



Business Development Guide

For Legal & Financial Service Professionals

Edited by: Sonny Cho

Strategies and tactics in business development are different for the event-triggered services (M&A, Financing, Valuation, Tax Restructuring & Real Estate) and the evergreen utility-based services (accounting, tax filing, audit & IT consulting).

How clients choose

Qualification

- Can I trust you?
- How much will you care for me?
- Can you do it?
- Who have you worked for? Have you done this before?
- What are your capabilities?
- What depth do you have?
- How good are your references?
- Do I like you and your style?
- What risks will I face?
- How is the firm reputation?

What a buyer/client looks for when you are face-to-face

- People don't like paying for professionals, and only do so when they must.
- Some professionals get fascinated with problems but are not so interested in the client.
- People won't believe "trust me". People rely on small visible signals – impressions.
- Qualification is based on rationale, logic and facts and the selection is mostly intuitive, personal and based on impressions.
- Your client will look for your preparation. Don't ask about basic facts, study your client in advance and don't make them feel like it is another "cold call".
- Read their annual report, call the industry association for information and know their competitors – that will show your willingness to earn their business.
- Don't be overeager to impress and do all the talking.
- People hate to be sold, but they may be willing to buy.
- Give a favour to get a favour. Provide new ideas and suggestions without pressuring.
- Help them understand the advantages and disadvantages of the options available.
- To avoid coming across as arrogant, patronizing and pompous, turn your assertions to questions.

- Know your client’s role, his boss, how he is measured, what his budget is.
- It’s unlikely that she will give you an answer. She will consult others, so don’t pressure.
- Don’t try those “closing techniques”. Give her reasons and reasoning she can use to consult her boss and colleagues.
- Ultimate decision is not based on proposal, it’s based on face-to-face time.
- Many projects are awarded at the pre-proposal stage: formal presentations merely confirm (or destroy) a decision already made.
- If they ask for a proposal before meeting you, they made their decision already and just need yours as a back-up comparison.
- When presenting to a small group, sit down, distribute your materials and go through them together – don’t read word-by-word.
- Don’t lower the lights, put up your slides, stand up and walk through your speech – you were not invited to lecture.
- Deal with interrupting questions.
- Listen to their comments.
- Anticipate all potential questions and objections and practice how to answer questions.

Business Development Activities

	Professional’s view	Client’s view
Marketing	Generating leads	Finding & Qualifying
Sales	Converting leads to sales	Selection

Client’s Thinking	Professional’s Thinking	Activity
How do I find the right professional?	How do I find the best clients?	Marketing
Which one is the best?	How do I get selected?	Selling
Do I like your service?	How do I make you satisfied?	Servicing
Do I want to do more business with you?	How do I earn your trust and get you to want to do more business with me?	Nurturing
What else can you do for me?	How else can I help you?	Listening

How do clients shop for the professionals?

1. Ask trusted advisors: accountant/auditor; lawyer.
2. Call the professionals that have been keeping in touch with ideas and information.
3. Call the professionals seen at the seminars or in the trade magazines/articles.



When do they need one?

1. In Trouble: hostile takeover / death or illness of principal owner / mounting debt
2. Growing: acquisitions / overseas expansion / new venture / IPO / strategic exit
3. Dissatisfied: change in decision makers due to mergers, restructuring or natural events
4. Required: auditing / accounting / tax filing

Some facts to remember

1. “Raspberry Jam Rule” – the wider you spread it, the thinner it gets. The broader the audience you try to reach, the weaker the impact. Give more attention to a smaller, well-selected audience.
2. Marketing works when it demonstrates, not when it asserts. To illustrate your competence: live speeches and seminars are more powerful than articles, brochures, direct mail and “cold calls”.
3. Clients are acquired one at a time. Move from mass audience to one-on-one “in-person” dialogue as fast as possible.
4. Marketing must be an attraction, not an assault.
5. Clients want to buy from professionals that will do the actual work not from professional salesperson – which means you must both sales and the work.

