Ep #31: Tech Improvement Should Be Step 3. Don't Skip Steps 1 & 2.

Full Episode Transcript

With Your Host

John E. Grant

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In today's episode, I'm going back to answering questions from a lawyer. And this one actually came in over social media, not directly to me. But I think it illustrates a good cautionary tale, or at least an anti-pattern, around the danger of turning too quickly to a technology solution before fully understanding the nature of the problem you're trying to solve in your law practice.

I'm all for harnessing good tech, but it's dangerous to imbue technology with too many magical properties, and I'm going to talk about what you can do instead to come up with better and more sustainable solutions to your business problems. Ready to become a more agile attorney? Let's go.

Welcome to *The Agile Attorney* podcast powered by Agile Attorney Consulting. I'm John Grant, and I've spent the last decade helping lawyers and legal teams harness the tools of modern entrepreneurship to build practices that are profitable, scalable, and sustainable for themselves and their communities. In each episode I offer principles, practices, and other ideas to help legal professionals of all kinds be more *Agile* in your legal practice.

Hey everybody, welcome back. So this week, I am going to respond to another question. This one wasn't actually posed directly to me, it's something that I came across on social media.

I wanted to talk about it on the podcast because I think it highlights a few different, what I identified a few weeks ago as "anti-patterns", but misconceptions, flawed premises about the way that a lot of lawyers and legal team members think about using technology to improve their practices.

I'll just go right off the top. If you've been listening to me for any length of time, you know that I tend to be more process-oriented than technology-oriented. I often talk about how true improvement comes from working on people, processes, and tools; roughly in that order.

That said, I use a lot of tools. I'm a big fan of technology. I tend to be agnostic about specific technologies, there are some that I like better than others. I've recently been proven wrong, as I talked about last week with Justie Nicol. I wasn't a huge fan of Trello, but I've seen some incredible use of Trello in a practice.

And so, what I think about technology isn't actually that important if it's working for you. As a coach, as a trainer, as a consultant, I want to make my clients get the best out of the tools they're already using first, and then we can talk about whether it makes sense to change tools.

But going into this particular question… It's a little bit of a different situation, right? So I'll just read the whole thing, and then I'll respond to a few different parts of it. And as I do that, I'm going to sort of highlight what I think of as a better way to think about some of the problems that this attorney is running into.

The poster starts out by saying, "I'm a struggling solo. I do estate and business planning. I've been using Excel for my CRM," and that's Customer Relationship Management, for those of you that don't know that initialism. "And I'm wondering if some of my struggles is me being too cheap. Clio, MyCase, and Smokeball wanting $100 or more a month is really steep when I'm struggling to get clients in the door."

They then go on to say, "I've thought about using HoudiniEsq, but a lawyer I had lunch with yesterday was super anti-HoudiniEsq, saying it was unstable and loss in business due to the instability. I also use Outlook and WealthCounsel, so I'd like to integrate it with those."

Again, a quick aside, a lot of people have varying opinions about WealthCounsel. It has an important role, so if you are pro-WealthCounsel, anti-WealthCounsel, or you don't know what Wealth Counsel is, it's just another technology tool. It works well for some people, not for others.

Then they go on to say, "I would also like to integrate a CRM well with a VOIP so I can have automated call transcription." So VOIP is voice over IP, telephony; I think most of you know what that is.

"Right now, I'm using my cell phone and Excel so hard to beat this on costs, but I'm worried I'm potentially being penny smart and pound foolish. Are there any CRMs you recommend I look into?" And again, this is posted to a social media group.

So a few different things as I just sort of break this down. Number one, I've talked about this before, but in my formulation, there really are only three high-level systems in a law practice. There's your "getting the work" system, there's your "doing the work" system or your delivery system, and there's your "getting paid" system.

I'm going to take this person at their word, that they are struggling in their getting the work system. So another way of rephrasing this question is that they're saying,

"Hey, look, I seem to have plenty of capacity in my delivery system. I don't seem to have a problem with my getting paid system. And so my biggest challenge in my law practice is to fill my capacity as best as I can, so that I can make more money. Because I'm, right now, not able to bring in as much work as I feel like I need or would want to have in order to sustain this legal business."

I know that I often say that for most lawyers that I work with, the getting the work system isn't actually their bottleneck, right? For most of the teams and the firms that I am familiar with, they have bottlenecks in their delivery systems and they're actually over-invested in their getting the work system.

