

Grow Your Practice Series:

January 2007

101 Ways to Effectively Market Your Law Firm

No. 1: Quantitatively Measure the Return on Each Marketing Expenditure

Among everything a law firm can do in terms of marketing and promotion, nothing is more important than quantitatively tracking the leads that each advertising expenditure produces. The principle is simple: *If you cannot measure it, you cannot manage it!*

There is an old adage in advertising: *Half of all your advertising dollars are wasted; the problem is that you do not know which half.* This expression is most often spoken by advertising agency reps trying to get their clients to increase their advertising budgets. To waste just \$1 on advertising is pure nonsense and it is totally unnecessary!

With a little planning and practical advice from your friendly **Attorney@law** e-letter, any advertiser—especially a law firm—can absolutely, positively and quantifiably measure exactly the return it is receiving on each and every advertising program. A law firm with a website, ads in several Yellow Pages, billboards, radio and television ads, listings in numerous directories and a sky-writing campaign (we are kidding about the sky-writing) can 100% measure exactly the inquiries that each program is producing.

Divide the cost of each program by the number of inquiries each program produces and you have a cost-per-inquiry for each marketing initiative. Now you have an apples-to-apples comparison of each program's productivity in terms of doing what advertising is supposed to do: **Generate leads**. With this data in hand, you can make highly informed and very intelligent decisions about your advertising and overall marketing program. If your billboards are producing inquiries and your Yellow Pages ad is not, spend more on billboards and either drop the Yellow Pages altogether or re-design your ad. If re-designing your ad still does not increase inquiries, discontinue your Yellow Pages program and put that money into what works.



Carefully and accurately tracking the leads that each advertising venue produces has several dynamics:

- ◆ It cannot be done after the fact; it requires planning on the front end.
- ◆ It is NOT expensive, and the data it produces is literally invaluable!
- ◆ The intelligence it produces is third-party, non-arbitrary and totally free of any bias.
- ◆ It is a totally passive system that once set in place essentially runs itself.

Step No. 1: If you read our article on Yellow Pages advertising in the December 2006 **Attorney@law**, you got a preview of this system. It is brilliantly simple. You begin by ordering several toll-free telephone numbers from your long distance carrier. We recommend trying to establish vanity telephone numbers. A “vanity” phone number is one in which the telephone key pad letters assigned to each number form a word. Among the best known vanity numbers are **800-HOLIDAY (Holiday Inns)** and **800-CAR-RENT (National Car Rental)**. A skydiving school in Michigan has a terrific vanity number: **877-2-SKYDIVE**. LawMax has about 20 vanity toll-free numbers. Our vanity toll-free number for readers of **Attorney@law** is **866-LAWMAX-8**. Any business of any size—and that includes any law firm—can order vanity numbers from its long distance supplier. Like website domains, toll-free numbers are given out on a first come, first taken basis. Once you own it, it is yours forever.



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If there are no five, six or seven-letter words that really work for your law firm (for example, your practice is “Andropoulos, Brattenberg & Christopherson”), then try something simpler. If you are based in Florida, for example, try **866-FL-LAW-22** or **877-LAW-FLA-1**. And if that does not work, just order several toll-free numbers in whatever numbers you are given.



Step No. 2: Assign a unique telephone number to each individual advertising initiative. You are a member of the Chamber of Commerce and you are listed in their directory. Put a unique telephone number in that listing. You run ads in the newspaper; put a unique number in the ads you run in that paper. You are running radio or television ads; assign a unique phone number to each radio station and each television channel. Assign a unique telephone number to each Yellow Pages in which you advertise. Make sure your website has its own unique telephone number. You get the idea.

Each outlet for your advertising and promotion must have its own unique phone number, and this will take a while. For example, you must wait for your Yellow Pages ad to come up for renewal, then make sure to assign a unique number to the upcoming ad. If there are competing Yellow Pages, you need a separate number for each directory. On the other hand, you can immediately put a new, unique toll-free number at your website and at any other live or on-line advertising that you are doing.

Step No. 3: Review your long distance phone bill. Your long distance carrier will show all the calls that came in to each number, the day and time they came in, and the duration of each call. What an incredible wealth of information!

The most immediate benefit is that you now know how many calls each advertising outlet produced. You can logically assume that each call is an inquiry of some kind. Why else would someone call your office? If your ads in the newspaper produced 22 calls and they cost \$1,285, that's \$58 per inquiry. If your monthly Yellow Pages bill is \$245, but your Yellow Pages ad only generated three calls, that's \$81 per inquiry. Under this scenario, the local newspaper is a better buy than the Yellow Pages, both in terms of generating inquiries and on a cost-per-inquiry basis.



There is also a wealth of additional information this system gives you. Let's stay with the newspaper ad scenario in the previous paragraph. An analysis of your incoming calls will show you which days of the week produce the best results in the local newspaper. The same ad might produce more inquiries on a Monday, but fewer inquiries on a Friday, so you can shift your ads to the days that produce better results for you.

The intelligence you can mine from this goes even deeper than that. Your phone bill will also show you the duration of each call, and you can logically assume that the longer the call, the more serious the inquiry. You can now determine not just what days of the week or times of day produce more inquiries, you can also measure the seriousness of the inquiries by the length of their calls.



Step No. 4: You can now make very intelligent advertising buys. By shifting the same amount of dollars away from non-producing or low-producing channels and into higher-lead-generating areas, you generate more inquiries with the same dollars. When you are ready to buy television or radio ads, you know what days of the week and what time of day your inquiries are the heaviest, so you know exactly when the most productive time is for those spots to run!

Why Not Just Have Several Local Phone Numbers? Good question. Your local telephone bill only shows outgoing calls because you only receive data on the calls you pay for. Only by paying for the incoming calls via toll-free numbers do you receive this valuable data. Also, research has shown that prospects are far more likely to call a toll-free number than a regular number even if the regular number is a local call.

