

Public Relations: Making It Work For the Firm and For Your Practice

Elizabeth Howard & Company
156 West 56th Street, Suite 1702
New York, NY 10019

Telephone: (212) 459-1485 Facsimile: (212) 459-2112

The Role of Public Relations

Introduction:

A firm's reputation - whether it is positive or negative, strong or weak, detailed or vague, will influence an individual's predisposition to retain the firm's services, to recommend its stock, and to speak favorably of the firm to others. Before outlining the elements of a public relations program, there are two questions that should be considered:

- How can one stay up-to-date with the volume of information that is available and keep ahead of what is happening?
- How important are understanding changes in the marketplace and tracking events for the growth of your practice?

Moving Information:

Thanks to the silicon chip, information is moving at an amazing speed and rapidly gaining even more momentum. Technology has given us the tools for change - and now, it is up to us to design and incorporate this technology into our communications programs.

It is important to understand that it is not just technology that is changing communications. As Jack Welch the Chairman of General Electric pointed out in a speech to employees (*Control Your Destiny or Someone Else Will* by Noel M. Tichy and Stratford Sherman), "We've learned a bit about what communication is not. It's not a speech ...or a videotape. It's not a plant newspaper. ...Real communication is an attitude, an environment." And today, the environment Mr. Welch is speaking of is the world stage.

The task of a corporate communications program is to identify methods and strategies to establish productive relationships between core constituencies by opening up dialogue and letting information flow into, out of and throughout an organization. Information flowing out of an organization should be directed and targeted to external audiences including: clients, employees, community leaders, government officials, the financial community and the media.

