Building a better clientele: How to improve your client base in tough times

The impact of poor client selection and sloppy client service will be magnified in trying economic times. In response, you want to proactively take steps to build and retain a better clientele. Here are some pointers to help you meet that goal.

1. Get a retainer up front: The best way to ensure that you get paid in full at the end of a matter is to obtain a retainer at the matter's start. After you and your client reach a consensus on what work you need to do, how long it will take and how much it will cost, collect a retainer that's sufficient to cover the contemplated initial work. And don't neglect to confirm in a written retainer agreement or engagement letter what work you are to do, the initial retainer, and your expectations for payment of accounts and retainer replenishment.

Tip:

Getting a retainer is also an excellent way to scare off fraudsters as they rarely wish to provide retainers, in LAWPRO's experience.

2. Replenish your retainers: Many lawyers who do an adequate job on collecting initial retainers fall down here. Before (emphasis on *before*) you completely exhaust the initial retainer, send an account to the client and request a further retainer. Don't do more work until you have sufficient funds to carry out that work. Use your accounting software's reporting features to actively monitor the sufficiency of retainers on a matter-by-matter basis.

3. Say good-bye to your most demanding client: In some lawyer-client relationships, there comes a time when the client no longer has confidence in the lawyer's advice or strategy. Or perhaps the client is taking up too much lawyer and staff time (most of which is not billable) and thereby taking too big a bite out of profitability. That's the time to suggest that the client find another lawyer. If you are transferring an active file, take care: You must comply with the ethics rules, ensure that the client is not disadvantaged, and make certain that all material needed to allow the client to move forward with the matter is released (even if the client owes you money).

4. Don't take any client that walks through the door: Especially when you're not busy and have extra capacity to do work, it is so tempting to accept every client who wants to retain you. But beware: Don't take on clients who can't pay retainers, will be difficult (see number 9), or will require you to work outside your usual practice area. As a "dabbler" you will be less efficient and effective in your services – and more prone to a malpractice claim or Law Society complaint.

5. Remember to keep developing business: When money gets tight, marketing expenses are often one of the first to be cut. This is short-term gain for long-term pain. You should spend some time each week developing potential sources of business, even if you don't have a lot of money to spend. And you should also have a written plan that includes specific goals for developing new business. Don't be scared off – your plan doesn't need to be lengthy or complex or involve expensive initiatives. There are many inexpensive or free activities you can undertake, such as the following:

- Each week take at least one referral source or one potential client to lunch (or even just for coffee).
- Send a handwritten thank-you note to anyone who refers a client to you and to anyone who does something beyond the call of duty for you.

- Attend a civic, spiritual, community or industry group meeting.
- When people you know receive some good press, send a copy of the newspaper article along with a congratulatory note to them (doing this by e-mail is fast and free).
- Schedule a public speaking engagement, and let your clients and prospects know about it in advance.
- Attend a CLE program and sit with some lawyers who you don't know that well, or do some volunteer work for the CBA, OBA or your local bar association.

Tip:

A simple and low cost marketing plan for an individual lawyer can be found at page 21 in the Managing a better professional services firm booklet (www.practicepro.ca/servicebooklet).

6. Strengthen connections with existing clients: It is well-known that most new business comes from existing clients, so building stronger connections with them is clearly worth the effort. As with new prospects, there are many inexpensive or free things you can do to grow the relationship.

For example, call clients just to say hello and check how things are going – and don't bill them for the call. Send your clients copies of newspaper or magazine articles that they might find interesting. How about sending a handwritten note of appreciation to every client whose file you close, including an outline of your other practice areas and a client satisfaction survey?

7. Work harder to keep your best clients happy: Who are your major clients? Who are your most profitable clients? Do some research to get to know more about them and their industry or business area. Ask to take a tour of their facilities. Then schedule a meeting with them – off the clock – and use you this knowledge to talk about longer-term strategy and goals and how you might help this client reach its particular goals. At a minimum, do this once per year on an ongoing basis. These meetings should also help you connect with other employees of a client company and build a stronger and longer-term strategic relationship with the client as a result. Don't be afraid to cross-sell other services you can provide.

8. Choose new clients for the longer term: In good times and bad, as your practice grows and evolves you will want to be more selective with respect to the clients you take on, as well as the ones you want to keep. Demanding clients are a fact of life for most lawyers. Some will be unhappy with the progress of the case, no matter how hard you have worked or how good the results are. Some may ignore your advice. Others will treat you and your staff badly. Difficult clients are also a concern because they are more likely to do the three things that distress lawyers most: (1) not pay the bill, (2) complain to the bar or law society about the lawyer, or (3) bring a malpractice claim against the lawyer. Do you need any of those things in your law practice?

There is no time like the present to start focusing on building the kind of clientele that will bring you satisfaction in your legal career. How do you cull the bad from the good? Read on …

9. Know how to recognize the difficult client: It doesn't take long for most lawyers to learn to recognize the difficult client. Often it's obvious in the first interview—and sometimes even in the phone call setting up that interview. Asking the following questions will help raise your awareness of the danger points:

- "Am I the first lawyer dealing with this particular problem for you?"
- "How many lawyers have you consulted or retained about this problem?"
- "Why did you leave your previous lawyer(s)?"
- "Who were your previous lawyers?"
- "Can I talk to your previous lawyers?"
- "What stage is this problem at?"

Throughout the interview, keep your ears attuned to signs that the client has unreasonable or unrealistic expectations about the time, results or costs involved in resolving a matter. Learn to listen to and trust your instincts. If the warning bells go off and you sense a problem client, think very hard about accepting a retainer from him or her.

Tip:

For more help on recognizing and dealing with difficult clients, go to www.practicepro.ca/difficultclients to see an article and retainer precedents Justice Carole Curtis wrote when she was in private practice.

10. Read numbers 1 and 2 again – and remember there are no exceptions to them: In trying economic times, getting and replenishing a retainer is critical to making sure you are paid at the end of the day. Don't forget that your pocketbook will ultimately be hit by any financial pressures that your clients' pocketbooks feel, so do what you can to protect yourself up front.

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