

**Growing Your Book of Business:
Strategic Business Development Principles for Non-Equity Partners**

Sidney C. Calloway, Partner
Shutts & Bowen LLP
200 East Broward Boulevard, Suite 2100
Fort Lauderdale, FL 33301
(954) 847-3833
(954) 888-3063[fax]
SCalloway@shutts.com

Mica Nguyen Worthy
Cranfill Sumner & Hartzog LLP
2907 Providence Road, Suite 200
Charlotte, NC 28211
(704) 332-8300
(704) 332-9994 [fax]
MWorthy@cshlaw.com

I. Presenting Attorney Biographies

Sidney C. Calloway

Sidney Calloway is an “AV” rated equity partner with Shutts & Bowen LLP, a Florida based state-wide full service law firm, where he also co-chairs the firm’s governmental affairs practice group and serves on the Diversity Committee. Mr. Calloway has been a trial lawyer for almost 25 years and currently represents both private and public sector clients on complex commercial and business litigation matters. He is an alumnus of Leadership Florida and former chair of the Greater Fort Lauderdale Chamber of Commerce. Mr. Calloway practices complex litigation in commercial and business disputes, land use and zoning, problem commercial loans, telecommunications and eminent domain. He regularly presents to minority and non-minority lawyers, law students and young professionals in several areas, including pre-trial practice and litigations skills, diversity, mentoring, professionalism, ethics and professional development.

Mica Worthy

Mica Worthy is a civil litigator in Charlotte, NC. After graduating from Campbell Law School, she started with Cranfill Sumner & Hartzog LLP, and has gained experience defending clients in workers’ compensation, general liability, construction defect, legal malpractice, and business disputes. Mrs. Worthy is active in the firm’s Diversity Committee and serves as a member of the Mecklenburg County Bar’s Diversity and Inclusion Committee. She is also the Founder and immediate past-President of the Mecklenburg County Asian Pacific American Bar. In 2011, she graduated from the inaugural class of the “Leaders Under 40” program with the Community Building Initiative, and after graduating from the 2012 Class of the MCB’s Bar Leadership Institute, she has recently been accepted into the NC Bar Association’s Leadership Academy.

II. Introduction

The discussion on “How do you grow your book of business” incorporates acceptance of an essential premise, which is, developing business is an absolute must for any associate or junior partner who hopes to achieve equity partner status in a law firm. Indeed, there are a few other key elements, but the necessity of developing a book of business is unrelenting and paramount, particularly so in the medium and large firm context. As such, the issue of whether and the extent to which a book of business should be necessary to make equity partner, is not the proper subject of this presentation. The central objective in this presentation is to give practical insight and experience, from both, a successful associate and a seasoned equity partner, on the mechanics and considerations for developing or growing a book of business. In addition to the insight, however, we will also identify several strategic subject areas and tools that you should consider for immediate incorporation into your own professional development plans.

It is important to understand that the terms and phrases “business development” and a “growing a book of business” mean, comparatively, the same thing. Business development is simply the deliberative and physical effort an attorney actively employs to gain and maintain a collective array of attorney-client relationships and profitable work matters over a sustained period of time. The “book of business” means the tangible collection of those attorney-client relationships and profitable work matters that a lawyer has at any given time.

III. Relationship Principles

The ability to develop business and grow your book of business begins and ends with your ability and effort to create and nurture relationships. For our purpose here, we are using the word “relationship” in its plain and ordinary sense, which according to the Merriam Webster dictionary, means, among other things, “a state of affairs existing between those having relations or dealings” or, “the relation connecting or binding participants in a relationship”. See <http://www.merriam-webster.com/dictionary/relationship>. In this context, the kinds of relationships that you will want to create, build and maintain are both professional and personal in nature. Simply put, the strongest, most enduring relationship that you can hope to have with a client will be based upon personal bonds of trust and confidence. Attorney-Client relationships and your business growth will project the increase and strength of your personal and business relationship with a potential client. For your part, the “client” that you are targeting is always a person. Only when the person knows and trust you will you unlock the door that will lead to the client’s business. Consider the tips and considerations that follow for developing a system of creating, building and maintaining your relationships as the principal pathway for growing a book of business.