us vs. them

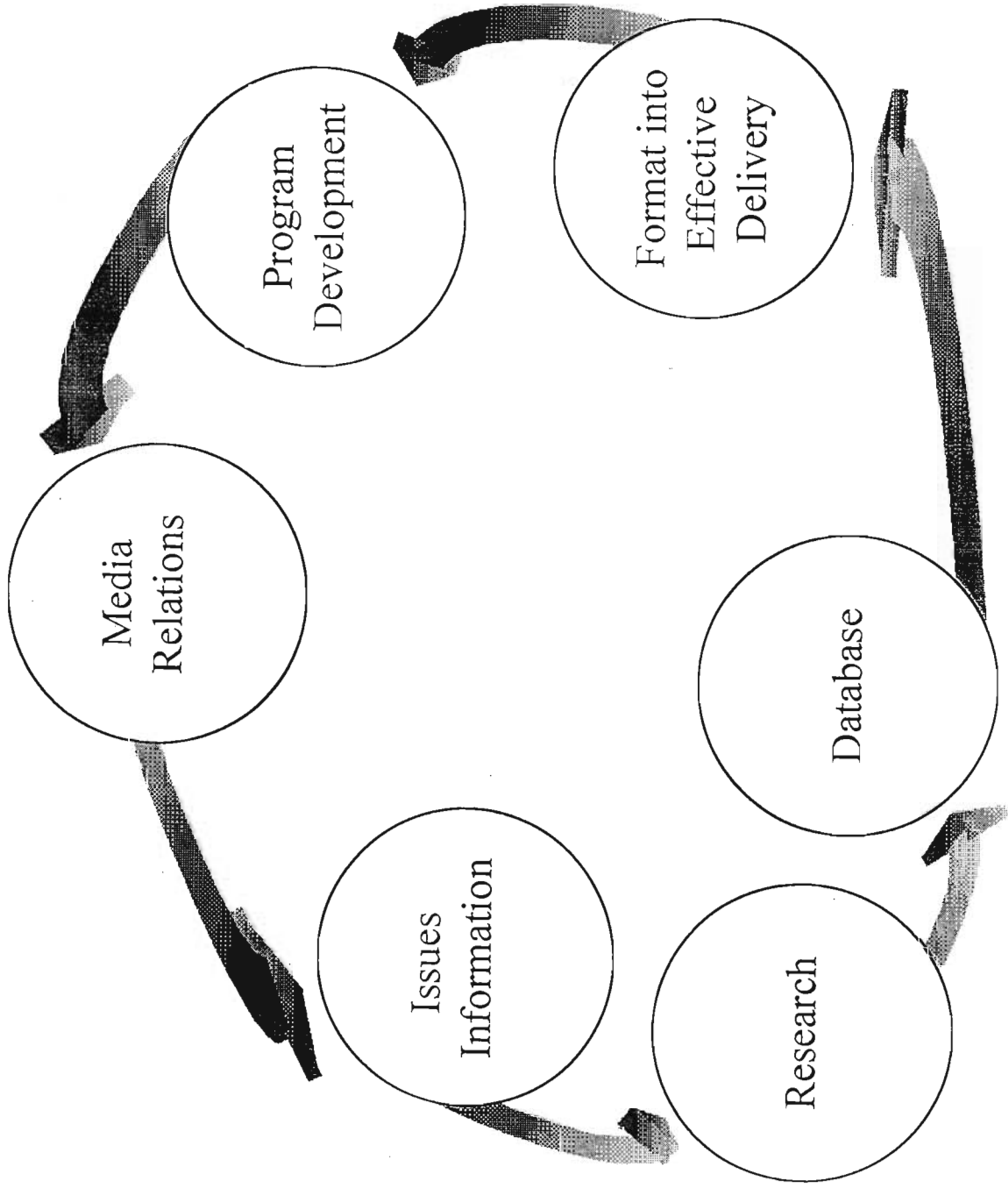
hype =

placement

promotion =

spotlight

voice > what is happening



How Do We Keep Up?

While it is virtually impossible to keep up-to-date on a daily basis, it is important to watch for developing trends and to listen for changes in the marketplace.

Observation is as important as reading and researching in understanding what shapes the marketplace and initiates the trends. Discuss issues with journalists and with business executives from different industries and backgrounds who can offer you their perspectives on the issues that are affecting their operations.

Think about four questions:

- What information do we need in this firm?
- When do we need it?
- In what form?
- Where do we get it?

The Legal Profession

The evolution of corporate law practices into business-style management has been a well-covered trend over the past several decades. The legal profession is becoming an industry. Many firms have expanded and diversified, others have become small, highly specialized boutiques. Whatever the direction, a unified direction has clearly become a key to success; and solid business management is thus widespread among corporate law firms.

Most members of the legal profession would agree that this shift toward a market-oriented legal system has made the referral network, and to some extent the prestige factor, somewhat less effective in bringing new business. In our contemporary environment, the failure to communicate with relevant publics can impact even the most prestigious firms.

Lawyers generally feel uncomfortable with public relations because they are skeptical about the results and fear that such efforts will compromise their professional ethics. Yet, there is certainly nothing unethical in communicating a firm's history, philosophy and areas of expertise with various publics, ensuring that they are informed about the services that a firm can provide.

If managed correctly, an effective communications blueprint will help provide an environment where the success or failure of a firm depends not the fluctuations of the marketplace, but on its legal skill.

