

# Cross-selling Strategies

## Cultivating New Business from Current Clients

BY JIM HASSETT

“Cross-selling” new services to existing clients sounds easy. After all, everyone agrees that it is much easier to develop new business with people who already know you than it is to find new clients. And most large clients use multiple law firms, so there should be a lot of low-hanging fruit just waiting to be picked.

Some law firms have reported great success with cross-selling. For example, Goulston & Storrs – with offices in Boston, New York, London, and Washington, D.C. – has brought in several new engagements. Director of Business Development Beth Cuzzone started by getting all of the partners in a room and handing out a sheet of paper featuring content in three columns: client name, what we do for the client now, and what other legal needs might the client have. Lawyers were asked to fill it out for three clients they enjoyed working with and who had the potential for more work.

Almost every partner filled out the sheet. Cuzzone then entered the results in a spreadsheet and sent it to all of the partners in the 190-lawyer firm. For some, that was all they needed. They started following up with each other as soon as they saw the list.

Other lawyers needed help, support, and diplomatic prodding to assure follow-up. Cuzzone walked the halls to pull lawyers with the greatest business potential into conversations about what might come next. Her goal was to make it as easy as possible to grow existing client relationships at Goulston. Sometimes she acted as an internal sales coach, even scripting the lawyers’ conversations and role-playing calls to clients

### OPPOSING VIEWPOINTS

But not all firms have had success with cross-selling, and some of the best-known experts in legal marketing are quite negative about traditional approaches. When Bruce Marcus wrote about the topic in his widely read Marcus Letter ([www.marcusletter.com](http://www.marcusletter.com)), the subtitle of the piece was “Cross-selling? It’ll never work.” Tom Kane, author of the Legal Marketing Blog ([www.legalmarketingblog.com](http://www.legalmarketingblog.com)) and Co-Founder of the LegalBizDev Network says, “In over 20 years in legal marketing, I’ve seen cross-selling work, but rarely.”

In the BTI Consulting Group’s 2007 report *Benchmarking Law Firm Marketing and Business Development Strategies*, the section on cross-selling was titled, “Achilles Heel for Law Firms.” When BTI interviewed 120 Chief Marketing Officers and Directors of Business Development at leading law firms, they found that only 4 percent of law firms rated themselves as highly effective in cross-selling (9 or 10 on a 10-point scale), and 77 percent thought they were ineffective (rating themselves 6 or lower on the same scale).



Why do some law firms succeed at cross-selling, while others fail? And what can legal administrators do to increase the chances of success?

Why the gap? Why do some firms succeed at cross-selling, while others fail? And what can legal administrators and law firm managers do to increase the chances of success? According to research conducted by Mark Greene, now the Chief Marketing Officer at Nixon Peabody, "The best way [for firm management] to motivate attorneys and to increase cross-selling is to address four factors: compensation, control, competence, and communication."

### THE FOUR CS

Each of these "Four Cs of Cross-selling" can create barriers that firm management must work hard to overcome. Compensation is the most obvious factor, as attorneys are unlikely to share their clients unless they believe that they will be fairly rewarded for referrals. And worrying about losing control is just human nature; it can be difficult for management to create a collegial atmosphere in which people see the benefits of sharing. Client relationships are every lawyer's most valuable assets. Nobody wants to put their most valuable assets at risk, and cross-selling

inevitably means sharing relationships and giving up some control.

If lawyers doubt the competence of their colleagues, the barriers become almost insurmountable. Some of the answers lie in the kind of communication that occurs when administrators organize retreats, lunches, and practice group teleconferences. Effective communication will inevitably lead to a deeper understanding of what colleagues do and what they are best at.

Does this mean that firm management should resolve all problems with the four Cs before encouraging lawyers to cross-sell? Not at all. If firms postpone cross-selling until the compensation system is ideal, most will have a very long wait. So while you are working on the four Cs, it is also a good idea to advocate that lawyers cross-sell as much as they can in the short term by applying best practices from other law firms and other professions.

Lawyers are not the only ones who have ever tried cross-selling, and they are not the first to fail.

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Like every other kind of selling, cross-selling is ultimately based on personal relationships, which must be built slowly, one person at a time.

Has your bank ever approached you about adding a credit card or a retirement account to your checking and savings? Chances are that if they did, you said yes only if you saw direct and immediate personal benefits.

### THE CLIENT'S PERSPECTIVE

In a Huthwaite ([www.huthwaite.com](http://www.huthwaite.com)) white paper entitled "Why cross-selling fails," Matthew McDarby argues that campaigns are often built on "flawed business logic." Vendors want to take advantage of the high value consumers place on existing relationships. But consumers often don't value the relationships as highly as their vendors think they do.

So, one key to cross-selling success is to understand the situation from the client's perspective. Cross-selling should not be approached as a way to generate more business for your firm; it should be a way of helping your clients to run their businesses.

How can lawyers identify the best opportunities to help clients run their businesses? Start by listening and by asking about the problems and opportunities that face the client, and considering how the firm might help. When lawyers ask the right questions – and then actively listen to the answers – they often uncover legal needs that the client is not even aware of.

Larry Smith of Levick Strategic Communications recommends that cross-selling should be integrity-based and always put client needs first. He suggests that lawyers begin evaluating each new opportunity by asking themselves three questions:

- "Would you hire the person you're pitching?"
- If so, can the client still do better elsewhere?"
- Do you know enough about the client's situation to presume that the cross-sell will be valuable to the client?"

And when lawyers decide to approach their partners to cross-sell services, they must ask not just what's in it for the client, but also what's in it for the partner.

### GIVE BEFORE YOU GET

Marketing staff and administrators can help lawyers to understand that the most effective strategy is always to give before you get. They must focus first on what they can do for partners, and expect to have benefits come back later. This won't work every time, but it will work more often than anything else. Here are a few questions lawyers can ask themselves to get started:

- Which partners are most likely to be interested in exchanging client leads?
- Which of our firm's capabilities are the strongest?
- How could these capabilities help my clients?
- Which of my clients are most likely to be open to more help from our firm?
- What's the benefit to my client of giving more work to our firm?

Once a lawyer decides to approach a particular partner, the next steps include all the things the lawyer should do in selling to a client: ask a lot of questions, listen 50 to 80 percent of the time, genuinely look for mutual opportunities, and then offer help. Ideally this will lead to a meeting to introduce the new partner to the client and listen some more (not spend the time telling them all about the new lawyer's qualifications). Listening for opportunities is the best way to get a foot in the door, even if it's a very small matter.

Once they've gotten some new business, most lawyers will reciprocate and introduce others to their clients. And when cross-selling works, firm management can have a major impact on future efforts simply by getting the word out. Nothing succeeds like success. ✨

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