But like I said, I'm going to take this person at their word; the fact that they identify as a struggling solo, maybe they're new to it, sounds like maybe their practice is new. And so in the early phases of most law practices, you really do tend to have a struggle in the getting the work system.

So writ large, I'm going to go ahead and say, yes, this is probably where this person's bottleneck is, and it's where they should spend their time and attention trying to make things better.

Now, one of the things I would call out right off the top, before I even get into those three systems, is that this lawyer probably also should do some work getting a little bit clearer on what their business strategy is, what their mission is. I say that because of the fact that they identify as doing both estate and business planning.

I haven't talked about it a lot in the podcast, but it probably won't come as a surprise that I am a big fan of niching down. I think that it's really important in most markets, for most lawyers, to understand what their core niche is. Or to put it a different way, what are the types of problems that their clients are having, that their ideal clients are having, that they're really good at solving?

And I think doing both estate planning and business planning is a little bit of a disconnect. I will say, I understand that for more established business practices or more established estate planning practices, it might make sense to have both of those practice areas, but I don't think it makes sense for a single lawyer to be practicing in both of those areas, right?

If the firm is growing and either they have a cadre of estate planning clients, a lot of whom are also small business owners, then having a small business offering and a lawyer who can focus on that offering makes a lot of sense. Same thing in the opposite direction. If you're doing a lot of small business law and that's putting you in contact with clients that also have estate planning needs, then figuring out a way to service those needs within your firm might make sense as a growth opportunity.

But right out of the chute, doing both of those things is confusing because if I need estate planning, if I'm going to either hire an estate planning lawyer myself or, more likely, I'm going to refer somebody to an estate planning lawyer, I want to make sure that they're really focused and really good on estate planning.

Same thing on the business side. I want to make sure I am either hiring or referring to somebody that is really rock solid on the business side. And when I hear about a lawyer that's trying to sort of split the "baby" and do both, that tells me they're on that path of being a jack of all trades, a master of none.

Maybe they live in a really small market and it wouldn't be possible to do just one or the other, but I don't think that's the case for most of the lawyers out there. So my number one advice for this attorney is actually to focus a little bit more and figure out what are the problems you want to solve.

And the fact that they use WealthCounsel tells me they probably are more focused on estate planning. But again, I don't know anything about this person other than what I can infer from the question. So putting that aside, and again, accepting as true the idea that this lawyer really does have a problem in their getting the work system, then there's some weird things that I see; although I see them over and over again.

Again, this is something of an anti-pattern. Not just with lawyers, right? I think that there is a tendency overall for humans, and certainly for small business owners, to sort of imbue technology with a lot of magical promises, premises, right? We can do some magical thinking where, "Oh my gosh, I'm having this problem. There has to be a technology solution to this problem."

And I get it. Yeah, I have that instinct too. It's not unusual, but it's an anti-pattern. I don't think that it's the best way to think about this. So the real question that this lawyer should be asking is not, "What technology should I use to track my business development efforts?" Which is what you would use a CRM for. It's, "How do I make sure that I'm getting more leads," more importantly, "the right kinds of leads in the door? And then making sure that I'm able to follow up and close on those leads."

And this lawyer is clearly casting about a little bit, right? The first sets of technology tools, they talk about Clio, MyCase, Smokeball, those aren't even biz dev systems. Some of them have different functionality. Obviously, Clio Manage is different from Clio Grow. And they all can help you get new work in the door. But mostly those are doing the work management systems. They're not about getting the work.

And so the first three software tools I mentioned right off the top aren't even really going to help with their problem. Then, of course, they talk about HoudiniEsq… CRM tools are really a dime a dozen. There are literally hundreds of them out there. Some are more focused on lawyers than others.

But it's this funny thing where, "Oh, I went down this one path, but then this one other person said they had a bad experience. And so now maybe I'm not going to do that path." And that's a super, frankly, immature way of looking at software acquisition and development for any sort of business.

They then go on to talk about a bunch of features that they want to see. "I want to see integration with Outlook. I want to see integration with WealthCounsel. I want to see integration with the VOIP system." And that's interesting in terms of a feature set.

But still, it doesn't get to the core of the problem, which is 'I have a need to get more or better leads into my business so that I can turn them into actual work product and get paid for that work product.' And none of these technical features that this lawyer is talking about are necessarily going to help solve that problem, right?

They're actually solving a problem downstream, or in sort of different parts of their practice, right? "I wanted to integrate with WealthCounsel." Well, that's only a problem if you can actually get the work to begin with. "I want to integrate it well with the VOIP so I can have automated call transcriptions." Well, you don't need automated call transcriptions right now if you don't have enough work to begin with, right? Automated transcriptions are great if you're to buy yourself some time.