Sophisticated Clients Seek Specific Expertise

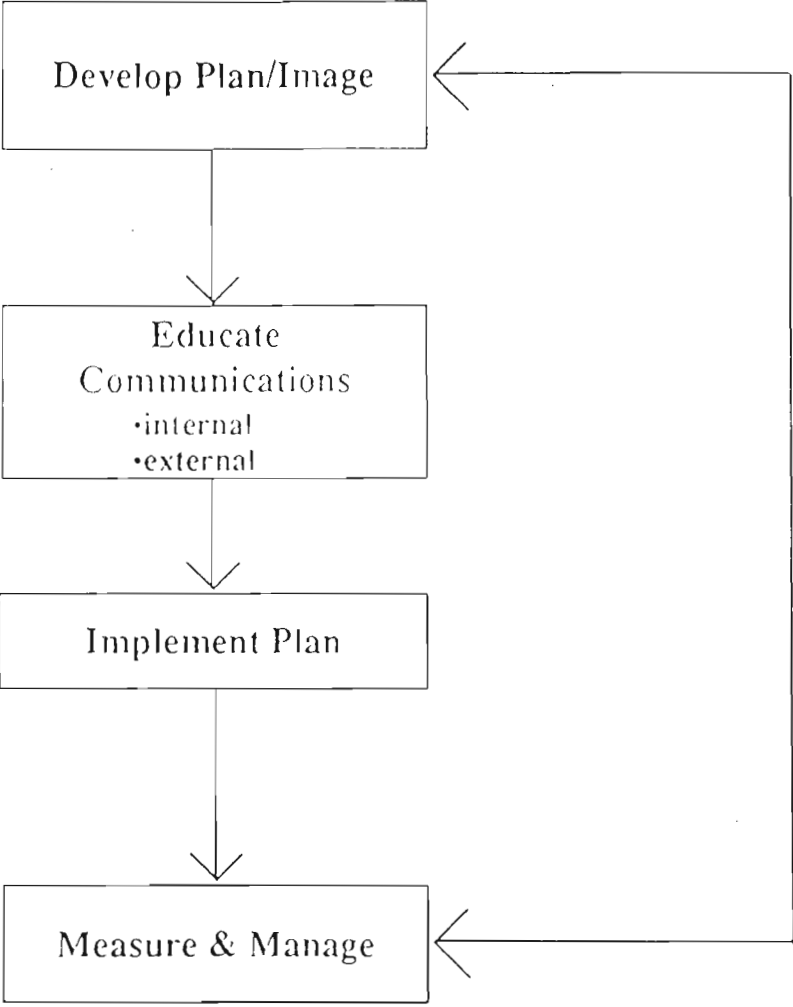
A firm's image must be taken seriously as legal clients are changing their habits. Recent opinion indicates that today's sophisticated and savvy clients no longer necessarily delegate all required legal services to one firm. Rather, today's clients shop for specific services, interviewing several firms. A firm's areas of expertise or past successes are not always assets unless the relevant publics are made aware.

The image/identity must be agreed upon by all partners as it is the perception presented to the marketplace. While most law firms do not have business plans, it is the thinking process and the necessary steps in preparing such a plan that differentiate a firm from the rest of the field, helping it identify its competitive advantage.

Positioning

The positioning of a firm, which assures that its reputation and its market niche correspond, is vital in today's economy. Before the communication process can be undertaken, it is necessary to establish an understanding and to articulate the firm's philosophy and image. Remember that there are attributes that are not tangible - such as: attitudes, managerial style, work ethos, expectations, history, communications, social activities, philosophy, values, atmosphere, tone, accepted modes of operation, even dress - but they must all be considered.

Adopt a long-range image objective so that every communication effort reinforces the objectives of the long-term plan and invokes guidance for the appropriate reaction to the unexpected.



Adjust
Results

Marketing

A database will assist in meeting the objectives of the marketing communications effort. It should perform the following functions:

- **Provide a knowledge-base of current clients, while tracking who at the firm has already targeted which client, with what marketing activity and when.**
- **Provide highly targeted access to existing clients by their industry category or the type of legal service/counsel provided.**
- **Provide a mapping of the firm's attorneys by their contacts, in terms of their knowledge of a specific client or contacts outside the firm. For example: professional association memberships, involvement in social or community affairs and former client/firm positions held.**

An up-to-date database fulfills a broad range of functions, including providing a highly targeted mailing list. It is important to track the marketing efforts being mounted by each partner or department within the firm, thus minimizing duplication. This also provides a starting point in terms of researching knowledge or contacts held by firm members on certain prospects and allowing periodic reports on the success of the marketing efforts mounted by partners, departments or the firm as a whole.

