

Welcome to the Vandenack Weaver legal visionaries podcast brought to you by interactive legal here's your host Mary Vandenack

Welcome to today's episode of Vandenack Weaver, legal visionaries, a weekly podcast discussing updated legal news, evolving methods of providing legal service and law practice issues. My name is Mary Vandenack founder and managing partner at Vandenack Weaver, LLC. I'll be your host. As we talk to experts from around the country about closely held business tax trusts and estates, legal technology, law firm, leadership, and wellbeing. Before we start today's episode, I want to thank our sponsor. Here's the message from interactive legal.

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On today's episode. I have Allison Shields Johs as my guest, Allison is the owner of legalese consulting. And we're going to talk today about managing your client list. Welcome, Allison,

Thanks, Mary. It's great to be here.

So, you have a great background and do a lot of things to help lawyers with practice management, marketing, all types of things. Can you just give our listeners a little bit of background about you and what you do?

Sure. So, I was a practicing lawyer for about 15 years. I still have my license, but I'm not practicing. I haven't practiced since around 2008, in 2005, I left my law firm where I was a partner and I started a legal ease consulting, and that was to help lawyers with the business end of their practice. So, some of the things you mentioned, practice management, a lot of productivity, time management, marketing, and business development. And I did that sort of part-time while I was also practicing for a little while. And then I went full time into doing the consulting

And today's topic is one of my favorite topics and that is managing client lists. And I think it matters a lot, but a lot of attorneys really have trouble saying, Hey, I really need to manage my client list. So, can you just start by explaining what do you mean when you say lawyers should manage their client lists? Yeah,

So, I, I think that probably means different things to different people. So, when I talk about managing our client lists, I talk about really taking more of a strategic approach to the clients that you accept in your practice. Um, and it was funny yesterday, I was at this meeting with a bunch of different business owners. One of whom was a lawyer. And when she was asked to describe what she did, the first thing she said was, I'm not a door lawyer. And she said, she explained that to say, I, I'm not a lawyer who takes every single client that walks through the door that we, that my firm takes a very strategic approach to who we want as clients and to the kinds of, um, not just the kinds of work we do, but the actually looking at the clients themselves and being very selective about who we take on.

And so, when I talk about managing a client list, that's what I mean. And so, I love that term of not being a door lawyer, and really taking the time to understand, especially if you've been in practice for a little while, right. To go back and say, am I still doing things the way I was doing them in the beginning? And if so, does that really make sense? Who are the best clients? So, you know, I may have thought that they were going to look a certain way when I first started out. But now that I've had some experience and I've been working with a bunch of different clients, maybe I've changed my perspective a little bit, or, or maybe the marketplace has changed. I mean, look, what's happened over the past year, year, and a half, and how much things have changed and somebody who you might've thought was your ideal client in, at the end of 2019. Now in the middle of 20, 21 might not be your ideal client anymore. Um, and so trying to figure out who are the best clients, um, what makes the most sense for your law firm, where it's at now? You can help the most people

You're saying is this isn't really like a one-time thing. I figured out who my best client is, and I'm done. It sounds like you're saying that you need to reevaluate that.

Yeah, absolutely. I think it makes sense for all of us. I mean, I do it all the time to sit back and say, is this really what I want to do? Or am I working with the people I want to work with? Uh, am I providing the most value that I can for my clients? Or is there something that I'm missing or that I need to make a change with?

So why is managing the client list so important?

Well, I, you know, I think what happens if we, and everybody's experienced it, right? If you've been in, in any kind of professional service business for any period of time, but you've had clients that you, at some point in time say, I wish I had never taken this client on, right? You, me and you, and those kinds of clients

just cause you so much more stress than anybody, you know, then your other clients, they are, they're the ones who are questioning your fees. They're the ones who are questioning everything that you do. They don't trust your advice. They just cause you so much extra stress. They make you overwhelmed. Um, and a lot of times you're taking on these clients for reasons that are not, um, they're not your reasons. They may be somebody else's reasons. So maybe you feel guilty because they were referred to you by somebody that you like.