But if you're really in the place where you don't have enough work, don't solve that problem, right? You've got to solve the getting the work problem. And so this is sort of getting to one of the other parts of this anti-pattern that I see a lot, which is, I think this lawyer is trying to find this magic technology bullet so that they can avoid doing the harder work of actually sort of getting into the weeds and figuring out what's wrong.

"Why aren't I getting more of these leads? Why aren't I getting more business into my practice?" And you know the first thing I would say to this lawyer is that for either of those practice areas, whether it's small business planning or estate planning, the idea of doing direct-to-consumer marketing is probably not going to be where you're going to get the most bang for your buck.

Again, I have no idea what this person is already trying to bring in the work. And, frankly, whatever they're already trying, I would recommend that you start by trying to do more of that and make that better. But I don't have any context about where the work is coming from for this person. So I'm going to assume that they might have taken a little bit of "if-you-build-it-they-will-come" approach when they launched their law practice to begin with, without really thinking about where's my work going to come from.

It's my experience, and it certainly is the experience of a lot of my clients, that practice in those two areas, that the best way to get new business isn't to market directly to the possible clients for that work, but it's to market to your referral sources. It's to market to other trusted professionals, financial planners, financial advisors, CPAs you know.

Sometimes other people like community groups, clergy, church groups can be great, whatever it happens to be. But your best lead sources are often going to come from people that your potential client is already working with and already trusts. And a recommendation from them is going to carry far more weight than a Google ad or a social media post or a magazine ad, a billboard, you name it.

Different types of legal practice have different marketing needs and different lead sources. But for these two practice areas, I am really confident that referral marketing is the way to go.

And so, that being the case, this lawyer could take on a strategy of reaching out to more referral sources that they'd be perfectly able to track in that same Excel sheet that they talked about, or in some relatively simple way. Heck, you could track it on a legal pad. It's not that complicated. But what is important is that you are talking to those referral sources.

Again, I'm going to say for estate planning, I think the number one referral source is financial planners. Because financial planners have this checklist item on their to-do list, which is make sure the client has an updated estate plan that the financial planner can't do, so they have to refer that work out.

They're constantly looking for good lawyers who are able to help them with that kind of work and provide the experience to their client that they're trying to provide as well, in terms of their overall financial advice.

My recommendation to this lawyer, and again, focusing a little bit on the estate planning side, would be to find some financial professionals. Ideally someone who's already in your network, or figure out who knows somebody that is a financial planner and take that person to lunch or coffee or a "get-to-know-you" meeting over the phone.

But then, the key is to spend the majority of the time getting to know them, right? You want to know, "Who are your target clients? How does the topic of estate planning come up in your work with your clients?" I might ask something like, "What are your go-to recommendations for clients that need estate planning work when the topic does come up? What do you like about the solutions that you're currently using, that you're currently recommending?"

And then get into the more interesting question, which is, "What do you wish they did better? What do you wish they did differently?" My key here is that when you're talking to those referral sources, or potential referral sources, especially the first time, and especially as you're sort of learning this game of referral marketing, it's really important to understand who is this referral source?

What are the things they care about? How can I learn what I need to know in order to serve them and serve their clients? And then, when you've asked those questions with one person…

Hopefully you're taking good notes, or you take some time after that meeting to really sort of debrief with yourself and figure out what are the answers, what are the patterns. If you do that with two or three or four people, you're going to start to see patterns emerge. And that's going to give you really good information about what the marketplace needs in an estate planning practice.

I'll do a quick aside. This is really key to the Lean Startup methodology. This is key. It comes from a few different books. There's the book, *The*

Lean Startup. That was actually based on an earlier book called *The Four Steps to the Epiphany*.

The theme that runs throughout all of these, is you've got to get yourself out of the building and to where your customers are, to where your clients are, your referral sources are. You're not going to learn if you're just sitting inside of the four walls of your office making assumptions about what people want or what you think they should want in a legal service. You've got to go out and talk to them.

Ideally, you should see where they are. You should go to their office. You should really understand what they're all about, because that's going give you insight about how to serve that market in a way that is going to allow you to out-compete other attorneys that are maybe just taking that four walls or that "throw spaghetti at the wall" approach.