Maximize Marketing Dollars and Grow Your Practice

Test your marketing I.Q., then read on for tips on how to get more for your marketing dollars.

By Elizabeth Howard

Marketing Quiz

True False

- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | 1. Media relations is the cornerstone of an effective public relations program. |
| <input type="checkbox"/> | <input type="checkbox"/> | 2. Journalists and editors are dangerous adversaries. |
| <input type="checkbox"/> | <input type="checkbox"/> | 3. Published articles attract the attention of both present clients and potential clients. |
| <input type="checkbox"/> | <input type="checkbox"/> | 4. Creativity does not play a role in developing a communications strategy. |
| <input type="checkbox"/> | <input type="checkbox"/> | 5. Image is not important. |
| <input type="checkbox"/> | <input type="checkbox"/> | 6. Letters to journalists and potential clients should be written in the first person and should open with "I think..." |
| <input type="checkbox"/> | <input type="checkbox"/> | 7. The business of advertising borders on being unethical. |
| <input type="checkbox"/> | <input type="checkbox"/> | 8. Publishing a firm newsletter is a useless effort. |

If you answered every statement false, you scored 100 points, and probably have a thriving practice with an effective marketing communications program in place. For every true answer, subtract from the bottom line the income generated from one new case.

The *Wall Street Journal* recently described the relationship between marketing communications consultants and the legal profession as being like oil and water. Yet, law firms continue to retain those consultant services, and communicators continue to target law firms for new business. However, few law firms can point to new clients or an increase in their profits. Why not? What goes wrong?

1. Media relations is only one step in a communications program, and it is clearly not the cornerstone. Press clippings and quotes, albeit in the *Wall Street Journal* or a professional trade magazine, do not bring new business into the firm or necessarily attract the attention of nonclients where, as Peter Drucker points out, "the real

threats and opportunities exist." However, those efforts do assist in developing name recognition and in positioning the firm as part of a cohesive communications marketing strategy.

2. Journalists are driven by ideas. As Louis Rukeyser once commented to me when asked about his most interesting interview, "The next one. We live in hope." Trend articles put a journalist's byline on the front page; the equivalent of your winning a case. Discussing recent legislation, or the legal aspect of a topical issue, means you do not have to reveal your clients or current cases. Understand that journalists talk to your competitors and that they are prime sources of information. Cultivate these friendships.

3. Clearly the value of publishing is in the reprint opportunities. Lawyers tend to write articles about highly technical aspects of the law, which are only of interest to a narrow audience. Most of these articles are in need of a tight edit and a Vanity Fair-style opening. To compound the problem, the articles are usually reprinted and mailed with

a one-paragraph letter that begins: "I thought you would find the enclosed article I wrote of interest because I have identified the topic as being significant to you." Would you retain the services of this author?

4. Creativity is the ability to generate ideas. Litigators develop innovative presentations to succeed in winning cases. This same sort of creativity should be used in presenting information about the firm. Investment bankers reaped large rewards for their creative deals in the 1980s. Lawyers have a real opportunity to capitalize on the globalization and the subsequent restructuring of business which is defining the 1990s.

5. Image is essential. A firm's reputation will influence an individual's predisposition to retain the firm's services and to speak favorably of it to others. In the past, law firms have based their images on categories and the reputations of their clients. There were white-shoe firms, whose partners were graduates of the most prestigious law schools; firms who were adept at political cases; and firms specializing in criminal cases, for example. The stereotyped images came to typify the public's perception of a law firm's talents. Hollywood, with "LA Law" as one of the most watched programs for a number of seasons, was instrumental in changing the public's perception of how a firm actually functions.

6. Be succinct. Highlight the significant points and take an interest in each reader. Clients should receive personal letters. When writing to potential clients, identify the firm and your area of expertise. Journalists and colleagues should receive a third version. If your firm's database and computer program are not capable of handling a sophisticated mail merge, you are at a competitive disadvantage in the marketplace.