A. **Know Thyself**

Take time for introspection and appreciate what your own personality strengths are for meeting and interacting with people. It is always important to be genuine and project that part of you which is critical to helping a new target client understand key aspects of a successful relationship. For example, if you are introverted and prefer writing articles over the thought of networking and shaking hands, then consider investing time in creating a blog, linked to twitter or other social media. You might also endeavor to get your work published in an industry publication that your clients or target clients read.

Have your contact information in a prominent place, and then have a system in place to connect with any new people that contact you.

On the other hand, if you are generally outgoing and interact easily with others, set goals for attending 2-3 networking or business development events per month. Always have and give people your business card! Likewise ask your target client for his or her business card or contact information. Also, leave every conversation with an open-ended invitation or suggest for a later interaction. For example, "John, let's grab lunch in a few weeks, I'm interested to hear how your trial went." Be strategic in your selection of events and have a purpose for seeking out new people who could become potential clients at these events.

B. **Don't Rush the Ask; Spend Time Building Trust and Confidence**

A common mistake that many lawyers make is that they barge full-steam ahead in their interaction with a potential client, attempting to convince or convey the superiority of his or her legal skills or subject matter knowledge. The better approach is to spend quality time talking to the target client about things that matter to him or her. Do your homework on the target client's business, his or her staff and colleagues, and learn more about their interests outside of work. Is he or she interested in the performing arts, traveling? Ultimately you want to know whether the target client's business needs are being met. Are they expanding the business? Are they new in the market? Who currently represents them? What authority does the target have for decision making? Can they hire you? These questions are but a few of the important areas of interest that you will discover only after dedicating sincere and quality time to the relationship. In short, set the stage before you ask the target for work. The dynamic interaction of making the target client your friend first will establish a foundation of trust because the target has had time to gauge you, which includes forming his or her opinion of you, discovering the reputation of both you and your firm.

C. Within the Law Firm, Your Partners are Potential Clients

The partners and senior associates in your own law firm are among the first low hanging business development fruit. Consider two important facts. First, a huge percentage of a law firm's annual revenue is generally derived from the partners' existing client base. Second, most "new matters" generated by the partners and associates derive from the same existing client base. Consequently, your ability to grow your business fully encompasses the prospect of gaining client matter referrals from the partners and associates within your law firm. Partners and associates with existing client books quickly appreciate the importance of having a senior associate or junior partner who has the ability to handle a matter from "soup to nuts". In this sense, your ability to generate this work from such partners and associates is not dramatically different from principles that you employ with a target client outside the firm. Yes, the partner or associate must know and trust you and must have confidence in your ability to perform. You may be asking, "But isn't there a fear that a newer associate could steal the client from the partner?" In many firm scenarios not only does that fear exist, its roots are grounded in the common experiences of many partners. Nonetheless, today more than ever, progressive compensation systems and relationships are such that the originating partner, the key associate or junior partner as well as the client all benefit. In the end, clients want high quality work done efficiently. Partners covet the increased opportunity to go out and develop more new. The revenue generated from your work is attributed to you, perhaps not as origination, but through the overall working attorney collections revenue line.

D. Develop Your Network of Friends and Business Colleagues

Your friends, peers and business colleagues are a second group of low hanging fruit which offer the potential for business development and the growth of your own client base. Remember, most of your friends and colleagues are not lawyers. In fact many of them are in a broad array of industry sectors i.e. banking, finance, insurance, tourism and trade, insurance and technology fields. You may be surprised at the number of times you hear, "I knew you were a lawyer, but until now, I had no idea what you actually did." Execute on the opportunity to educate each of them on exactly what you do. Give them something to read about you that is short and sweet. Think about all your friends on Facebook and how many of them work for companies that could be potential clients. Why not start a conversation with them about their employers. See if they can make an introduction to the decision makers in their companies? If you are in a practice area where individuals are your clients, why not make yourself the "favorite lawyer friend," so when a legal issue arises among coworkers or peers, perhaps your friends will promote you as their favorite lawyer.

