes across the threshold of your office. In selecting your practice areas try to incorporate cross-salable areas, such as wills and trusts, real estate, and/or estate planning for example. Select the most lucrative practice areas you have and then pour your law firm marketing efforts into those targeted practice areas while focusing on “A & B” clients and referral sources. This may be a bit frightening at first and in the long run you will be extremely glad you did.

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