Then, once you've actually seen some of those patterns emerge, you're going through your notes, you're figuring things out, and now you can come up with some product ideas, some strategies, some other things that will help you talk to those referral sources in ways that reflect to them that you understand what they're looking for. That you understand what they need.

One other thing I want to be clear on in this example, or in this sort of extended hypothetical that I'm giving, the referral source is a customer. Yes, ultimately, your job as the lawyer is to solve the problems of their client, but when you're asking for a referral business, you're actually trying to solve the problems of that financial planner, of that referral source.

Asking questions about, "What do you wish they did better or did differently? What don't you like about your current solutions?" In addition to, "What do you like?" You want to make sure you know the good and the bad. That allows you to put yourself in a position to respond and then target them with messaging.

I'm cringing as I use the term “messaging” because I want it to be genuine. I want you to actually come up with ways that speak to the needs of the people who have the kinds of problems that you can help solve.

Again, for financial planners, the problem is, “My plan tells me that I've got to get these people into an updated estate plan. I can't do it myself, and so I need someone that I'm confident in, that I know is going to understand the work, that I know is going to treat my client well. And then I can be confident that I can get good work out of them, maybe keep me in the loop, and make sure that my client is getting the estate plan that they need in order for me to complete my financial plan.”

Then again, it's not enough to sort of come up with that strategy and then just say, “Okay, here I go. I'm going to launch it.” You want to call some of those people back, or maybe find another financial planner, and kind of work on your pitch.

Work on the way you talk about your products and services so that the potential referral source is hearing that you know the things they're looking for, you know their pain points, and basically talk to them about what your product strategy is.

At the end of the day, this is a product strategy, right? It’s no different than any other business. The fact that we engage in services is irrelevant. It's a product-type service. There isn't that much different from one estate plan to the next, but you've got to define it in a way that actually resonates with people.

I hear some of you estate planning attorneys cringing. Yes, there's a lot of difference in the ways that different people approach estate planning. I don't mean to sound it quite so cookie cutter, although if you're a WealthCounsel user, then it maybe is a little bit more templatized. And I think almost any estate planning practice is going to be largely templatized at this point.

But my point is, none of this is technology, right? This is all about listening and understanding and being creative and doing some really good hard thinking about. "How can I package and talk about my legal products and services in a way that is going to resonate with the kinds of people who can get me work for those products and services?"

Whether that's direct to consumer, whether that's referral sources, whatever it happens to be, it really is about defining the product first. Then your marketing message should be true to the product. You don't want to be accused of any sort of bait and switch. And then you're in this world of constantly adjusting as well, and getting feedback from clients, getting feedback from referral sources.

In an estate planning practice, the most important sort of ongoing marketing activity in my mind is, once you have a few referral sources, you need to nurture those referral sources. When they send you work, make sure you close the loop and you're thankful.

And even maybe ask for feedback, say, "Hey, what did your client think? What did you think about the way that I interacted with you and your client here? Is there anything I could do better? Are the things that I did especially well?" Ask for that feedback, they'll have ideas. As long as you're open to it, they're going to be honest with you.

And that's going to help you get to the place where you can really outcompete in the marketplace. Then, when you get to the point of, "Oh my gosh, I've got so many referral sources that I need to nurture. My calendar is full. My Excel sheet is full. I can't manage it on a legal pad anymore," now you can start talking about investing in CRM.

Or if the referral sources that you have are sending you so many referrals, and you need to really accelerate your outreach and onboarding once those referrals come in, again, great use for CRM technology. But you're doing it from a position of strength. I mean, number one, assuming you've been getting that work in, you're doing the work and then getting paid, parts of your practice are probably going to be robust enough that you can think about spending $100 or more a month on a more robust set of software.

But more than that, you'll have a really strong idea of what you need in that software, right? And it's not features. It's not integration. I mean, those can be part of it. But once you understand, "Okay, what is the 'getting the work' system that I have that seems to be working for me? And now that I understand what is working, how do I use, invest in, and configure technology that's going to support the system that is working for me and I know it's working for me?"

All right, I'm going to leave it at that. Hope you found that helpful. Technology is great, but it's not magic. And really, if you can focus on understanding your workflows, understanding your systems, understanding the needs of the people involved in each system, that is going to be way more bang for your buck in the early stages of process improvement. And then we can talk about bringing in some tech to really ramp up and empower the stuff that you already know is working.

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This podcast gets production support from the fantastic team at Digital Freedom Productions. And our theme song is the instrumental version of "Hello" by Lunareh.

That's it for today's episode. Thank you for listening, and see you next time.