Perhaps even more imperative, you should execute the same development strategy a third group of low hanging fruit - your existing client base. Even with a history

of successful handling of many matters, you are likely to have far greater opportunities to make yourself available to talk and counsel your existing clients on other matters which will likely have little to do with your own expertise. Don't miss this opportunity to cross-sell a younger associate's availability or another partner's expertise to handle one of those matters. You want each client to think of you whenever they have a legal question or concern, no matter how complicated or simple. Your objective is to be the client's primary legal resource.

E. Clients are Attracted to Leaders - Get Involved

I have always tried to focus on three sectors for developing new client referrals, (1) a professional bar association, (2) an industry organization and, (3) a community organization. Not only is it morally good to serve your local community, but service in community organizations can also help develop new clients. Many people are active in church or other religious institutions, but also in a host of other not-for-profit organizations in their community. For most of these organizations, there is often a huge need for leadership and the varied talents of a lawyer. This provides a unique opportunity to meet and develop intimate relationships with others who are serving with you, many of whom may be corporate officers and executives in their own right.

It is important to keep the appropriate balance between billable and non-billable endeavors, so you should commit to no more than three organizations - a professional affiliation, a community service organization and a specifically targeted industry sector. This will help you be more effective in your service and interaction with each. A final word on this - always target a leadership position in whatever organization you choose to become affiliated with. Lawyers, in addition to their inherent value as experts on the law, are often classic leaders. They are generally among the people who are accustomed to applying themselves in non-physical working activities. They are competent readers and able to write easily, as well as being articulate spokespersons.

IV. Growing and Maintaining Your Business Relationships

A. Perform Well and Give Good Service

Beyond your ability to connect and establish an attorney-client relationship, your means of maintaining (even growing) the relationship is inevitably tied to how well you perform on the assignment and in relation to the Client's perspective on what a successful outcome is for that assignment. While good performance is not always equated to success on the merits, getting a jury verdict or closing a complex or important transaction are usually persuasive on the subject of how well you perform. Other important considerations include (a) the total fees incurred for the assignment paid, (b) how efficient the matter was handled, and (c) how well is your system of communication with the client.

Whether the relationship is a new or existing client, your ultimate goal is to make each client feel like they made the right decision by choosing you as their lawyer. In this regard, clients are like most people, we abhor walking away from an existing relationship, as much or more than we do in creating them. With that said, if you are (1) paying proper attention to the client representative, (2) adequately managing his or her case assignments and (3) performing well/succeeding on those matters, then you have a significant opportunity to grow a sustained business relationship with your client.

A mistake that new attorneys often make is assuming that their inexperience leaves them ill equipped to handle their client's legal issues. A new associate may not have the level of experience that a senior partner does, however the fact is you do *not* have to be an expert to be a great lawyer for your client. Get comfortable in using the full panoply of the firm's resources, especially the day-to-day experience of senior partners. Also, the firm's key non-attorney operating officers, accounting and technology services administrators are invaluable resources that can be leverage in maintaining and building your book of business.

B. Communication and Understanding the Client's Business

A good communication regimen is one of the most basic but fundamental tools that a lawyer uses daily to promote and maintain existing business relationships, but also to attract new clients. For the potential new client, communication skills are reflected in the consistency of interaction and the extent to which a business acquaintance can mature into a personal relationship. It also means making the appropriate phone calls, or deciding whether the communication should be an email or a handwritten note. Sending client industry articles, news clips, announcements and other materials which are tailored to the client's personal or business interests are useful means of nurturing a business relationship.