Why Not Just Ask Each Caller How He or She Heard about You? You can use this system while you wait for all your toll-free numbers to get in place, but it is very unreliable, many callers will not recall how they heard about you, and some will get your number second hand from a friend or relative. It also adds one more question to every call which is time not spent on the needs of your newest client.

Knowledge Is Power: Knowing exactly what's working and not working for you, and knowing your cost-per-inquiry, makes you an informed advertiser. And that will enable you to make smarter buys and improve the return on your advertising investment.

Managing Your Practice: Make Sure Everyone Is On the Team and Sees the Big Picture

We all want to belong. We all want to be part of the team, even if it's a losing team. Just look at the Boston Red Sox. Making your staff part of the team will pay big returns. Keeping all of your people—regardless of the size of your practice—in the loop pays big dividends.

As an organization gets larger, its ability to effectively communicate among all employees becomes exponentially more difficult because each new employee adds exponentially to the number of employee-to-employee links. A law firm with just five employees has 16 unique employee-to-employee links. Increase to just eight employees, and you jump to 49 unique employee-to-employee links. The formula is simple. Take the number of employees, subtract one and square it.



Technology to the Rescue: E-mail and intra-office communication systems such as ICQ help make electronic communication among and between employees easier, but there is still a need for person-to-person communications. Several companies have tried to market video conferencing as an alternative to traveling to face-to-face meetings. Many predicted that the Internet would be the end of trade shows and conferences. Neither happened.

Like dogs, we are pack animals. We like personal contact. In fact, we crave it. That's why we shake hands with total strangers, hug others to show the next level of affection, and kiss those we know the best. When they invent tele-hand-shaking, tele-hugging and tele-kissing, the air lines can start to get worried about the future.

What Do Your Partners, Associates and Employees Need to Know? Anything that's going on both good and bad.

- ◆ **You Hire a New Employee (Even a Part-Timer for the Summer):** Send an e-mail to everyone introducing the new team member and telling everyone what he or she will be doing at the law firm.
- ◆ **You Win a Case (or Reach a Settlement):** Rather than an e-mail or intra-office message, this deserves a face-to-face meeting with the entire staff. And be sure to thank everyone who worked on the case.
- ◆ **You Lose a Case:** Do not bury bad news. Doing so creates rumors, and they spread disinformation which is worse than no information at all. Send an e-mail to everyone letting them know that you lost the case. Thank everyone who worked on the case. If there is an appeal or some other action planned, let them know.
- ◆ **New Clients:** It may not be practical to announce every new client if yours is a large law firm that handles hundreds of cases a year. For a small to mid-size firm, announcing that you have taken on a new client is good for morale and it ensures that everyone will know who that new client is when he or she calls. In larger firms, it might be more practical to only announce the larger new clients, or just announce them to the group of employees who will be working on or exposed to that case.
- ◆ **Firm Activities:** When you start running an ad in the local newspaper, make an update to the website or just install a new network printer, shooting an e-mail out to everyone keeps them in the loop, and that's good for productivity and morale.
- ◆ **Employee Activities:** Two of your associates are attending **AAJ**. Let the staff know. You are speaking at the **Chamber of Commerce**. Let everyone know. A partner just got accepted to a new state bar. The staff should know about it.
- ◆ **Personal and Family News:** You would only do this with the employee's permission, but when an employee gets married or has a child that gets married, let everyone know. An employee celebrates an anniversary, his son gets accepted to a prestigious college, her daughter wins an award or scholarship, or a similar event occurs. Help your employee celebrate the event with his or her co-workers.



Your Goal: Informed employees are better employees because they take ownership of their jobs. They are part of a team. They see the big picture. They celebrate their victories together and re-dedicate themselves when there is a setback. As your most valuable asset, your employees really need to be in the loop.

Toward Fairer, Larger Settlements: Legal Finance Pays Big Dividends!

Getting an advance for your client so you can more aggressively prosecute his or her case can pay off big time for you and your client! Most attorneys think of lawsuit advances as being very expensive. In many cases, they really cost nothing!

It has happened to every trial attorney: The defendant comes to you with a ridiculous and insulting low-ball offer, and you take it to your client. You know the case is worth a lot more, so you recommend to your client that he or she reject the offer. But your client needs cash, so he accepts the low-ball offer.

Let's see what effect lawsuit financing might have on a \$200,000 in a personal injury case:

- ◆ **Scenario A:** The defendant offers \$35,000 in what is essentially go-away money. Despite your recommendation to hang tough, your client accepts the offer because he needs cash. Your client goes home with a paltry \$25,000, hardly enough to cover his lost income, and your fee is just \$10,000.
- ◆ **Scenario B:** The defendant offers \$35,000, so you arrange an advance for your client so he has cash to pay the bills that have accumulated while he was out of work. You both hang tough, you negotiate from strength, and a few months later you reach an out-of-court settlement for \$100,000. Your client walks away with just under \$70,000 (after subtracting the risk premium for his lawsuit advance) and your fee is now a more respectable and more reasonable \$30,000.

Lawsuit funding should be—and almost always is—a win/win: Win for the client, and win for the attorney.



Disclaimer: The Marketing Advice We Offer May NOT Be Applicable in Your State!

We try to provide practical marketing advice as part of this e-letter, but please be aware that everything we recommend may not be permissible in every state. Each state Bar Association has slightly different rulings on what is and is not ethical for an attorney to do in terms of advertising and promotion, and each state has different laws covering exactly how attorneys can promote their practices. We recommend that you make sure what we promote in **Attorney@law** is both ethical and legal in the jurisdictions in which you practice.