7. Institutional advertising can be effective in positioning a firm, if that campaign is one step in an overall strategy. A tombstone advertisement designed as a Tiffany-style invitation isn't the

solution. Publishing an advertorial in a business journal (and it's done regularly in Europe) is a cost effective method of reaching a targeted audience through a paid message. American law firms are reluctant to use this vehicle because there is no precedent for it in the United States.

Two years ago, Corporate Finance magazine approached a select number of top-tier firms with the opportunity to participate in a special section on environmental liability. The four page article, written by a well-known journalist, would have been reprinted as a brochure; in addition the publisher offered to send a personal letter with a copy of the magazine to the clients of the participating firms. The partners who considered the project expressed sticker shock at \$30,000. And yet, publishing a firm resume or a brochure covering a specific practice group consumes hours of billable time, is usually outdated when it is published and does not necessarily reach those individuals who are in positions to influence the decision about retaining legal services.

8. Internal communications is essential to developing an effective overall communications program. Partners roll their eyes when it is suggested that the first step in developing an effective marketing communications strategy is an internal newsletter. The establishment and subsequent maintenance of an effective internal communications program are primary aspects of the overall efforts that is important in pursuing a consistent and timely approach to the demands of the media. Organization within lends itself to the creation of a coherent image that can be communicated to external audiences. **LFR**

Elizabeth Howard is the principal of Elizabeth Howard & Company, a New York-based marketing communications firm. She designs and conducts in-house communications and marketing training seminars for law firms and is the publisher of Observations, a monthly trend letter.

MARKETING QUESTIONNAIRE

IV. Client Memoranda

General Counsels have stated that they will not take time to read firm brochures or similar promotional material, but will read closely memoranda dealing with current legal developments or technical discussions of problem areas and often act positively towards the authors.

Would you be interested in preparing such memoranda periodically?

- Very interested
- Interested
- Less Interested

What should be considered now for preparation of memoranda?

V. Published Articles

Publishing articles can range from scholarly law review articles to short squibs in trade publications. Such published material includes book reviews, viewpoints on contemporary legal issues, pending legislation, and new techniques.

Would you be interested in periodically writing a by-lined article for publication?

- Very interested
- Interested
- Less Interested

On what subjects are you prepared to write an article and do you have suggestions of where it could be published?

MARKETING QUESTIONNAIRE

VI. Media

Partners can also raise the Firm's and their visibility by commenting on current legal issues in the media, being quoted in the press, appearing on television or otherwise interacting with the media.

Are you interested in periodically being contacted with regard to legal issues by the media?

- Very interested
- Interested
- Less Interested

If you have any contacts in the media, would you kindly list them below:

VIII. Association Memberships

Active and working participation in bar, trade association, and community activities is an important ingredient to practice development. Passive involvement usually only provides dues income and contributions benefiting others.

Would you be interested in joining working committee of bar or other trade associations.

- Very interested
- Interested
- Less Interested

List below the professional associations, trade associations and not-for-profit organization in which you actively participate as an officer, board member, or working committee member. If you have a list of other members, please return it with the completed questionnaire.

BUSINESS PLAN

PARTNER: _____

DEPARTMENT: _____

Write a brief outline of your practice: Indicate your "competitive advantage."

List current clients.

_____	_____
_____	_____
_____	_____
_____	_____

Identify three referral sources that you plan to pursue.

1. _____
2. _____
3. _____

What legal services do you expect to provide this year that you have not provided in the past for your clients (cross-selling)?

List speaking engagements or participation on professional panels. (Specify date, organization and topic)

1. _____
2. _____
3. _____

List those professional organizations/board of directors or other affiliations that you are a member of or participate in that will bring you in contact with potential new clients. Describe your participation and time commitment. Do you serve as an officer? What is the contribution level you are expected to give, if it is a board membership.