For an existing client, it is also important to inform them on the progress of your work for them. When you and your client have established a budget or litigation plan, or agreed on which attorney(s) will be working on their matter, let them know in advance or as soon as possible if something changes. Clients hate unexpected news about all of these items, particularly when they get it late or see it for the first time in the bill. It is always better for the relationship, when such events are conveyed in a planned meeting or conversation with the client.

Sometimes I will inform my clients why I have chosen specific defense strategy to either save them on legal costs or to increase our chances of prevailing in the case. Even something as simple as telling a client, "I am going to have my paralegal start this project for me to save you some money on the legal rate," goes a long way toward your clients' perception of your concern for managing the efficiency of his or her work assignment. Clients remember when you helped

make their life easier and when you make them look good to their peers and bosses.

C. Understand the Business Implications of the Attorney-Client Relationship

Always remember that your client representative is both responsible and accountable for hiring you, for your performance and for the cost of doing business with you. Your ability to maintain and grow the business relationship will ultimately be judged by your client, but may also be influenced, to some degree, by his or her peers, and their assessment of the value proposition of the relationship. In other words, “are we better off with this attorney-client relationship, and if so, why? and can we do better?”. Today, more than ever, the client must be convinced you are an essential element in his or her business plan. Your place in that plan is most always a variable expense. Businesses are always looking to either cut or control variable expenses. Your overall goal is always leave your client representative with the ability to easily articulate and justify why doing business with you makes good business sense.

D. If Ye Ask Not, Ye Will Have Not!

A consistent and progressive approach to letting existing or potential clients know that you really want the opportunity to earn their business is crucial to developing new clients or growing an existing client relationship. We hear to all too often that lawyers – young and old – detest the thought of “networking” and “small talk”? Imagine then how much more widespread the number is for those lawyers who simply abhor the thought of asking a potential client for work. Even still, the same lawyer may spend valuable time (sometimes years) and money wining and dining a target client, but never once utter the magic words. As a result, the potential client, while thinking well of the lawyer, will give his or her work to an existing firm or, alternatively, to another lawyer who is asking for the work.

In a similar vein, associates and junior partners, frequently, drag their feet or even refuse to walk the halls within their own law firm. The obvious “elephant in the room” on this subject is the psychological fear of rejection that people, including many lawyers, have. If the fear of rejection has impeded your willingness to ask a potential client for the work, then you will need to develop your own approach to executing the “ask”. As lawyers, getting past the fear of rejection is no different than traversing the many complex, difficult scenarios we face daily.

Here are a few suggestions that should be helpful for developing your own approach to executing the ask:

- ❖ Spend some time recounting the situations where you successfully encounter ask and rejection on any given day- this is simply one more event;
- ❖ Canvass your mentors and successful lawyers and non-lawyers on the subject of asking for work;
- ❖ Have a partner or colleague invite you along to one of their own business development meetings where they execute on the ask;
- ❖ Practice on family, friends and colleagues;
- ❖ Pick a scheduled business development event. Mentally map out (perhaps even on paper, for your eyes only) the event from start to finish – end with the ask;
- ❖ After an ask, reflect and refine your approach;
- ❖ Read/listen to the how- to books on marketing and sales psychology; and
- ❖ Prepare a laundry list of planned, yet gracious, responses for a target client who declines your business advances. For example, “Nancy, I appreciate your decision and willingness to consider this opportunity. Let’s keep in touch. If your needs change, myself and the firm are always available.”

V. **The Influence of Law Firm Partner Dynamics on Business Development**

A. **Introduction**

The senior associate or junior partner looking to become an equity partner must first understand and then successfully weather the influence that a law firm partner can wield over his or her ability to develop and grow a book of business. What follows are a few key observations that set the backdrop for the real-time scenarios which are likely to confront the associate and junior partner on the path to equity partnership.

B. **The Law Firm Business**

The 21st century law firm accurately represents a model unit of American capitalism and a global economy. Law firms, as a business enterprise provide a range of professional legal services and, in turn, get paid for services rendered. They record revenues and expenses, reports and pay taxes, retain officers and executives, human resources, technology services, accounting and financial managers and employ a range of human resources. They are generally structured as partnerships, limited liability partnership, and professional associations.