Developing Marketing Tactics

Look at which lead generation worked the best before deciding on the tactics. Simply doing more of what worked in the past will not work forever and may not work for you. You may get lot of people at your seminars, but they may not be the decision makers or the influencers.

Review the characteristics of your service because they will determine your marketing tactics. You need to go through the client’s buying process and behaviour: when do they need my service, why do they need my service, who shops and who decides and who do they ask and where do they look first in finding your service.

Frequency and confidentiality of need: infrequent services are likely to be sourced from other professionals in frequent needed service or the service that precedes; clients and professionals have difficulty finding each other directly; client will usually talk to a few trusted advisors; they will be the best source but sometimes can become competitors when they try to service themselves; frequently used services have lot of competition and have internal shopper (CFO, general counsel, facility director, CIO, HR director); these people need lot of cultivation; constantly needed services have a formidable entry barrier that the incumbent has nurtured over the years (e.g. accounting, audit, standard legal service and even IT consulting); this is when your creative and persistent marketing strategies and tactics will be needed.

Urgency and size of need: urgent & high impact need (e.g. hostile takeover) requires positioning and reputation. Price and formal evaluation are of less concern. Client wants best advice fast. How far in advance do clients foresee the need for your service?



Visibility of service and demonstrability of the impact: Highly visible and clear impact services can rely more on referrals. (e.g. litigation lawyer, investment banker); how many people and who are aware of your service and influence buying decisions? Do they get to see you in action?

Range of services and size of your firm: if you are in a large and diversified firm, cross-referral and internal networking will generate qualified leads; doing more work with existing clients may be more effective than trying to add new ones; a small and young firm would face the opposite situation.

Cost of your service: the more costly a service, the more people are likely to be involved in the hiring decision; you need to identify the buying influences and cover all the bases.

Match the marketing tactics with the characteristics of your service and your firm. Determine if your firm can support your tactics. Some tactics can be implemented on your own (articles & networking) but some will have to be a team effort (seminars & telemarketing).

Marketing Tactics

Direct Channels

- They all involve giving something to the prospective clients – new facts, new knowledge & new ideas. They demonstrate the professional's usefulness.
- All these tactics are effective only if done correctly.

Web Page

- You can attract prospective clients on 1:1 basis
- You can listen, present, demonstrate, communicate 1:1, 7/24/365, fast-response, cost-effective and global
- Make it easy for a prospect to locate and gain access to a Web response area. A simple Web response form will encourage prospects to identify and potentially qualify themselves.
- Offer a free subscription to an e-mail newsletter.
- Register your site with search engines.
- Compelling, well-designed, fast, updated, intuitive, high-value information content, response orientation and respect for privacy are the key success factors in effective sites.

Seminars

- Works best with frequent and expected needs, or infrequent needs being faced by many firms simultaneously
- Advantage is that it pre-qualifies prospects and provides face-to-face opportunity
- Challenges are logistical requirements, topic preparation time, long list of prospects to attract enough size and ample support staff for preparation
- Goal is to have individualized dialogues
- Good idea to charge a nominal fee to qualify good prospects and increase perceived value
- Professional to prospect ratio should be 1:5
- Must be less than 25 in total



- Easier to do it as a group than as an individual
- Have assistants to conduct a thorough research on each person and company
- Pre-design the seating plan and have appropriate professional at each table
- Goal is to demonstrate organization, preparation, commitment and interest in her/him.
- Only for good speakers - boring expert must be limited to 10 min. if necessary
- Allow small table discussions. People open up more in intimate discussions.
- Follow up on the seminar
- How do I find the people to attend my seminar? Direct mailing, ads & web site

Speeches

- Works best with services for which there are many potential audiences; target industry's conferences/trade shows/seminars
- Advantage: pre-qualifies prospects; opportunity get face to face meeting
- Weakness: requires strong speaking abilities and strong content for maximum effectiveness
- Goal is to have prospective clients want to contact you afterwards to learn more
- Offer to hold a small round table discussion during the break or afterwards
- Ask them to leave a card if anyone wants a copy of the speech
- A chance to convey your intelligence and your professionalism
- Never use a script and never use notes – you are supposed to know your “stuff”
- Take questions and demonstrate you can think on your feet
- Goal is to attract the serious prospects without “pushing”
- How do I get invited to be a speaker? It's almost always through word of mouth. Start out from very small meetings and your ability will improve and your reputation will grow.