1. Please list your external legal affiliations:

Organization:	Positions held:
_____	_____
_____	_____
_____	_____
_____	_____

2. Please list your other professional affiliations:

Organization:	Positions held:
_____	_____
_____	_____
_____	_____
_____	_____

3. Please list your external social affiliations:

Organization:	Positions held:
_____	_____
_____	_____
_____	_____

Indicate any cross-selling projects you may have within the firm.

1. _____
2. _____
3. _____

Outline any projects (of a formal nature, i.e.: cocktail party at professional event, co-sponsor of an association meeting, etc.) you may have in mind for business entertaining.

1. _____
2. _____
3. _____

What marketing support do you require from the firm?

List potential new clients for 1997. Include new work for existing clients.

_____	_____
_____	_____
_____	_____
_____	_____

Outline your marketing strategy. What action steps are you going to take to generate new clients.

List articles you intend to publish or have in the works. Indicate significance to practice.

1. _____

2. _____

3. _____

Opening Lines of Communication

The development of solid lines of communication within the business/legal community is essential to an effective legal public relations program. This type of groundwork allows problems which arise to be dealt with adroitly.

Some firms have attempted to penetrate the media environment without much success. Their problems may be blamed on their approach. These firms engage in an aggressive push towards media coverage. However, in talking with members of the press it becomes clear that this sort of hard sell disillusioned them. Journalists are interested in pertinent information, insight and hard news to give depth to their coverage of an event, not self-promotion disguised as media events.

Cultivating effective media relations involves aiming to be responsive to the needs of the media. The media is most responsive when certain techniques are emphasized.

- Experts within the firm can speak out on important new legislation, Supreme Court decisions and other legal business matters. Debates over SEC retail or pending Congressional legislation, which can have crucial ramifications in the business community, can be explored. It is not necessary for a firm to take a position. Rather, an article can simply offer the firm's insights and be valued by the media for its interpretation.
- Interpreting legal decisions for the media and the general public is also a role lawyers can play. Capitalize on rainmakers. The reputation of a firm is still essentially based on the expertise of individual partners, so partners who are confident in dealing with the public should be used for media-oriented activities.
- Lawyers must remember that effective public relations requires legal terminology to be translated into laymen's terms. A clear and concise explanation of a current situation will be greatly appreciated. For example, communications experts can assist lawyers in editing and placing by-lined articles and speaking platforms that give background information to the public on a pertinent issue while enhancing both the partners' and the firm's names on a wider scale. Firm events such as the acquisition of new partners, expansion into foreign markets or the opening of a new branch office can, with the development of a communications company, be conveyed to people who may be of interest.

Handling the Media

Differing Objectives of Lawyers and Reporters:

Business and legal media can be highly effective vehicles for marketing legal services. But when a reporter and a lawyer come together for an interview, they do not share the same objectives. The lawyer wants to increase public awareness of the firm name and its partners, as well as, identify the firm's particular expertise and specific partners. The reporter is primarily interested in writing a good story. However, these two objectives are not mutually exclusive. The more a lawyer understands the way a reporter thinks and works, the more likely he or she will be able to use an interview to achieve firm goals.

News Stories: Events and Trends:

Reporters talk to lawyers because they want good stories - either a report of a recent event or a longer feature on a developing trend. Lawyers who can support that process by offering a reporter: story ideas, frequent and immediate availability for interviews, or suggestions of other possible interviewees, will develop a good reputation among reporters and increase their chances of eventually being quoted or featured in a report.

Know The Reporter:

Before pitching a story idea or undertaking an interview, have some background research done on your reporter. (Your communications admission can assist you with this and help in the preparation of your messages.) What article has he or she written lately? Do they betray a particulate style, approach or interest that you can play to? Make sure, if you are pitching a story, that the reporter has not already covered the topic recently.

They Call It News for a Reason:

For many lawyers, one of the most difficult adjustments in working with the media is the deadline driven, fast-moving pace of the news process, which contrasts with the careful and reasoned pace of the law. (With the exception of litigation, of course.)