The equity partners, whether 2 or 200, own, operate and are responsible for profit or loss of the firm’s business activities. Equity partners generally distribute the firm’s profit or loss among themselves. Generally, a partner’s distribution

correlates to the total amount of revenue billed and collected, but also (as a percentage) to every other partner's billing and collection revenues.

C. The Partners

Partners, in the optimal sense, are successful, strong-willed, and competitive and usually are darn good lawyers. They love winning and hate losing. Most work hard at the practice of law, raise and support families, and occupy strategic spaces in their communities. In the real sense, these men and women are self-centered and focused almost totally on meeting their own clients' needs, and generating new business.

Traditionally, partners placed little emphasis or empathy for sharing origination with any other partner and even less with an associate. However, shared marketing and business development practices are more common-place than ever before. A law firm's compensation system, while generally rewarding those partners who generate the most revenue, is also a telling barometer for understanding the influence of partnership dynamics on business development.

D. Understanding the Power of Origination

Origination represents the value of all attorney time billed and collected for services rendered by you or any other firm associate, partner or paralegal on a matter that has been assigned to you by your client. If it is not your client then it is not your origination. If the work has not been billed, there is no origination. Likewise, even if the time has been billed, but has not been collected, it is not origination. In short, origination is money in the bank for services rendered to your client. Growing your book of business means that you must be particularly adept in your understanding and use of the firm's accounting, billing and collection metrics.

Your ability to originate business will arise from new clients and cross-selling both your expertise and that of other partners in the firm. Corporate and institutional clients offer the best chances for building a book of business that includes multiple assignments to you from your client, in addition to servicing the client's needs in other practice areas.

The power of origination lies in the collective value of all client matters that you affirmatively control at any given time. This may be expressed in a number of ways. For example, your one and only client is a national bank that has assigned you hundreds of file matters over the course of a year and which is likely to continue for several years. Another example might be the attorney who has a stable of similar but entirely independent clients, i.e. an insurance company or a collection of public agencies. The ultimate test of your book of business is the

extent to which your client matters are portable, that is, will they follow you in the event that you change law firms.

E. Law Firm Policy or Custom Concerning Origination

Law firm policy, custom and practice concerning origination and business development vary greatly from firm to firm. In many firms, there is no written policy, but only a collection of internal memorandums, or perhaps only an informal understanding between the partners. In other firms, you will find a more formal system which will include an array of committees, such as an executive committee, diversity committee, distribution committee, junior partners committee, and associates committee. Additionally, many of the same firms will also have various practice group leaders. The basic thrust of this formality is obviously to insure some measure of fairness in the critical operating processes within the firm. This includes the rules and policies on origination and business development. Irrespective of whether the law firm has formal or informal policies on origination, knowing the rules of engagement can make all the difference between success and disappointment, if your true goal is to develop business.

F. Law Firm Partner Real Time Scenarios

1. I'm About to Solo Land My First Client.

To insure that you can pass the ultimate test of the business development originator, every client and matter that you bring to the firm must meet the test of portability. Particularly for a new client, you should have a “meeting of the minds” to confirm your mutual agreement on the primacy of your relationship with the client, above all other lawyers in the firm. Depending on other factors, namely the depth of your own relationship within the client’s business, the more client representatives with whom you can have this understanding the better.

A frank but diplomatic conversation should establish a framework that the client will affirmatively look to you to receive, manage and administer all matters. The client needs to know that you are the “relationship manager”. This means that you will need to schedule regular meetings with the client to discuss the progress of all work, the relationship, and billing and collections issues. At the same time, it is equally important to discuss the incoming matter first with your mentor, then your practice group partner or other partners and colleagues that you trust. This takes place before you prepare the initial client engagement agreement and other intake documents. If there are other attorneys who are needed to work on the matter, meet with them in advance as well. This is to insure clarity on the subject of origination and their availability to work on the incoming client’s matter.