And so, you feel bad not taking on the client or, you know, God forbid it's a relative or a friend who now use you say, I never should have taken this on. Right? And then there may be financial pressures, especially if you're starting out, you may say you may have started out as a doorway here and said, I can't afford to turn away anybody because I don't know where my next client is going to come from. But aside from creating more stress and financial pressure and overwhelm for you and on, on your firm, taking on those bad clients also create stress for your good clients because the good clients get ignored, right? The squeaky wheel is the one who gets the grease and the one who pays you and who trusts you. And who's great to you. Maybe isn't getting the level of service that they should be getting from you. And that might then lead them to give you more work or refer other business to you because you're so busy focusing on the ones who are a problem.

And I think its common sense and it gets hard for lawyers to listen to. What's basic common sense, because you're always worried about where your next project is coming from, but if you make that move, I think it makes sense. I know that when one recommendation you make in that regard is that lawyers really need to look at whether they should fire clients. Can you tell me more about this?

Yeah. Well, and, and one of the reasons to fire clients too, is, you know, I always say, God forbid, you keep these bad clients and you make the bad clients happy. You end up filling your practice with more of those bad clients, because those people were referring people like them, or they'll tell other people that you get gave them this huge discount. And then those other people are expecting the same discount and you're, you know, you never catch up. So one of the things that actually I learned this years and years ago from, and I wish I remembered who, who did it, but it was a law practice division meeting that I went to and somebody said it might've been Dave. Balinsky said that you should look at your client list every year and consider firing the bottom 10% of your clients. And that was when I was in practice.

It was before I was doing practice management and that really struck me. And so, one of the things I talk to my clients about now is, is looking at their client list on a periodic basis and not just thinking about who their best clients are, but maybe ranking their clients. So, a client is a great client. They're easy to work with and they have the best kind of case that you always wanted to work on. A B client is somewhat less than that is. Client is beyond that. And that decline is like, they're a terrible client. You hate the kind of work that you're doing for them anyway maybe it's time to start thinking about firing some, at least the D clients.

And I know that we, and we do some ranking like that. We in the AA clients like they pay us, and they write us the thank you note when they say check those, make our a plus list. Well, firing clients sounds like a great idea at, to a lot of lawyers, but how can you do it in a way that doesn't harm your practice overall?

So, I mean, look, the best-case scenario to me is trying to get away, oh, find a way to have the bad client decide that they want to leave as opposed to you firing them. Right? So, and there were a couple of ways to do that. So, one way to do that is by raising your fees. And obviously you must do that in a way that comports with the ethical rules and you must give them notice. And, but that may be enough for some of these clients to say that they can't work with you anymore. Um, and that may be as simple as not even really raising your prices, but not giving the discounts, not discounting your bill when the, when the client is fighting. If you know that that was the work that you did and the and the fee is reasonable, and then let them say, okay, well, if that's what it's going to cost, I can't do it anymore, but you also might change the way that you work in a way that just not in an unethical way, but it makes it uncomfortable for a client who's being difficult or being unreasonable.

You should be having a frank conversation with your clients anyway, about what their expectations are, but when you're bumping up against these kinds of clients who are always complaining, sometimes sitting down with them and having, you know, some people call this the come to Jesus meeting and just saying, Hey, you know, here's what you're asking for. Therefore, there's no way that this is possible. You know, I mean, it goes back to that and you can have it quick. You can have it cheap, or you can have a good, and you can't have all three of them. And so where, where is your priority? If your priority is cheap, then maybe I must do less work or I can unbundle, or we can work out some other arrangement that works out for both of us obviously referring to, to another lawyer, maybe they're just not the right fit for you.

It doesn't mean they're a bad person, or they have a bad business. They may just not be the right fit for you and how you practice. So, referring to another lawyer is another way of sort of firing a client without hurting anybody's feelings. And obviously a forest comes to worse and you can't come to any sort of agreement you may be able to withdraw. Um, and you would want to hopefully plan for that in advance, by giving some idea in your engagement agreement or at that initial consultation about when, what circumstances would maybe require withdrawal. Obviously if you're in litigation, you may need permission of the court, and there may be, um, certain other ethical rules that you need to comply with to withdraw them. That's kind of a last resort, but you want to always try to do it in a nice way. And certainly, when you're doing that, you want to send a disengagement letter so that it's clear when the representation is over.