Articles

- Lacks the face-to-face opportunity and customization, still a powerful means to demonstrate competence.
- It's a credibility builder. Even more so if you have them in reputable journals.
- It can be reprinted and distributed.
- 2,000 to 5,000 words; “if you have these issues, here are the pros and cons of your options, consider the following factors and here are some lessons we've learned recently”
- Get free-lance writers to help you if writing is not your forte.
- Address to a specific audience.

Indirect Channels

- Networking with potential referral sources
- Community/civic activities
- Newsletters
- This is effective but the ROI – the time investment it takes to produce results is very high.
- It is more powerful in smaller communities.
- No one wins new business quickly through networking and community activities.
- Fewer deals are done on the golf course.



- Japanese investment banks, known for being lavish in entertaining clients and prospects, have slashed their entertainment budget in half citing that personal networking expenses are not effective.
- Wonderful complementary tactics but poor substitutes.
- Newsletters are done by every firm and lose its effect for not being unique. It's like getting a boring birthday card from your insurance agent.
- A newsletter must have real substance, a point of view, fresh ideas and offers an interpretation of recent events.

Networking

- Works best with geographically concentrated markets; highly networked markets; infrequently required services
- Advantages: one to one opportunity to establish credibility; capture market intelligence; warms up cold calls and open doors
- Weaknesses: does not provide direct access to clients; takes time

Three Types of Networks

- Classic Networks: non-competing professionals and businesspeople who refer business; lawyers-accountants-bankers; architects-engineers-real estate brokers-builders
- Cross Markets: people offering different services within the same firm; audit-tax-corporate finance-consulting; securities-tax-intellectual-corporate
- Relationship Markets: clients and professionals; the professional provides the client with a variety of help and become a trusted advisor – the client helps the professional get business and provide strong references.
- People go to networking meetings and conventions to find business but seldom do. Why? Because they expect to get something from people they don't even know. Networking is about **Give – Give – Give** before you expect some return. If you cannot or will not help others who can live well without you, why should they go out of their way to help you?
- Don't expect any immediate return but be aware of their response and attitude towards your cooperation. Pay attention to those who are responsive to you. Let it cool if nothing ever comes to you in two years.
- The more people you know, the more opportunities you get, and the value grow geometrically with the size of the network. You should have 300-400 people that you keep regular contacts with. You should have 30-50 very close people in your primary network that serve the same client bases as you do and would benefit from cooperating.
- Networks are usually in the same geographic market, they are alert to opportunities for others, they are savvy about handing off and coaching on a sale and they are skilled at what they do.
- You need the secondary network just like the major league baseball teams have their farm teams. You need to continually upgrade and replenish your primary network.
- They have trades in sports we have M&A in business. Managers, coaches and players change teams and take on different roles, same things happen in business.
- Networking takes a J-shape curve – it takes time commitment, consistency and persistence before the results start showing. Most young people give up after few years and when they are swamped with work.
- Young people should remember that their peers would all be power brokers later.



