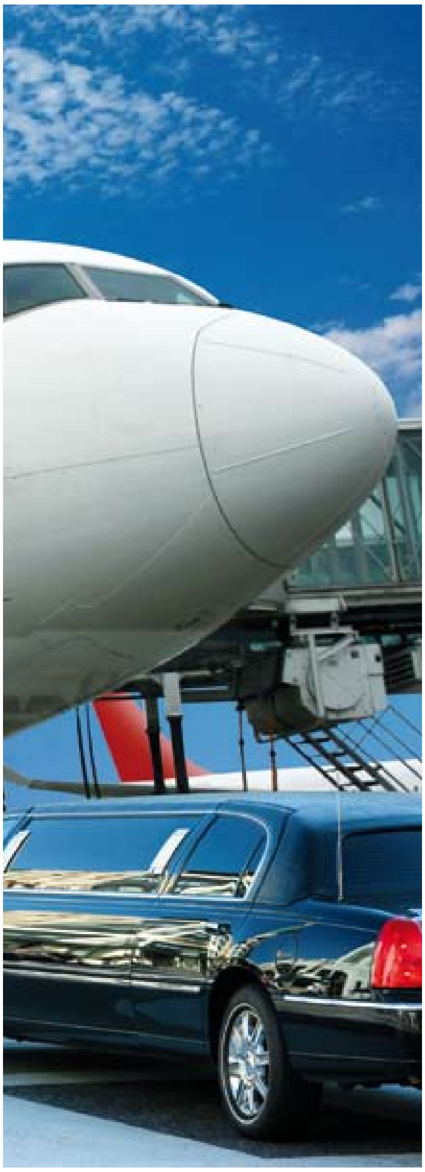
FROM CONTACTS TO CLIENTS



PIPPA BLAKEMORE, STRATEGIC BUSINESS PARTNER OF THE PEP PARTNERSHIP, REVEALS HOW TO AVOID THE COMMON PITFALLS OF INTERNATIONAL BUSINESS DEVELOPMENT.

FOUR THINGS YOU WILL LEARN FROM THIS MASTERCLASS

1. What key areas to research for prospective client meetings
2. Where to focus your activities for return on investment
3. How to avoid cross-cultural faux pas in international business development
4. How to manage client demands for lowers fees and discounts

Creating and building enduring relationships is the basis of successful international business development. This means being interested in other people and being interesting, committed and enthusiastic about what you do for your clients and will do for new clients. Many of the following ideas will appear to be common sense, but the real secret is similar to keeping fit: do a little often and be persistent, enthusiastic and determined.

Building long-lasting relationships may require between eight and 12 communications before a new contact becomes a client. This can take several years, and you may need to maintain systematic contact with up to 200 people or more, particularly if you are in the field of litigation.

Building relationships

Figure 1 illustrates the different stages of building relationships with potential clients. The speech bubbles on the left hand side of Figure 1 indicate the need to speak to everybody, anywhere, all the time, particularly if you are an international traveller. Much work has been generated for lawyers flying across the Atlantic.

The darker blue, at the left hand side of the funnel, represents the more targeted and focused events at which you might meet potential clients, contacts and referrers. The funnel narrows towards the right hand side, as you keep in contact with people in a range of different ways. Those forms of contact can range from the traditionally spontaneous lawyerly offer of "we must do lunch" when in one another's cities, to the increasingly popular short coffee meeting, to more creative, imaginative and low-cost activities, such as training for a marathon, or chatting on LinkedIn and Facebook. The relationship develops through these contacts from like to trust to entrust.

Practice skills

Key skills in business development are the ability to ask appropriate questions, to listen to the answers and then to identify a hook, make a commitment and gain permission to make further contact.

Open questions encourage people to talk, generating free-flowing discussion and giving you information. Closed questions, by contrast, often lead to stilted conversations. It is surprisingly