And so, we have like used all those strategies. The challenge I've found with the raising price strategy is there's this sort of like, as your price goes up, people think you're better at what you do, Siri getting ready

to sign clients. And you're bringing more. I've always found that an interesting psychology, but you know, it, it transitions who your clients are in the sense that I think it does effectively take some of those, but I think there's a huge amount of energy that goes towards the clients that aren't necessarily good fits for you. And I really think that's a good point that you've made is sometimes it's just about the fit and not every lawyer fits every client. You just, as every there's people find each other in life as friends or relationships, and it's you, somebody that's a great fit for me is not a great fit for somebody else. But so, if you're have a client, you have some challenges and for whatever reason, you're just not quite ready to fire them. Do you have any thoughts on how you deal with the difficult clients in your practice? So, it's not, you're not disruptive to others that are working with you and dealing with the client and to your practice generally.

Yeah. I mean, sometimes you can do certain things that might rehabilitate some clients. So, when you have that really serious sit down meeting to try to find out where the point of friction is, you know, sometimes clients will complain about a whole host of things, but that's really masking another problem. Maybe they're just feeling that you're not responsive for example. And so that if you can get to the bottom of what the client's real fear or concern or objection is, there might be a way for you to address it in a way that's not so onerous. Um, there may just be certain people in the firm I've had this happen, both when I was practicing. And when working with some of mine, you know, law firms where you just find that certain people just don't get along with other people. And so just changing the staffing of that client's matter sometimes can make all the difference and turn a very unhappy client into a very happy client.

Sometimes they just feel like you're not listening to them. So, if there is a way to have that conversation, there might be some adjustments that you could make, you know, maybe you're used to doing things on the phone. The client would rather hear from you by email or in a text, you know, could it be something as simple as that? , I also always advise my clients to look inward to, especially if this is happening over and over to try to find out is the lawyer or the law firm or the way it does business, really the problem and not the client so maybe you're not communicating enough. Maybe you're not responding in the way the client is expecting. You've never had a conversation about what they expect it may be just that you've never talked about what the client, um, maybe what they experienced they've had in the past.

And you have no idea that they're comparing you to something that, that you didn't know that they ever experienced you know, I mean, you've got that old problem with somebody says, well, my brother-in-law had this experience and they've never had that conversation with you. So, so you have no idea. Um, it may be that you're just not, you know, a lot of firms are still catching up, even now with some of the changes in how we've started to do business and more of the online and, and clients who had expectations two years ago, even if you're still working with that same client, their expectation has changed. And you don't know why suddenly there was pushback where you never had a problem before. Um, so I think it's important to keep having those conversations with clients to see where they are and what's happening.

I think other things that you can do, if, if the problem is financial is to think about payment plans or other ways that you can help make it easier for the client to pay you. Um, I think I mentioned before unbundled services, you know, maybe the client only needs you really for one piece and they can afford to pay for that and they can do the rest of it another way. So, if you can think of options and different ways of providing your service to clients, you know, sometimes that can convert what was a difficult client into a less difficult coin.

What I think I'm hearing in that whole list of discussion is just really, sometimes the issue is communication about how services being provided, how you're communicating with the client, whether it's regarding payments, the way they want to receive messages or services. And communication can just be a challenge sometimes for lawyers because they get busy requirements have deadlines. But I think is that what I'm hearing is kind of the key there is communication really, really matters. Yeah,

Yeah, absolutely. And if you didn't have the communication in the beginning it's never too late to have that conversation. I mean, you always best to have it in the beginning so that you're both on the same page of right from the outset once you start getting the pushback, that's always the first place I go is to sit down and have a conversation and to say, what, you know, what did we miss? Or what did we not explain the way we could have explained it? Or how can we work this out for both of us?

And I know sometimes we've had defined clients as bad clients because it really might be us, but we don't really want to ask them the question and hear that we're bad lawyers or that were being made or we're ignoring them too often. So that's where we talk a lot about that communication and ask, be willing to ask questions, even if you don't always like the answer that you hear. So, and how can lawyers take a more strategic approach to managing client lists?

I think a lot of it comes back to what I said in the beginning about understanding who your ideal clients are and why they're your ideal clients. So, you know, sitting down and saying, okay, who are those best clients in my practice? How do I get more of those clients into my practice? So, looking at how those people came to you, what kinds of problems did they have? What, what kinds of work are you doing for them? Um, and then develop a system to attract more of those ideal clients into your practice. And then as you said, once they get there making sure that you have those conversations and that that system is not just attracting them, but then also maintaining throughout the relationship. So that might include your entire intake process and the conversations that you have with them. Um, during that initial, during the very first phone call or the very first time they come into your office.