Story ideas must be timely. Reporters want to know about important decisions and developments as soon as they occur - not a week later. In fact, the best strategy is to alert reporters about a possible story before it occurs, so that they can do necessary background preparation.

In addition, a reporter's telephone calls should always be returned as quickly as possible since there is always a chance he/she will be working on deadline. This is especially true of reporters working for daily newspapers.

Handling the Media

(continued)

Don't be Caught Off Guard:

Notwithstanding the importance of returning telephone calls promptly to reporters who are working on deadlines, there is always time for five minutes of preparation. Whether a reporter's call has come to you unsolicited or through the efforts of your public relations counsel, make sure you are fully prepared before agreeing to an interview.

If the call is unsolicited, no matter how urgent the deadline, a five minute delay is always possible. (Have your assistant tell the reporter, "He/she is on an important call and will return your call in five minutes, in the meantime, may I tell him/her what it is concerning.") This will give you time to call you communications advisor for a quick POW-WOW on how the situation should be handled.

Similarly, if you find yourself "sinking" in the middle of an interview, excuse yourself for a moment "to take a telephone call" and take counsel - then call the reporter back and take control of the interview.

On or Off the Record?

You must discuss the ground rules of an interview with a reporter before beginning the interview because unless you say otherwise, everything you discuss will be considered "on the record." The following ground rule will probably serve you best:

Ask the reporter if you can conduct the interview "on background" (i.e. off the record with the understanding that if the reporter wishes to quote something you have said, he or she will ask you to verify it for accuracy. This modus of operation sends the message that you are willing to be quoted for attribution yet preserves your ability to avoid being misquoted.

So long as you follow this guideline, there is little need to fear being misquoted or unpleasantly surprised by the way a reporter uses your quote. This is particularly true of the more reputable journals because they pride themselves on the journalist ethics and reputation.

Prepare your Message Points:

In some situation, there will be little for you to do but offer comments on the very narrow topic the reporter is pursuing. In other cases, where the interview is more wide-ranging you will have a much greater opportunity to play a pro-active role in the interview. That is the key - proactive. Don't just answer the questions the reporter puts to you. Shape the interview - take control and work your "messages" into your answers. Lead the interview toward topics and issues that will enable you to demonstrate your particular capabilities and expertise. The more this can be prepared, the better. It helps to jot down "quotable quotes" before beginning the interview.

Advertising

The Medium is the Message:

Advertising, an unsavory concept for lawyers is changing its stripes and colors up and down Madison Avenue. Changing because of maturing markets, technology and consumer driven societal trends.

In considering an advertising program, keep the following in mind:

- A tombstone-style notice conveys actual information. It is not effective in enhancing an established images or creating a new one.
- An advertisement in a cultural program competes with other professional service firms. Consider the alternative of sponsoring a reception during intermission, buying advertising space for a cultural or civic organization and taking credit for the space.

Sponsored editorials are used efficiently in Europe and are beginning to be tested in the United States as a two or three-page insert in business journals. By addressing timely topics, editorials can be targeted to potential clients. The article can take the form of a feature article and include a sidebar describing the firm.

Tapping US Markets: Regulation *Lawyers and Listings*

For foreign companies coming to the US market to sponsor or list an ADR, or other securities, the high degree of regulation in the market place can look daunting in the extreme. They are bound to have to foot extensive legal fees - that goes without saying. But what is the process for finding and retaining the services of an appropriate American law firm?

One of the first steps in the ADR process for a foreign issuer is the selection of legal counsel and a depositary bank. 'During that process,' says Ann Fisher, a partner at Sullivan & Cromwell in New York, 'one can learn about the fundamentals of the US securities market - what is involved in an offering, what the fees will be.' She says the competition among law firms is fierce and that one should take time to interview a number of firms, and 'be selective'. Fisher counsels company representatives to 'ask lots of questions and to push for specifics during these presentations, before they plunge into the process.'

