AFAs

continued from page 4

What Marketers Can Do

Marketers can help partners win new business with AFAs by alerting lawyers to these doubts and by developing sales messages to overcome them. For instance, lawyers offering an AFA should spell out exactly who will be working on the file, and "show their work" by explaining how they arrived at the alternative fee.

Lawyers must prove that the AFA is actually saving the client money. An example is to offer a client portfolio billing, where a law firm takes on all the legal work (or a subset of it), which makes it easy to compare current fees a client is paying with the proposed AFA. "Portfolio billing is a great thing for small firms and solos," said AFA pioneer, Patrick Lamb of the Valorem Law Firm in Chicago. "It smoothes out bumps and provide predictable revenue flow for a law firm, so you can meet payroll and pay rent. And it allows you to offer value to clients."

Marketers should recommend that lawyers stick to the most popular forms of AFAs — fixed fees, contingency fees and modified hourly fees — and avoid exotic contrivances that confuse clients. Lamb has had success with "holdbacks" — for example, where a client pays 80% or 90% of a monthly legal bill, and pays the holdback when there is a successful outcome, or not to pay it if the client feels it did not get value. Another smart tactic is for marketers to conduct an internal survey to find all the AFAs the firm has successfully offered, and to create a ring binder of successful arrangements, spelling out the terms and lawyers who created them. For more details please visit http://bit.ly/CduaS.

Happily, if a client is unconvinced about an AFA, a partner can offer him or her hourly billing.

—❖—

What Are Law Firms Doing to Develop The Next Generation?

Developing Successful Lawyers and Rainmakers

By Cordell M. Parvin

It's a brand new year. What are law firms doing to develop the next generation of successful lawyers and rainmakers in 2011 and beyond? The answer to that question depends in part on how the firm is doing in the current economy and whether the firm views the development efforts to be a cost or an investment.

Many firms, which have historically had institutional clients, have cut back on their development of the next generation. Those firms view development of their next generation as a "cost" and as soon as the economy deteriorated, developing the next generation was one of the first things to be cut. Those firms are no longer hiring outside trainers and coaches to work with their associates. Instead, they are turning to their own partners who do not have time for training and coaching because of the increased pressure to get their own billable hours. In those firms, instead of focusing on the next generation of successful lawyers and rainmakers, they are laying off the next generation in record numbers.

I am fortunate to teach and coach lawyers in many entrepreneurial law firms. One great example is Fox Rothschild, a Philadelphia-based firm with offices along the East and West Coasts. Fox Rothschild's firm leaders, and leaders of other entrepreneurial firms, believe that developing their next generation of lawyers is a sound investment. I know from my own work with those firms that the return on the investment is substantial.

"We believe in investing in our associates and young partners. Our investment has made them more successful and created more of a team spirit in the firm. Several associates and partners who have participated have greatly increased their business and brought new clients to the firm. As a result, we have a waiting list of lawyers wanting to participate." Jean A. Durling, Fox Rothschild's Chief Talent Officer.

Entrepreneurial firms realize:

- Business development will be natural for few and a challenge for many;
- They need to focus on raising the level of emotional intelligence;
- One size does not fit all (they customize the training to the individual);
- They need to teach associates to set goals and prepare a plan;
- Career and client development training that is interactive and experiential is more effective;
- Training and development that includes follow-up individual coaching is significantly more effective than one-shot training programs;
- Training and development programs for junior associates are designed differently than programs for more senior associates and junior partners.

Developing the Next Generation

Many entrepreneurial firms begin developing the next generation when they arrive at the firm for orientation. In that first week at the firm, young associates are taught how to start right for career success.

Junior associates are told that their primary task is to learn the skills to become the best lawyer they can possibly be. They set specific learning goals: "At the end of my first year, I will have learned to _______." They learn how to prepare a development plan with goals on what they want to learn.

Junior associates are encouraged to treat their supervising attorney as their client and practice their "people skills" by asking good questions and listening to that supervising attorney.

