



THE SWISS VEREIN

# Harvesting the Diamonds:

## Cross-selling in a multinational law firm

*If you've read the previous article by Nick and Ed, then you already know that "verein" is the German word for "association." That relatively casual and distant word reflects the fact that such firms typically involve separate profit centers, a financial state of affairs that does not always encourage cross-selling to the same degree that full-fledged "partnerships" do.*

**By Gerry Riskin**



I would argue, however, that this need not be the case. Cross-selling is more than simply possible in a verein; it can flourish, for many compelling reasons that transcend direct financial implications. I consider the potential yield from verein cross-selling to be like diamonds that are virtually lying on the ground but that go unharvested. I hope both to explain this phenomenon and to provide a blueprint to overcome it.

Let's begin with some safe assumptions:

1. **The substantive practices of lawyers in global firms tend to be high-quality.**
2. **Global firm lawyers base their self-esteem on the perception of their excellence.**

### 3. Uncertainty surrounds any attempt to arrange foreign work for a client, creating a greater need than usual for quality assurance.

In this context, an individual partner might wonder: “Why don’t my partners in our other offices around the world refer their clients to me?” That lawyer might not want to hear some of the honest answers to that question:

- A. They don’t trust you.
- B. They don’t respect you.
- C. They don’t even know you exist.

Individual lawyers tend to react poorly to these assertions. But I ask them not to take it personally; it’s not usually their fault. Let’s explore each response more closely:

**Trust:** Your internal referral sources might have become jaded by unhappy past experiences referring work to others. Unless you have a clear track record to the contrary, they will be unsure whether you’ll respond promptly to their clients or bill them fairly. All too often, lawyers who refer work have been made to feel they were little more than a license to print billable hours.

**Respect:** How should your partners in other offices know how competent you are? If you think they are going to simply assume your excellence because you belong to the same firm, think again. Like you, they are more concerned about the quality of the legal service their clients receive than with whether they are complying with firm policies like cross-selling.

**Existence:** Lawyers can’t refer work to someone they’ve never heard of. If a client expresses a need for services in your jurisdiction, the referring partner likely would indicate that the firm has an office where you are and — subject to “trust” and “respect” — will find you through your office leader and send you the work. That’s a “reactive” referral. However, whether the partner will initiate the process of sending you work — a “proactive referral” — will depend heavily on your profile and reputation. This hinges, in turn, on your internal marketing.

#### **INTERNAL MARKETING: THE KEY TO CROSS-SELLING**

When we explore business development (*i.e.*, external marketing) with partners,

they naturally appreciate the need to promote their expertise in the market, enhance their reputation and profile, and build relationships. When you think about it, internal marketing is no different.

If a lawyer is regarded as a world-class expert with a fabulous external reputation and is widely known among clients, prospective clients and referral sources, then of course internal marketing will be much easier. However, the internal piece must not be taken for granted: it will require additional effort for the lawyer above and beyond his or her marketplace reputation. Here are three key initiatives:

### **1. Demonstrate Expertise Internally**

There is no better way to demonstrate your expertise within your multinational firm than to help other members (locally, regionally, and internationally) perceive that expertise. The lawyer might participate on panels at firm meetings and events, conduct internal webinars, or take an active or leadership role in a firm-wide practice group, industry group or client team. Remember, expertise can include both substantive capability and industry knowledge.

### **2. Build Reputation Internally**

Lawyers who are effective at developing business tend to leverage their intellectual capital. For example, a speech or presentation might also be created in the form of a video, article or blog post, typically published on the firm's own website or internal newsletter. In this category, the lawyer is leveraging an external activity in such a way that it obtains internal recognition as well.

### **3. Build Relationships Internally**

I have seen lawyers in some multi-office firms come to a firm-wide retreat with a premeditated internal business development plan that involves making or nurturing the acquaintance of lawyers in other offices. In one instance, such activity led to the largest file in a certain practice area that the lawyer had ever obtained. Other efforts along these lines involve frequent telephone contact, either purely personal or for discussions of mutual business interest. Relationship building is a contact sport and requires continuous effort, internally as much as externally.

### **QUALIFYING FOR THE REFERRING LAWYER'S TRUST**

A lawyer might successfully built internal expertise and a commensurately high internal profile and reputation, but still not see an inflow of referral

work. That's because a further condition precedent is often ignored: trust. Here are the (often unasked and unanswered) questions that are on your partner's mind:

- Will you protect my reputation with the client?
- Will you keep me closely informed of progress, so that I can confidently communicate with my client on this matter?
- Will my client get value (real and perceived) for the fee you'll charge?
- Will you reinforce my confidence in you by treating my referral like your most important client, no matter how small the client or the matter?

The capacity to reciprocate is almost never balanced. It is common to find that we cannot come close to providing equal reciprocation to foreign partners for referral opportunities. Accordingly, your strategy must not rest upon that. Nonetheless, potential referring partners should see your awareness of that issue and your best efforts to address it openly and honestly. At the very least, ask your potential referrers what if any reciprocation opportunities they see.

### **INTERNAL CROSS-SELLING REQUIRES STRATEGY**

Many lawyers take a "sand on the seashore" approach to business development. The sand rests quietly beside the sea, awaiting the ocean's conditions to change; its future depends entirely upon whether the sea will pick it up, and if so, where it will be deposited. Lawyers who believe their future work depends on what clients and referral sources might choose to send them are like the sand at the seashore.

Lawyers have the option of contemplating the nature of the work they prefer as well as the clients they prefer serving. It is important to appreciate that this extends to internal clients and referral sources as well. Individual lawyers, teams, and offices must determine beforehand the nature and source of their preferred internal referrals. Only then can they make the efforts described above more surgical and precise and render their internal business development far more efficient and effective.

Amidst the day-to-day pressures of serving clients, there might seem to be

little time to strategize and implement plans of the nature I have described here. However, I argue that in any multi-office firm that does not share profits, and in a Swiss Verein especially, you cannot respond to the default propensity against internal cross-selling passively, like sand at the seashore.

You must form the premeditated intention to earn inbound work. You must be, in the mind of the referring lawyer, the very best resource available to them and their client in the circumstances. The firms that get this right will be the ones to enjoy the yield from the harvest of those diamonds that are lying in the ground beneath their feet. •



## *Your preferred future*

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