Joseph Donley, vice-president of J.P. Morgan in New York, stresses the importance of retaining the services of a US law firm, as well as investor relations counsel, with recognised expertise in the securities market. Donley points out that the CEO and the CFO must understand the time commitment necessary to complete an offering, adding that they should plan at least two annual visits to the US.

Charles Engros, a partner at Lord Day & Lord, Barrett Smith, also underlines the need to work with a firm which has handled ADRs and has the experience to handle the next offering. 'One does not want to retain the services of a firm that has never handled an ADR offering. The education process is lengthy and expensive, and the waters can be treacherous.'

Law firms are generally recommended by investment banks, so Engros believes that beauty contests are less of a factor here. 'It's probably the depositary bank that has made the presentation to the company planning the offering. They may recommend one or two law firms. But it's up to the company to make sure it will receive the personal atten-

tion and commitment of the attorney who is handling the offering throughout the entire process. Commitment and the relationship between the management, legal counsel, the investment bank and the IR firm are important to the success of closing the deal.' Engros adds that, however important it is to promote the stock and raise interest among investors, companies must look to their legal counsel to learn whether they are 'running afoul of US securities laws.'

Disclosure and other SEC requirements may be less stringent for non-US issuers than for domestic companies, but it's no less important for foreigners to keep abreast of, and in line with, the current rules.

Daniel Bushner, of the London office of New York lawyers Rogers & Wells, notes that one prominent feature of US securities laws is their severe provisions regarding civil and criminal liability. 'The most stringent of these relate to liability for mis-statements in, or omissions from, registration statements for public offerings,' he says. Bushner warns that anyone who buys securities on the basis of statements which are misleading - because of mis-statements or omissions - can recover their losses 'from the issuer of securities, from every person who signed the registration statement (which must include the principal executive, financial and accounting officers and a majority of its directors), from every director or person named as about to become one, from every underwriter and, to a limited extent, from every accountant, engineer or other expert who is named as having prepared or certified a part of the registration statement.'

No one doubts that the legal environment of the US securities markets can be a mine field. And, to a newcomer, it may seem impossible to pay much attention to anything but the immediate need - the legal ramifications of the issue or the listing.

However, Monte Wetzler, a partner at Breed, Abbott & Morgan who specialises in securities law, suggests that foreign companies should be more concerned about future representation. 'Once an offering has been made in the US, the company is under the jurisdiction of the SEC and is responsi-

'This is not an area where a company of any size can afford to make an error in judgment.'

ble for ongoing compliance with SEC rules and regulations. In many cases, companies are too narrowly focused on the current project to assess the future.'

William Voge, a partner in the New York office of Latham & Watkins, the Los Angeles-based law firm, comments: 'We see opportunities in the ADR market for companies in the biotechnology and pharmaceuticals industries which have perhaps never done an offering in the UK or US. They have developed a product and are ready to bring it to market. The choice is to go back to the original private investors, to seek venture capital or to issue an offering.' While leading non-US companies - the UK's FT-SE 100 stocks, for example - will probably already have US legal counsel, seed companies generally will not. They will look to their investment bank to provide them with a list of appropriate US firms.

Sullivan & Cromwell's Ann Fisher expects to see 'innovation in the use of existing ADR facilities'. She emphasises the importance of selecting legal counsel with depth of experience, not just in ADRs but in a variety of international financial work. 'There is not a great deal of mystery to handling an ADR, on the one hand, but on the other, you do want someone with experience,' she says.

But can seed companies really afford the counsel of a top tier US law firm like Sullivan & Cromwell? 'Yes,' says Fisher. In her view, no company can afford not to take first class advice. 'This is not an area where a company of any size can afford to make an error in judgment.'

By Elizabeth Howard, of Elizabeth Howard & Company, New York-based corporate marketing communications and IR Firm.