Senior associates are taught to become more visible and credible to a

continued on page 8

Cordell Parvin built a national construction practice during his 35 years of practicing law. In 2005, he left the firm and started Cordell Parvin LLC. He now works with lawyers and law firms on career development and planning and client development. He may be reached at 214-866-0550 or cparvin@cordellparvin.com.

RFPs

continued from page 7

5. Propose Specific Solutions for This Client

Your firm's qualifications alone will not win the day in high-stakes competitions. Instead, the winner will likely be the firm that says, "Your challenges are ABC. With our help you can resolve those issues and problems by doing XYZ." These solutions must come from partners who are able to think creatively. Marketers must then present their solutions forcefully and persuasively in the proposal.

6. Propose AFAs This Client Cares About

All clients who ask for alternative fee arrangements don't have the same pricing issues. Does this client need lower fees or better fee prediction? Does it need fees that are better calibrated to each matter's actual value to the company? If you know what motivates this client's requests for AFAs, you can propose those it will find attractive.

7. Create Short Proposals That Are Easy to Skim

Reviewers don't read RFP responses cover to cover. Make their job easier by including page numbers, tables of contents with page numbers, large margins and white space, section headlines and subheadings, serif fonts for body text and ragged right margins. Use short sentences and short words. Write in plain English.

8. Include an Executive Summary

The busiest reviewers (decision-makers) often read only the executive summary, assuming you have given them one to read. Include here everything they must know to hire your firm, including your clearest value proposition (why the client should hire your firm instead of another firm), staffing, fees, value-adds, service plan, and references. If this information is not in the executive summary, it may not be considered.

9. Convert the Interview Into a Conversation About The Client's Issues

Go to the interview anticipating the client's questions and knowing your best answers (and who on your team will answer them). Even more importantly, arrive with questions to ask them about their issues, challenges and past solutions that will get all of you talking together about how they can approach and resolve their challenges.

10. Debrief All Important Competitions

Only by doing this can you learn what you're doing well and how you can improve. Ask, "Why did the winner(s) win?" The client's answers will reveal what they were really looking for, what persuaded them best, and offer competitive intelligence about your strongest rivals.

—❖—

Next Generation

continued from page 6

target market. The training includes writing and speaking to get hired, networking, building trust and rapport, asking good questions and listening.

Coaching Senior Associates

Fox Rothschild and some other entrepreneurial firms begin individual and group client development coaching programs with their senior associates who will soon be eligible for partner. The firms that have experienced the greatest return on investment have chosen the right candidates to participate in their coaching and training program. They know that the lawyers who "need" coaching the least will put the most into it and will get the most out of it.

The training and coaching programs in those entrepreneurial firms include both group and individual activities. Lawyers set group and individual goals and action plans to achieve them. The group goals and activities are designed to build a team and to hold each lawyer on the team accountable. The individual goals and activities recognize that each lawyer has unique skills, dreams and challenges.

Conclusion

Is developing your next generation of outstanding lawyers a "cost" to be cut every time the economy dips or an "investment" in your firm's future? How you answer that question will determine your approach to developing your next generation of successful lawyers.

—❖—

ACC Value Challenge

continued from page 2

practice, client and rate structure to provide clients with custom project pricing.

- Consider professional development requirements versus billing requirements for first-year associates to provide them with more mentoring that emphasizes the realities of the legal profession and a client service focus.
- Set up an extranet for online training that is available to both the firm and the firm's clients.
- Develop a client dashboard that includes metrics, in addition to a 360-degree view of all matters.
- Install financial system analytics to track efficiencies and client billing cycles over time and make improvements as necessary.

To access the entire document, visit ACC's Resource Center on its Web site.

What Is Next for the Law Firm Committee?

"We are committed to provid[ing] the ACC with tools and practices that support their mission," stated Kristin Sudholtz, Chief Value Officer at Drinker Biddle, and Chair of the Value Challenge Law Firm Committee. She adds "We are currently working on some RFP suggestions, which support and continue the dialog between firms and their clients."

—❖—