- Politicians and CEOs call upon their high school and university buddies when they need someone to trust.
- Leverage your current assets: school friends, family & ethnic background.
- Network inside and outside your firm.
- Get to know the key people (young and old) when you are at the client's office on assignments.
- Get to know the people in your industry.
- Get to know the professionals that serve same set of clients as you do.
- Spend your lunch time effectively with prospective clients or referral professionals (lawyers, bankers, investment bankers, venture capitalists, accountants and valuers).
- Stay visible – out of sight, out of mind.
- Let your contacts know what you do and how you can help them.
- Focus on your current clients and add new ones, your business will grow faster than if you do just one or the other.
- Don't stop at 3 calls, make 7 calls before you give up.
- Networking is complex, be patient to see results. Some may never return favours. That's okay. Just move one.
- Qualifying your networks: do they know what you do and when your service can be utilized? Do they show a sense of obligation? Do they return your calls or e-mail?
- If your networks ask how they can help you, ask them to take you to an event (social or business) where you can meet the kind of people you want to know.
- Referrals can't always be one-for-one. Audit accountants have close relationships and are in an enviable position to pass work around. The receiver can reciprocate by offering other kinds of help (new ideas, technology, seminars, rare tickets)
- Learn to recognize a lead for someone else when you hear it.
- Be sincere instead of keeping score.
- If you can't help directly, find someone who can.
- Show how your service can add value to a contact's business.
- Show your gratitude. Networking is based on friendship and requires recognition and appreciation.
- Maintaining a high level of trust is essential to developing a network. Competence & confidentiality
- Spend some time selling other people's services
- Takes time, so invest heavily in top two groups/associations
- Be selective about who you network with. You are laying your reputation on the line. Focus on highly competent ones, ones that understand networking, ones that are willing to work with you, and those who can help you.
- Whom does our best partner receive leads from? Who sells to the same people I sell to? Who buys from the people I sell to? Who stands to benefit from the same events?
- Teach others to network.
- Figure out who knows whom to get in the door.
- Networks age – keep expanding your network, or it will contract.
- You don't have to be an extrovert. You need strong motivation, sincere desire to help and focus.

Networking at Trade Association

- Works best with services for markets with highly active associations; frequently required services for all members of the association (real estate lease lawyer at real estate developers' association; financing & acquisitions at CFO gatherings)
- Advantage: face to face opportunity
- Weaknesses: most of your competitors will be there too.
- Primary purpose is to meet people and open a relationship, rather than to sell your services.
- Introduce, exchange cards, ask about the other's company, ask about calling or meeting in a week.
- Meet as many people as you can. Food lines, tours, exhibits & tables.
- Breaking into a conversation is perfectly acceptable in these functions. Enter and listen politely first. Go get another drink to politely break away.
- Keep track of whom you have met.
- Make it easier for people to know you.
- Find reasons to re-contact.
- Follow-up
- Get to know the staff of the association.
- Participate regularly.

Internal Networks

- Apply the same principles and tactics in the general networking.
- This is a high-risk game for the introducer, and he/she will be extremely cautious about introducing you.
- For example, the audit partners are in strong position to introduce lot of people to his existing clients. But what's in it for them? What are their "wins"? In most cases, there seems to be more risks than benefits. The firm's policy or structure on cross-selling will not work unless there are benefits and personal "wins" for everyone involved. First, you must take the time and effort to make him comfortable and confident about your competence and integrity because you can screw up his business. Help the people that can get you in the door and help them with their personal career, business development, help them help their clients without worrying about the billable hours, find their "wins" and help them achieve those "wins".
- Wins are promotion, recognition & looking good/knowledgeable etc.

The Mass Channels

Publicity, Brochure, Ballroom Seminar, Direct Mail, Cold Call, Sponsorship & Advertising

- When people think marketing, they think first about publicity – promotion.
- Getting quoted in the paper will be liked by your mother but will not generate business.
- Why do so many firms spend so much money then? It's good for the ego.
- Many firms view brochures as a primary marketing tool. You must have one, but it won't do much for you. Brochure is all assertion and no demonstration. I throw out all brochures within a day of getting them. Do you keep them?
- It's better to invest in well-designed business card, professional proposals and an interactive web site.
- Clients may look at your proposal when selecting the winner but not your brochure.



- Large seminars, sponsorships and direct mail are used for building brand awareness, but they are not effective at all and it costs lot of money.

Direct Mailing

- Works best in combination with other approaches (cold calling, seminars, follow-up & nurturing).
- Advantage: low cost per contact.
- Weaknesses: low control over lead generation; requires highly effective follow-up calls
- When: use it to send valuable articles/news and invitation to seminars; add-on contact method for regular phone calls; prelude to a cold call
- Can be used for pre-cold call or keeping in touch with existing clients and referral sources.
- To build name recognition or brand awareness – letting clients know that you still exist.
- Be focused and selective about your mailing lists – existing and past clients; most likely industries, buying influences (position), best referral sources (auditors, lawyers or bankers)
- Send frequently; 3-4 closely sequenced to build initial recognition campaign.
- Don't send generic newsletter or bulky brochures. Be personal and send informative new ideas, trends, changes in the marketplace, research and practical checklists of "how to"
- Not effective if you have not met them and if you do not talk to them regularly.