2. Landing a Client With Minimal But Some Interaction with a Senior Partner

You are on the verge of landing an important client matter after a most recent meeting with the target client, but which also included the participation of a senior firm partner in 2 of the last 10 business development activities/meetings with the target client. What to do? At this point, it will have been helpful for you to speak with the client in advance of your joint meeting. Diplomacy is a critical element, but you also want to be clear with your target client early on regarding your purpose for introducing other firm colleagues. In many cases it is effective marketing for establishing good relationships to have several firm colleagues interact with the target client.

When the interaction is confined to a joint meeting consisting of the target client, you and a senior partner, your priority is have a frank discussion with the partner before the meeting. Give him or her a comprehensive report on the history of your development activities with the target client, but also be clear as to why you are inviting his or her participation and what your position is on the origination question. Considering the long term implication of your approach to this type of scenario, it is almost always productive to be flexible, pragmatic and fair in arriving at a decision whether, and to what extent (percentage wise), should you share originations. Is the partner's participation a true condition precedent to landing the client matter? Are there other reasons why you or the target client need the partner's participation? Such reasons may include: (a) clarification/confirmation of the firm's resources, (b) clarification of potential conflict of interest issues, or (c) window dressing to convey the levity of the Firm's reputation.

3. A Partner Demands That You Decline Representation of a Client

A senior partner has basically demanded that I decline representation of a client matter because the partner either does not like the client or claims a conflict of interest prohibits acceptance of the representation. What to do? Law firm dynamics are varying from firm to firm. While there are no clear answers here, a senior associate or junior partner facing this type of scenario should consider numerous aspects of the challenge. Generally speaking, how big, valuable and important is the potential client matter to you? Is this likely to have some impact on your relationship with other partners (or even the challenging partner), namely your chances of attaining equity partner?

What is the partner's true position in the partnership? Is he or she the managing partner of a medium or large firm or one of a few partners in a small firm? How does the law firm define "conflict of interest"? What are the firm's policies or customs regarding client matter intake. What is the target

client's profile and reputation i.e. individual, high risk of collection issue, litigious, or high profile?

Ultimately, the senior associate or junior partner will have to decide if the matter is worthy of a clash with the partner and whether he or she is likely to prevail in such a dispute. Also, what other partners actually support the associate's or junior partner's position? Do they have the will, time and inclination to help? How likely will a retreat set a precedent for similar demands in the future?

4. My Clients By-Passes Me and Sends Work To Another Partner

If a client sends work to one of your firm partners, can you still count that matter as part of your book of business? Are there different tiers of origination? The answer will depend on the law firm. Some firms reward building "institutional clients" by reward originating credit for a new client at a higher value than originating credit for a new matter with an existing client.

An existing client may send a matter directly to another firm partner for several reasons. The dynamics surrounding the client's occupation with the new matter may well be so urgent, important or troubling, that they simply want to get it to the lawyer that he or she understands (from prior assignments) can deal with it. It may also be that the client has a new employee or other personnel that has yet to be fully acclimated on the process of assigning new cases. On the other hand, you may have generally discussed the matter with both the client and your partner to facilitate your client's need for information, and he or she sent the file thinking "you knew I was sending the file over." In either case, the matter should be discussed, if necessary, by you and the partner to confirm your position on any origination issue.

VI. Conclusion

Not all of the discussion and consideration covered will have application to everyone. However, they have been useful in building our respective books of business in practice areas which are comparable to the general universe of attorneys working in small, medium and large law firms. Growing a book of business will require your skillful approach to building and maintaining client relationships. Those relationships can be harvested by your sincere and purposeful interaction with not only friends and business colleagues in your community, but also the partners within your own law firm.

Finally, the growth of your book of business will also hinge, in large part, on your understanding of the firm's billing and collection metrics, as well as the rules and policies concerning how clients and matters are originated. It will require you to

refine your communication and relationship skills with the partners with whom you strive to join in the equity rank.

Follow the Golden Rule—treat others as you would have them treat you.

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