



THE AUSTRALIAN TWIST TO PROFESSIONAL SERVICES MARKETING

Sue-Ella Prodonovich

METHODOLOGY

- Interviews conducted of Chief Marketing Officers, Heads of Marketing and Heads of Business Development from a group of top and middle tier law firms and big 4 accounting firms
- Qualitative analysis conducted in November 2006
- Specific but unattributed comments captured to protect firm confidentiality

MANAGING CLIENTS

CHANGES FROM THE CLIENT'S SIDE OF THE BUSINESS

- ✦ Clients have become increasingly sophisticated buyers:
 - shift in the purchase process – role of procurement and panel rationalisations in concert with an increase in requests for tenders
 - segmentation of suppliers
 - greater measurement and accountability of suppliers
 - firm brand is important but propensity is to buy the person
 - building up of in-house teams reducing the reliance on external legal and accounting firms (and recruiting ex big firm lawyers and accountants)

MANAGING CLIENTS

- ✦ Changes in client management over the last 3-5 years:
 - Introduction and / or more accountable, rigorous and visible “Best Client Programs” and roles such as Client Lead Partners
 - Greater segmentation of the client base – variable service and support levels dependant on client value
 - Shift for firms to greater focus on clients and markets rather than being product driven
 - Client teams (CRPs, Lawyers and Marketing) have become more important

MANAGING CLIENTS

- ✦ Partner readiness to manage client relationships:
 - Variable – few partners have natural relationship management skills (seen more in legal than accounting firms)
 - Training and coaching are relied upon to skill up partners/fill in the gaps
 - Increasing focus on the next generation – the Senior Associates (law) / Directors (accounting) who have a more holistic view of their profession
 - Recruitment is increasingly focused on technical and interpersonal skills (IQ and EQ)

MARKETING SOPHISTICATION

- ✦ Tools and resources used to gain client insights
 - Client listening programs – results are used to judge partner performance and feedback into key or best client account management programs
 - Matter debriefs, regular relationship reviews, client intranet sites
 - Market research – commissioned, purchased as well as internal tools (eg OneSource)
 - Dedicated market analyst roles within marketing teams
 - Company Directors networks

MARKETING SOPHISTICATION

- ✦ Changes in marketing sophistication in PSFs
 - Universal agreement that marketing has increased in sophistication: increasing calibre of people hired, shift in skills from doing to thinking (operations to strategy)
 - Shift from broad based marketing service (events, publications) to a greater focus on clients and BD
 - Client account management – more systematic, business focused activities rather than socially based relationships
 - Brand marketing has also shifted up a gear as brands become increasingly commoditised

MARKETING SOPHISTICATION

- ✦ What is the next leap forward for marketing within PSFs?
 - Continuing shift from broad based marketing to more focus on clients and client service
 - Shift from BD as 'support' to clearly defined roles with the external client
 - BD – shift to an influencing, facilitating and coaching role – equipping the legal teams to better understand and work with clients
 - Revenue generators – charge clients to help them with their marketing needs (SMEs)

THE IMPORTANCE OF BUSINESS DEVELOPMENT (BD)

- ✦ What is BD?
 - Lead generation, relationship development and management, owners of 'pitch and pursuit'
 - Delivering value through understanding the market and evaluating firm performance with client as part of driving improvement
 - Account management and taking a 'life cycle' approach to clients
 - Strategically aligned sales

THE IMPORTANCE OF BUSINESS DEVELOPMENT (BD)

- ✦ Is BD a core role for marketing teams within law and accounting firms?
 - Universal agreement of 'yes'
 - Increasing size and sophistication of BD teams supports this proposition; senior BD hires now have 10-15 years experience
 - Increasing need for lawyers working in BD who can integrate legal and client issues (law firms)

THE IMPORTANCE OF BUSINESS DEVELOPMENT (BD)

- ✦ How can BD maintain relevance to a firm's business?
 - Be adaptive and flexible to keep pace with the firm as it changes strategy
 - Maintain a direct relationship with the ultimate client
 - Develop new skills that match the changing needs of the business (for exs shift towards coaching)
 - Demonstrate an investment return (particularly for client facing roles – revenue targets met, new business areas developed etc)

TEAM STRUCTURES AND ROLES

- ✦ Team evolution (structure and roles) over the last 3-5 years?
 - Shift from a Marcoms to BD focus as the need for greater client focused capability and expertise has grown
 - Increases in BD headcount and seniority
 - Increased need for staff with a track record in coaching and skills transfer with changing demands from partners
 - Quality of marketing hires has lifted
 - Changes to the team structure have mirrored changes in the firm's structure

TEAM STRUCTURE AND ROLES

- ✦ Drivers of structural change (internal or external)?
 - Ultimate driver is the strong competition and increasing client demands in the external market
 - Aligned issues – both internal and external issues have driven the marketing structure