Cold Calling

- Works best with frequently needed services by most clients (e.g. realty & investment brokers, IT consulting).
- Advantage: is to get you a face-to-face meeting.
- Weakness: high cost per contact & requires high level of selling skill.
- Systematic and targeted direct calling campaign by a dedicated team can be effective for arranging meetings for the professionals, but the synchronization and execution is difficult.
- The purpose is to qualify the existence of need and the necessity of face-to-face meeting.
- Internet marketing can expedite this by letting the client do the window-shopping.
- In professional services, you cannot get the business unless you have a face-to-face meeting.
- To get the prospect to take your call, you need to be referred-in or give an attractive reason.
- Getting to know the prospect's assistant is important since she decides whether to let you in.
- Have something the prospect wants: new ideas, industry information or new opportunities.
- On a major project, do a good research before the call and the meeting.
- For services that almost everyone needs, a telemarketer may arrange meetings for you.
- Always follow-up.
- Don't give up after three calls. Try 5-7 calls before giving up.

Publicity

- Works best with services with high news value
- Advantages: reaches broad audience with low cost per contact
- Weaknesses: no control over lead generation; client must call you
- Flexibility: can work for most people at some level



Courting - Sales

- The prospective client found you but how do they decide whom to work with?
- Who decides? What criteria do they use?
- Like in hockey, play the man not the puck. You are more important than your technical ability.
- Personal Presentation
- Visible Signals/Symbols: dress, manner, attitude, confidence, smile, car, brochure, office & web site.
- People turn to professionals for matters of significant uncertainty, importance and risk.
- People don't care how much you know until they know how much you care.
- Focus on small non-technical details to differentiate: Cleanliness, Receptionist, Coffee & Smile.
- Different clients want to be treated differently.
- Don't over-promise

Service – Performing - Pleasing

- You got the business. Now, how do you make sure your client will be happy?
- What make them happy? How do they value your service?
- Clients don't have problem finding technically competent people, but they have lots of difficulty finding satisfying experience.
- Response Time, Accessible, Explanations & Communication.
- Care, Homework, Preparation & Intelligent Questions,
- Attitude, Respect & Friendliness
- Outstanding Technical Work is NOT Outstanding Service.
- They can't see or judge your technical expertise
- Clients focus on Quality of Service not on quality of work
- Clients seek Trust, Confidence, Peace of Mind & Reassurance
- Clients choose Style, Manner and Attitude.
- Service is experienced –managing client's experience not executing technical expertise
- Satisfaction = Perception – Expectation
- Don't fall in love with your intellectual craftsmanship
- KSF: Availability, Affability and Ability
- Return All Calls and Promptly
- Under-promise
- It ain't what you do, it's the way that you do it: That's what gets results.
- On time, on budget and sensitivity to human impact

Nurturing – Building a Long Term Relationship

- Works best with frequently needed services and broad range of services.
- For infrequently needed services, nurturing the relationships with classic networks and internal cross-networking will work the best.
- Advantages: low cost per contact; relatively high conversion rate
- Weaknesses: does not broaden base of business