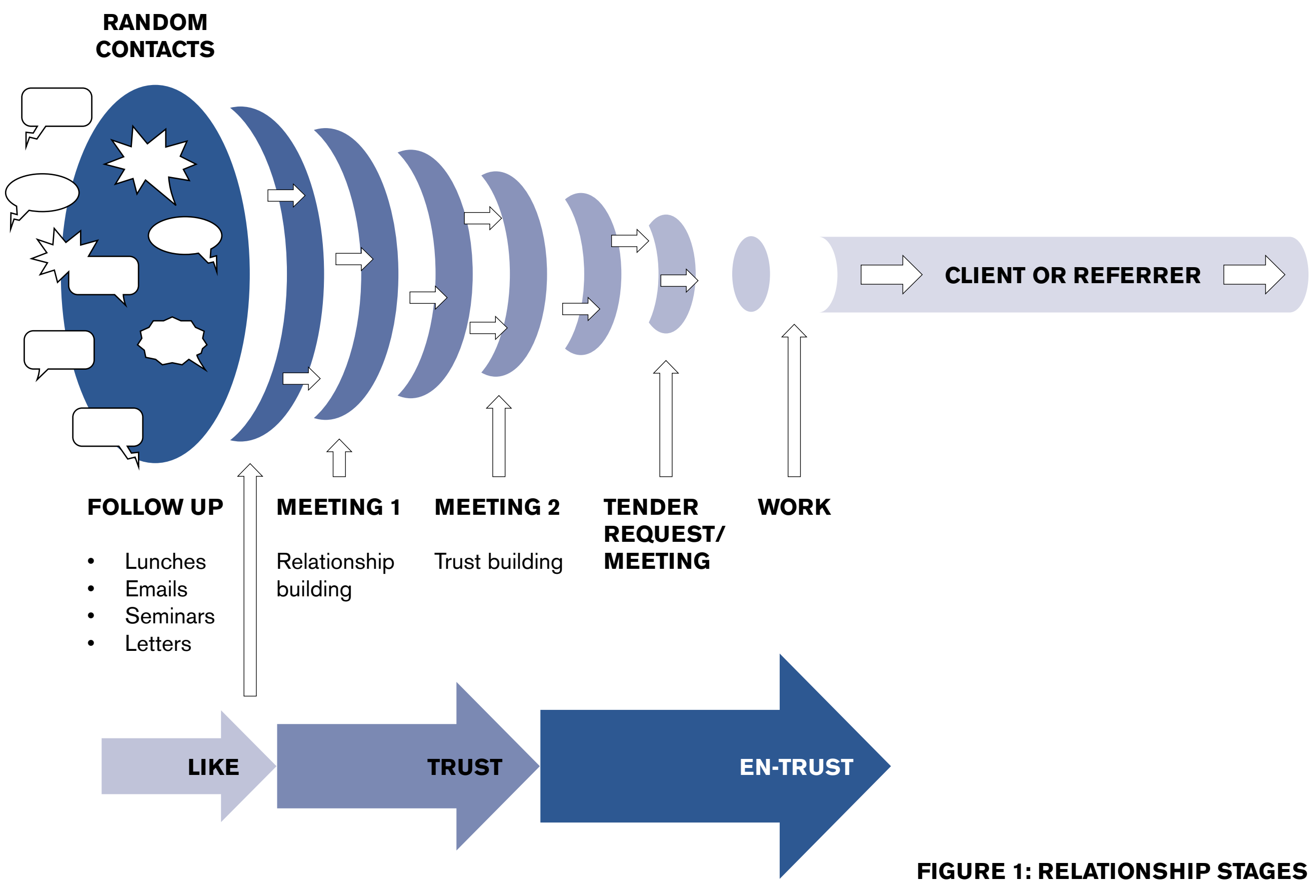


FIGURE 1: RELATIONSHIP STAGES

easy, when tired, under stress or a bit nervous, to retreat into closed questions. The conversation then becomes stilted, which reinforces your own lack of desire to be there and the difficulty of making small talk.

It is best to listen and be flexibly responsive to the answers, rather than waiting for the other person to stop talking so that you can say something. A hook is anything that you talked about, which could be work, a hobby, travel or the family. The hook is something that you have in common which gives you a reason to keep in touch and the commitment relates to any promises you made during the conversation.

Gaining permission to contact them means that this action will not be a cold call. It also means that if you do not follow up on the commitment you made, you would be letting that person down.

When checking how to stay in touch you should also check what is culturally appropriate for the country where your contact conducts business. In Abu Dhabi and Qatar, for example, people may not open their emails (preferring to use faxes) and regard 14 days as a reasonable time in which to reply.

Prioritise activities

Prioritise your business development activities by asking three key questions:

- Who has the money?
- Can they afford legal services?
- Will they pay on time and in full?

You should also focus your activities by being where your potential clients, contacts and referrers are present. Research where your work has come from, and focus on the most fruitful sources. Attend international industry and sector events and the conferences of your potential clients. Visit their cities, offices and factories. Go to them – do not expect them to come to you. Translate your website into the language of those countries in which you are developing your business. Demonstrate your interest, passion, commitment and enthusiasm for doing business with them.

