

## **Building and Keeping a Client Referral Base**

Referrals from former and current clients, and friendly third parties, are among the most desirable sources of new business. This article describes several approaches for developing and maintaining a referral base as an integral part of a firm's business development and client relations program.

A referral base is the process by which other individuals refer legal work or clients to an attorney. The most tangible benefit of a referral network is the generation of legal work that will contribute to your firm's revenue. A secondary benefit that produces personal and professional satisfaction, is the recommendation of your firm from another individual who has confidence in your abilities. In either case, since the client has been referred by a friend or an individual in a position of trust, the client relationship often begins with a greater degree of confidence.

It has been the author's experience that referrals generally occur because of the efforts of the attorney who is receiving such referrals. You should not expect such referrals to "fall into your lap." You must initiate certain actions to try to make them occur.

There are two kinds of referral networks. One is an attorney referral source. The other is referral from clients or other "friendly third parties" who are not attorneys. Both types of referral networks are important. However, one type may be more important for developing a particular practice.

### **Attorney Referral**

Many attorneys refer work to other attorneys because of the specialty nature of work that needs to be performed or because of a conflict of interest. To be in a position to receive such referrals, an attorney should develop an expertise in one or more areas of legal work and become recognized by other attorneys as being especially skilled in those areas. It is also necessary to inform attorneys who may be referral sources that you have such expertise and that you are interested in accepting referrals in these areas. To the extent you are interested in receiving referrals, you should get to know attorneys likely to be in a position to refer such matters. This may be accomplished by participating in bar associations, by writing on case law or procedural issues, by speaking at CLE programs and by maintaining an active role in selected committees. Having your firm listed in legal directories may also help.

Since attorneys refer matters to other lawyers when they are confronted with a conflict of interest, it is probable that larger firms will have such conflicts of interest more frequently than smaller firms. Thus, the potential referral sources for conflict of interest cases will likely be different than for cases the referring attorney does not wish to handle because of lack of expertise. Once an attorney referral base has been established, it is important to maintain that network. Several points need to be remembered in this regard. First, referrals resulting from a conflict of interest will often involve a client who will be returning to the referring attorney for other matters. Second, remember that there is another attorney/client relationship involved. Third, providing good service to the referred client is an excellent way to help reinforce the referral network since the reputation and judgement of the referral sources, as well as your own reputation, is on the line with a referral client. Further, you should make every effort to ensure that the referred client is satisfied. This may mean having to do more than "just handling the case in a competent manner." Dissatisfied clients will invariably report back to the referral source making it difficult for you to receive future referrals from that source. Fourth, the attorney working with a referred client should be mindful of not "showing up" the referral source. Also, never give the impression to that client or to the referring attorney that you are trying to "pirate" that client. Fifth, the attorney handling the referral should maintain as much communication as possible with the referral source. Doing these things will keep the referring attorney happy and result in additional referrals.

### **Non-Attorney Referrals/"Friendly Third Parties"**

The first step in developing a non-attorney referral source is to evaluate your own practice to determine what type of referrals you are able and willing to accept. The next step is to identify potential referral sources. The best referral sources will have significant and repetitive contact with individuals who need your legal services. These sources should be able to identify the needs of potential clients and have their trust in order to make a referral. Identifying friendly third parties and cultivating their confidence is time consuming. Patience and perseverance is essential.

The initial contact with potential non-lawyer referral sources may be made by joining a professional, trade, social, civic, service or religious organization. You may be recognized by maintaining an active profile on influential committees. It is essential that you do a superior job on any committee or project assigned. This will provide an excellent opportunity to get to know and impress those friendly third parties who may be potential referral sources. A few years ago, the author was consulting with a large firm that co-sponsored, with other patrons, the Nutcracker Suite Ballet on public service television during the Christmas season. The managing partner of the law firm indicated that as one of the patrons of the telecast his firm was invited to several cocktail receptions during the year sponsored by the television station. These receptions were attended by executives of other professional, service and corporate organizations. Through a well conceived and executed plan, the managing partner and particular members of the firm personalized and reinforced their relationships with these executives with the expectation of developing a client or referral base.

By analyzing and communicating with well positioned friendly third parties, you may be invited to speak before professional or other organizations on timely subjects in which you have expertise, or to write for one of their publications. On many occasions, you may already have established a relationship with a friendly third party who is a current or prior client.

Once these referral sources have been identified, you should develop and reinforce a personal relationship with these friendly third parties who come in contact with potential clients. Notwithstanding the desire of attorneys to foster a personalized relationship, you must be careful to insure that the most appropriate individual in your firm is selected to do this. The personal chemistry that allows a natural rapport between you and the potential referral source is essential.

Recently, the author was called upon to work with a firm that had developed a very successful worker's compensation practice through the close personal relationship of a partner with the shop steward of a union in a plant of a corporation that manufactured heavy equipment. Injuries to workers were frequent and usually serious. To reinforce his personal relationship with the shop steward, the partner made it a practice to occasionally visit a neighborhood bar after hours to have a few beers with the steward and other workers. Quite unexpectedly the partner became seriously ill and was unable to continue to work. The firm's managing partner suggested to another partner in the workers' compensation department that he continue the relationship. Although the second partner attempted to befriend the shop steward, it was readily apparent that the rapport between the two was strained. Within a year after the first partner's illness, the referrals to the firm from the shop steward dried up.

### **Maintaining the Referral Network**

Once referrals from non-attorney sources are received, it is important that you work to maintain that base. Providing good service to referred clients and keeping them happy will reflect well on the friendly third party and encourage them to make additional referrals. Further, courtesy should be extended to the referral source by communicating with them about the status of the referred matter. If the referral source is involved in the matter for the client, keep them informed and ask for their input. You need to satisfy both the client and the referral source in order to continue to receive referrals.

Maintain contact with referral sources even when you are not working on a referred matter. This keeps your name in front of that source for the next referral. A phone call, letter or lunch is easy to do and can be valuable in maintaining and reinforcing your relationship. You can also offer to provide assistance or input to the referral source on matters in which you are not directly involved. Non-lawyer friendly third parties like to have an attorney as a resource and will likely give that resource person more referrals.

Set monthly goals for the number of referral sources contacted. Allocate time for this important activity. Make it part of your regular routine.

Many referral sources will also expect referrals from you. This is usual and can help build a stronger relationship with the referral source. You must always be sure it is in the best interest of your client to make such a referral. If you work with referral sources who are competent, quality people, you will have no worries in accepting or making referrals to them.

In some cases, you may disagree with the advice or direction a referral source is giving to a mutual client. Contact the referral source to discuss any problems which you have, prior to discussing them with the client. The problem may be a misunderstanding and can be corrected. If any such problem cannot be resolved, you have a duty to explain your differences to the client.

### **Satisfied Client as a Referral Source**

Most satisfied clients are willing to make referrals. The time immediately following the successful completion of a legal matter is when to ask that client for a referral. It is strongly recommended that you ask the client for a referral, prior to using that client's name. Few clients like to make referrals without their permission.

### **Conclusion**

The development and maintenance of a referral network is an excellent technique for marketing your practice and obtaining legal business from attorney and non-attorney sources. A successful referral base will require work and take time to establish. You must have patience and persistence. Legal matters are referred everyday. Most referrals go to those attorneys who have worked to establish and maintain their referral network.