- Flexibility: works well for most people
- Relationships are based on trust which means good work, honest, fair, look out for client's interest first and interested in him as a person.
- You cannot relationship market if your client finds that they must pay every time they ask your advice.
- People buy on feelings and use facts to justify what they feel. You must convert good work to good feeling. Trust is a feeling, not a fact.
- Learn about the client: title, history, assistant's name, family, bosses, peers, position, power, education, past employers, aspirations, "wins", hobbies, memberships (bio/resume, public filings, web, ask, ask)
- Visible investment – non-billed services (learn client's business, bring new ideas, talk future issues & have lunch).
- Apply lot of the principles from the networking.
- Send a client a clipping from some obscure financial journal about your client's business.
- Follow-up with thank you notes on all referrals, advice, help & support.
- Advise clients how to save fees by doing some of the work themselves.
- Get to know all the buying influences. Get an organizational chart.
- Call every 6-8 weeks (thanks, recognition, seek/give advice, refer & support)
- Frequent contacts increase the level of cooperation between most people.
- Block out 2 hours each day/week to make calls.
- Visit whenever possible – with gourmet coffee/chocolate if possible.
- Clients don't usually call; the rainmakers initiate the calls to offer free advice.
- Know all the players – juniors and seniors
- People don't thank enough.
- Be available; respond within 4-12 hours; ask assistant to return calls as a last resort.
- Select your right clients to develop relationships: future need, work quality & structure.

Listening – Knowing and Understanding Your Client

- Market intelligence – know what client is thinking about lately.
- Invest in knowing client's business and industry to help with competitiveness and opportunities.
- Know how clients think, what they want, what the need and how they choose.
- User group dinners, reverse seminars, industry meetings, research, dinners/lunch & feedback.

Executing Service Excellence

- Understand what is special and unique about your client.
- Listen carefully to what they say and what they want.
- Give good explanation of what you will do and why.
- Help them understand what's going on and help them reach their own conclusion.
- Keep them informed on progress.
- Document your work activities.
- Avoid confusing technical jargons.
- Be accessible and available.
- Notify promptly of changes in scope and seek approval.



- Keep your promise on deadlines.
- Involve them at major points in the process.
- Show an interest in them beyond the specifics of your tasks.
- Try to be helpful beyond the specifics of your project.

- It's not about "being nice", "schmoozing", "stroking", or "handholding", it's about "being more valuable". Lunch/Dinner, hockey game and golf are not the answer.
- Research show that only 10% of the referrals were found to be where technical considerations were given as reasons for the referral. 90% of the referrals were related to the relationship issues.

- Few firms have any systematic program for ensuring the satisfying client experience.
- Does your firm have one? If not, your efforts will not be as effective.

- Does it take great skills or high intelligence to provide service excellence? No!
- It takes hundreds of little trivial actions, not a few grand gestures. You must rethink and pay an attention to detail and attitude of every communication and interaction with your clients, no matter how mundane.

Marketing to Existing Clients

- Higher probability of getting new business.
- Lower marketing costs (time & \$).
- Higher profitability.
- Don't bill everything you do for existing clients. You don't get to bill new clients for business development. Invest in non-billable time.

Program to get repeat/more business

Go the extra mile on the current engagement.

- Extra analysis
- Faster turnaround time & service
- Higher quality of presentation
- Better documentation, explanations and accessibility

Increase the amount of client contact

- Telephone regularly
- Visit at every opportunity
- Schedule business meetings near mealtime
- Invite to firm offices
- Introduce one's partners
- Get firm leaders involved

Building the business relationship

- Help client with contacts
- Put on special seminars for client's staff
- Volunteer to attend client's internal meetings



- Offer free day of counseling on non-project matters
- Send client useful articles
- If possible, refer business to client.

Building the personal relationship

- Social activities: lunch, dinner at home, hockey game, golf and fishing etc.
- Provide mobile/home telephone number.
- Offer use of firm's facilities.
- Calling and sending cards on good news (promotion/birth) and sad news (death).

Get more budget to do all of the above.

Increasing the Capabilities

Increasing the knowledge of client's industry

- Study industry magazine/newsletters thoroughly
- Attend industry meetings with client
- Conduct proprietary studies

Increase knowledge of client's business

- Read client's brochures, annual reports and other public documents
- Ask to see strategic plan
- Volunteer to critique internal studies
- Conduct reverse seminars

Increasing knowledge of client's organization

- Ask for organization chart
- Ask who client deals with most
- Ask about the client's boss
- Ask about power structure
- Arrange to meet other executives
- Spend time with client's juniors

Increasing knowledge of client

- Find out precisely how client is evaluated inside his or her company
- Find out what he or she is unhappy with