

# Twenty Questions You Should Ask Current and Prospective Clients



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You've done your research about the client or prospect, thought about communication strategies, and completed your pre-interview plan, but you may still be wondering: What do I say? Where do I start? Here's where rainmaking often turns into drought. Lawyers inexperienced in business development often make the crucial mistake of assuming that they're the ones who are supposed to do all the talking. For lack of anything better to do, they start their sales pitch. Or they try to convince clients or prospective clients that the firm has a number of good lawyers who can help them. Or more likely, they start with small talk as their way of trying to build rapport. For the first 45 minutes they focus on sports, the weather, or subject matter that borders on the trivial, and is, often, inappropriately personal.

But clients and prospective clients do not want a poorly thought-out sales pitch, and they do not need to be told about your lawyering skills. They probably assume you are good at what you do, or you would not have gotten this far. And they certainly do not want personal, small talk. They are as busy as you are. What they want is to feel comfortable with you as a professional and to see where you and your firm might fit in with their business objectives. To make them comfortable, you must get them to talk about themselves and their business objectives.

Your efforts should focus on listening to their responses. The more they talk, the more you will learn. And the more you learn, the more

natural the process becomes. In business development, information is always power—because it means knowing what they need.

Knowing what to ask and how to ask is an art and a science. The twenty essential questions proposed here are broad enough to apply to most types of clients—both current and prospective—yet specific enough to elicit the concrete information essential for effective business development. While many of these questions appear to target new clients, it is surprising how much lawyers do not know about the clients they have been serving for years. When those lawyers take the time to learn they often find that there is substantial business going elsewhere which, with a little effort, could be kept in the family.

First, here are a few basic rules:

- Show respect for your client's time. Demonstrate your ability to perform due diligence before a meeting, by asking questions that show you have mastered basic background information on the person you are meeting with, his or her company and industry, and the company's overall legal matters. Much of this is easily obtained from publicly available resources or in pre-meeting conversations with support personnel.
- Do not neglect the long-term perspective. When they hear you asking about their plans three to five years hence, they begin to think of you as a 30-year ally.
- Do not worry about asking new clients direct questions. This is information they tell their brokers, their PR staffs, the stockholders, the press, and others in the business world. Further, they expect a high degree of confidentiality when talking to a

lawyer, and they certainly want to talk candidly about their business because they want to trust their lawyers.

- Ask current clients direct questions, too. They will appreciate your interest and may even realize that such expert listening is the crux of delivering quality legal services.
- You cannot and should not try to “sell” legal services to unwilling buyers. Do not try to close the business at the first available lull in the conversation. Avoid the “sales pitch,” as they may not be in the “catching” mode.
- Never put them on the defensive. Do not use the style of questioning you would use in a deposition or while cross-examining a hostile witness. The interview should be a win-win. The better they feel about talking now, the better they will feel about hiring you later. Let them be the ones to bring up sensitive or painful matters.
- Try to avoid the “why” questions. Such questions are often received as judgmental, even when you intend no such thing. It is empathy and rapport that you are after.
- Make all your questions as open ended as possible. A “yes” or “no” answer will seldom do you any good. Phrase questions in such a way as to give them the opportunity to supply as much information as possible.
- Do not feel you need to respond to everything they tell you. Much of what they say should be filed away for future use at a more appropriate moment. Silence can help build informational savings accounts.

The needs-analysis process during an interview follows its own course and cannot be rigidly structured into a pre-determined sequence of the essential twenty questions or any other questions. In general, however, you may plan to start by asking general questions about their business: what products or services they offer and to whom. There is nothing they would rather talk about. Then explore how they have

structured their organizations. Finally, focus on their legal needs: how they have met those needs in the past and intend to do so in the future. In the course of that discussion, these are the twenty essential questions you will want answered:

## 1. What do you want your organization to look like in one year, two years, or five years?

This question is a good opener, because it allows buyers to begin talking about any aspect of their business they choose. But you also have your own tactical reason for asking it, which is to determine if they have formulated a strategic plan and, if so, what that plan involves.

You should know the plan before you visit. Looking at their website and industry trends. You are simply validating the known plans. What you really need to know is what they see as the unknowns.

Asking about strategic planning also tells you what kind of self-knowledge they have. Do they have a specific vision of what they want for themselves, or are they playing the field, reacting to events and market developments as they happen? Getting a feel for them in this way may tell you volumes about how they deal with every other aspect of their business, including hiring lawyers.

## 2. When and where do you plan to open new offices or plants?

This seemingly innocuous question is more than just a further refinement of the strategic planning issue. It will help you focus on a whole range of possible legal services, from real estate and lease negotiations to benefits planning for new staffs. In addition, it is information that will give you a real sense of just how aggressive and confident they are. It is one thing to talk about a

strategic plan. It is another thing to state boldly, “We intend to open ten new branches in the next two years.” This is a global market, and you will need to know how they see it.

### 3. What new products, services, or major changes are you anticipating?

What if a retailer has decided that it wants to offer a discount brokerage service? You may have had no idea that the client or prospect intended to do this, and they may have had no idea that your firm has a securities practice. Here, the opportunity speaks for itself— thunderously.