So, you're talking about having a strategy, what might that system look like?

So, I mean, one of the things is to first identify who those ideal clients are. And then on the flip side, you know, we talked about ranking earlier, think about the bad clients and what, and what obstacles you could create as part of your system that might discourage bad clients. So, for example, maybe one of the things that is a characteristic of your bad clients is that they're not cooperative, right? They don't give you information when they're supposed to give it to you. They don't send documents when they're supposed to send them. They don't follow directions very well. And if you want to keep those kinds of clients out of your practice, then maybe part of your intake process is developing an obstacle that would discourage those people from coming in. So, for example, they might have to fill out a form before they can even schedule the first appointment with you.

Or if, if it's mostly money, they might have to, you might have to charge for your initial consultation so that they have skin in the game, right from the very beginning, um, you want to create an, an intake process and initial consultation that, that takes time. And that really addresses all of what you already know could become the sticky points. So if the sticking points are money, then you want to make sure that you're very careful about what you discuss and how you explain how your billing procedure works, how they're supposed to pay all of those things. If the sticking point is communication, you want to be very clear about how you usually communicate when they should expect to get responses from you, whether you're you communicate by email, do you use text messages? How quickly can they expect to get a phone call and return?

All those things need to be part of that, that whole process. So, some of it is the identification and the attraction. Some of it is the obstacle, right? And then some of it is the communication piece. And then I, the system also needs to, as we alluded to earlier, it needs to have an automatic way to revisit all these things. So, whether that's yearly, that we look at our client list and say, let's re rank, or let's reconsider what we consider an ideal client. Let's reconsider where we go to find those ideal clients and what we need to say or what they need to hear so that they can identify themselves as potentially our ideal clients. And I think that system also needs to address your referral sources, right? Which we haven't talked about much yet. So sometimes you take on these bad clients because somebody referred them to you and they really don't have a great understanding of who your ideal clients are.

So I think educating your referral sources and showing them, or explaining to them who you work best with and how you can best help their friends or their clients, whoever it is, um, that is also a piece of this process as well. So, you need to figure out where the clients are coming from good, bad, I mean, between, and then figure out how to get more of them. And part of that is deciding which referral sources, whether they're real people or it's electronic, you know, maybe you're going to the wrong places online. And that's why you keep getting the same bad clients that you don't want.

Well, as you know, Allison, this is one of my favorite topics. Unfortunately, I had somebody tell me early in practice, and I actually listened to it that you should review your client list every year, define your ideal client and, you know, focus on attracting those clients and building a practice that does. So, I can tell you

today that I'm very fortunate in having a practice at one point a strategic planner. So, we'll try and have 70% of your client base fit the ideal client category. And I tell you that we've gotten to like 99%. And for me as a lawyer, that means, you know, I get up in the morning, I go do something I love spend the day talking to people that I absolutely have great relationships with and it's fulfilling. And so, people say, you know, ask me, you think about retiring. And I'm like, why would I ever even contemplate retiring? My whole day is filled with intellectual challenges that I like and people that I like, and my relationships are through that. And so I think that, you know, this, I think this advice that you give is some of the best that a lawyer can really take to heart in building a practice, because it gives you professional satisfaction and personal satisfaction in a job that we often spend a lot of time at. Do you have any last thoughts on this topic? Alison?

Yeah. I think the only last thing that I would say actually goes back to something that you said earlier, Mary, which was, you know, when you raise your prices, sometimes you people think that you're better at what you do and that changes the kinds of clients you get. So that's a piece of this too. And I think a lot of times people are afraid to take this kind of strategic approach because they're, again, they're afraid. I don't know when the next client is gonna walk in the door. How do I know that this is going to get me where I need to be financially? And it usually works much easier than they think it's going to work. You know, turning away clients oftentimes brings you, you know, better business. It may not be more; more is not always better. It just may be fewer clients that you really like that pay you well, and you never have to chase them for money. And what's better than that.

And that's what I had somebody say to me at one point, who was an attorney telling me I should raise my rates. And he was kind of a mentor to me. And he says, well, you know, Mary work 150 hours at rate X or a hundred hours at the hundred hours at the higher rate, you're going to make as much. And you'll be doing a much better job, be less stressed and your clients will be happier because of it. And I found that to be really, true. Well, thanks again for joining us today. And that's all for now. Thanks for listening to today's episode and stay tuned for our weekly releases,

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