The PIE approach

As illustrated in Figure 2, it is helpful to take the 'PIE' approach in evaluating returns on investments and costs.

'P' stands for preparation. As Abraham Lincoln said: "If I have eight hours to cut down a tree, I will spend six hours sharpening the axe".

'I' stands for implementation, which includes following through every activity to completion.

'E' stands for evaluation, which means that every visit, meeting, bid, pitch, tender and event should be subject to a cost/benefit analysis, both in terms of actual costs and the lost-opportunity costs, monitored against short, medium and long-term outcomes.

Plan every foreign visit, event and meeting meticulously. Take twice as many business cards as you think you will need, translated if necessary.

To allow correct times for meetings also check the cultural attitude towards time in each country. In some places, a two or three-hour delay to the start of

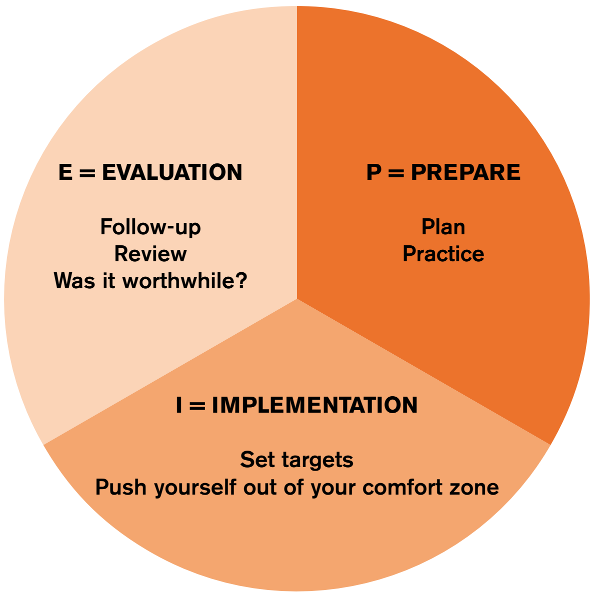


FIGURE 2: THE PIE APPROACH TO EVALUATING RETURN ON INVESTMENTS AND COSTS

FIGURE 3: DARTBOARD RESEARCH

a meeting is the norm. In others, one minute late is rude.

Buy a map of the town you are visiting and ensure that your meetings are clustered according to location and time. Check the traffic and book a car for the day. Check there are no religious festivals, sporting events or holidays that close offices.

After each meeting, dictate attendance notes (recording the hook, commitment and permission) in the car, because after five meetings a day you will not necessarily remember what you have said to whom, or indeed what they have said to you. Make notes of the people you met on the back of their business cards – but not in front of them, as this is insulting in some cultures.

Afterwards, write to each person individually, so that your email or letter could only be written to that person and it could only come from you. This follow-up should demonstrate the way in which you will be able to provide legal services. Every client wants to be treated as though they are the only client in the world, and your follow-up should therefore demonstrate that you will do so.

However, do not expect too much too soon. If you go on a trip or to an event and expect to win work from it immediately, it would be like going to a party, meeting somebody for the first time and after a few minutes asking them to marry you. Like many personal relationships, a business relationship has to go through the process of flowers, courtship, engagement and contract.

Be prepared

If you pop in for a 'quick chat' or an 'informal meeting', you may find yourself facing a board of 13 people and being expected to give a presentation for 20 minutes, especially if you have come a long way. On the other hand, a prospective client may invite you for a 45-minute presentation and discussion, but when you arrive, he may either just want to talk about something completely different as a crisis has just arisen, or say he only has 10 minutes.

Also, remember to research before you meet. People buy people first, so research who you will be meeting and double check all the information you have. Try to find out their objectives, what their aspirations are, the pressures they are under and the challenges they face.

As Figure 3 shows, people are at the centre of the bull's eye. Research their department, their company or their organisation; whether their markets are declining or growing; who their competitors are; the nature of the industry and sector they are in, and the legislative, cultural and political environments they work in.

Manage expectations

Clients are becoming aggressively uninhibited about asking for lower fees and discounts, and this pressure is combined with your competition coming in at much lower prices.

Know how much value the client attributes to each element of what you offer. Consider everything from the client's perspective rather than your own. For example, you might feel that your added value comes from providing seminars, while the potential client wants secondments.

You should also know the value of each constituent part of your fee proposal. Analyse your fees in terms of fixed costs, variable costs, margins and profitability. Before a fee negotiation, break down the negotiables into every element that you can negotiate on, calculating the minimum fee you want, the maximum and the acceptable. This could include, for example, currency you should be paid in, taking into account the relative strengths of various currencies. Know the value to your firm of each negotiable and the value to the client.

When managing communications, remember that different clients value different things. For example, a blue chip client might require comprehensive legal advice of 50 to 100 pages. An entrepreneurial client may require half a screen or three bullet points of the

MEETINGS CHECKLIST

In cross-cultural meetings and presentations to potential clients, it is easy to inadvertently say or do something which can limit the impact of the relationship-building done to date. The following checklist should help to improve the outcome of external meetings.

1. **Phrase what you offer in terms of the benefits** to your potential clients and the value to the individuals you are meeting. A good linking phrase which can convert features to benefits is: "which means that ..." For example: "We have an office in each of the cities that you have offices, which means that we can be with you within half an hour of any request to meet".

2. **Change the focus of your presentation** from the first person 'I', 'we' and 'us' to 'you' and 'your'. Answers to even the obvious question from a client, "Why should we instruct you?" should begin with "You are..." rather than "We are ..."

3. **Check local etiquette regarding position** in the conduct of business. Avoid giving offence by using titles and first names correctly and knowing who speaks first. Learn how to give and receive appropriate presents. Research whether you should open them in front of your host or not. Understand who enters a room first; who is introduced to whom first; the length of time that you should have eye contact with somebody; and whether you should bow or shake hands. For example, the appropriate length of time to shake hands in Nigeria can be up to three minutes. How far should you stand from each other and what is the dress code? For example, in Iran it may be considered inappropriate to wear a tie. Lack of knowledge or awareness of cultural sensitivities can break a deal.

4. **Research the cultures of a country**, its history, traditions and religions. Learn about the expectations of hospitality and entertainment and the importance of food. For example, one law firm I know served ham sandwiches to Muslims in a business meeting! Some lawyers visiting China, who were brought up to finish all their food on their plates to indicate enjoyment of the meal, did not know that in China this indicates you are still hungry. The lawyers went on and on eating to please their hosts, while their hosts went on and on providing more food in order to satisfy their guests. Both became very uncomfortable by the end!

5. **Learn the meaning of the word 'yes'**. In some countries this means 'I will do it now'. In others, however, it may be in a month's time, and in other cultures, where there is a desire to please guests, a contact would suffer loss of face if they said anything except 'yes' – even when something would be impossible to do. Recognise that much may be lost in interpretation and translation.

6. **Research your firm** – and even yourself – before every visit, meeting and event, to refresh yourself on relevant key matters on which you have been working that would be of interest to a potential client. Consider the experience of the firm over the past six months and relevant key players. Plan your messages and the key benefits of what you are proposing to the client. Remind yourself of what your brochures, your website and legal directories say about you.

7. **Relish difficult questions**. Anticipate, plan, prepare and practice answers to all the difficult questions that you think you might be asked. Imagine that the people to whom you are speaking have to justify instructing you to a range of others in their organisation. Those others will ask them the same difficult questions, and you are demonstrating how you will provide legal services by giving them well thought through, memorable and substantial answers.

8. **"When are you coming back?"** Know the answer to this to demonstrate your commitment to building a long-term relationship with that individual, his organisation and jurisdiction.

actions that he is required to take. One client might think that not hearing from you after three weeks is neglect. Another would be reassured that nothing is going wrong.

Be proactive

It may take several meetings over a number of weeks or months to confirm whether a client is interested in instructing your firm. Finish each meeting by agreeing the way forward: who will do what by when; the timescale; the ways in which you will remain in contact and the next deadline for the next communication.

Lawyers who end a meeting with 'we look forward to hearing from you' demonstrate their indifference and lethargy rather than their enthusiasm and commitment to work for the potential client. Many lawyers have lost business by not expressing sufficient enthusiasm for it.

Make time

Set some time aside every day for business development. If you charge in six-minute units, aim to spend three six-minute units per day on relationship building.

Choose the best time of day for you to do it, whether it is first thing in the morning, immediately after lunch or late in the afternoon, taking into account the different time zones. Do not allow yourself to be interrupted or distracted. Put this into your calendar and adhere to the 'meeting'. Keep a detailed record of each conversation, and make sure you put into your calendar the date you will follow it up. mp

– PIPPA.BLAKEMORE@PEP-PARTNERSHIP.CO.UK