### 4. What kind of research and development do you see as necessary for you to meet your strategic objectives?

Legal counsel is itself a form of R&D for clients, particularly where they will be breaking new ground. As they talk more about their plans— how much they plan to invest, and the kind of research they’ll be doing—you may get a glimpse of your own future: the practice areas you will need to develop to be at the cutting edge five or ten years down the road.

### 5. What is the profile of your typical customers and how do you market to them?

Getting a clearer sense of who their customers are may help you determine how they themselves behave as customers. Are their buyers highly sophisticated and demanding, and to what extent? If so, they may want to see some evidence that you also treat your clients as peers. Understanding how they market their products or services will naturally give you some clues as to how you should be approaching them. If they de-emphasize the direct pitch, maybe you should, too. But there is

another reason to explore their marketing approach. How they structure their sales force, whether it is decentralized or pyramidal, and the quota pressures under which those salespeople operate, will give you crucial insights into their culture. What the company expects from its district managers it may also expect from you. Refine this question as much as possible, to show you have already learned what you can about the company’s business. If possible, this question will sound more sophisticated to the client if you can start it like this: “Given that your customer profile is X and marketing to that demographic is changing in Y ways, what changes do you see in the next five years in marketing?”

### 6. What are your employee relations concerns?

How they manage their sales force leads to a broader issue: how they manage their entire work force. This line of inquiry will strengthen your sense of their culture and its impact on their legal needs. Is it a paternalistic milieu or a demanding and confrontational one?

Querying their concerns here also will help accomplish two other basic objectives. First, it will indicate current or future labor/employee problems: collective bargaining, wrongful discharge, benefits planning, etc. Second, it will increase their comfort level with you. Whether they are a closely-held business or a Fortune 500 giant, there is nothing they fret about more— and nothing they would rather talk over with a lawyer.

### 7. How do you see your competitive landscape changing?

Here is another opportunity to get a sense of the business climate in which they are operating. Where there is an ongoing survival

struggle with competitors, there are myriad legal issues, like commercial litigation, that the decision maker may not yet be pondering but ought to be. Conversely, less intense competitive environments may direct the client dialogue elsewhere.

**8. What strategic changes in the business do you see in light of the financial climate you operate in, and which changes in the global economy concern you most?**

Use care here. This is information you need to have, but the question must be presented in as non-threatening a way as possible. You do not want to put anyone on the defensive. And you certainly do not want them thinking you are worried about who is going to pay the bill. You are really trying to accomplish something very different. If they are in distress, they may want to think about spinning off a division, or even tapping your or your firm's bankruptcy expertise. Or perhaps you will eventually want to suggest custom-designed billing methods. You may even want to mention that you have helped other companies under the gun. Once you have a sense of where they are in the marketplace, shift the focus somewhat. Find out what makes them tick.

They have something on their minds; otherwise, they wouldn't be talking to a lawyer. Some of them may want to jump right in and tell you about a serious problem that has been keeping them awake at night. Others will prefer to talk about bewildering regulatory, political, or market changes. But even generalities will highlight what they need from you today, as well as how you might be solving their other problems tomorrow and the day after tomorrow.

Depending on the answer, you may be on the verge of making an absolutely crucial determination: does this person want proactive counseling or crisis management? You are not

going to use the same tone with a client who wants you to co-pilot long-range business strategy that you would use for someone who needs you as a safety net. To know which tone will make them most comfortable, listen carefully to the tone they use with you.

**9. Before we talk about how decisions really get made, can you walk me through the critical parts of your organization chart and talk about the legal and purchasing decision-making process?**

You are really trying to gauge the organization's level of complexity. Is it a flat organization or hierarchical? Are there dozens of subsidiaries, or is it a one-cell organism? You don't necessarily need the whole organization chart, just enough information to know with whom you're dealing. You may uncover reporting relationships between their divisions or subsidiaries that you never suspected. The names of the key executives are also important at this juncture. You may never actually meet, say, the CFO, but you certainly do not want to sound ignorant later if that person's name comes up.

**10. Now, in practical terms, how are decisions made and who makes them?**

Here you are fleshing out the political underpinnings of the organizational setup. How bureaucratic is it? How autocratic? How many meetings will be needed before decisions, including retention decisions, are made? For lawyers in particular, it is vital to know who specifically makes the decisions. You need a firm grasp of all levels of the organization and key decision makers and must be prepared, with or without the presence of a general counsel, to work with a variety of non-legal executives who influence or outright control the buying decision. This also is your chance to learn more about the leadership style and

personalities of those people before you meet them. You may learn that the leadership style emphasizes consensus-building. That is a cue to suggest setting up other meetings with as many of those important team players as possible. Even brief introductions are useful. The more decision makers you meet, the more opportunities open up.

**11.** In light of all that, how is the legal department organized and how does its role change depending upon involvement in decisions from elsewhere in the company?

Obviously, you need to know how this legal department really functions and how much influence and independence it has internally. But be careful here. The general counsel may be out of the decision-making loop altogether. Let the client or prospect describe the role of their legal department and then you can draw your own conclusions. But ask to meet the members of the legal department in any event. There is no point in alienating your in-house counterparts.

**12.** What do you see outside counsel accomplishing for you or your organization?

Again, the question is broad enough so that the client supplies the essential information. Let them tell you what they want to buy, not just react to what you assume they need. They state their needs. You decide if you can fill them.

**13.** What has been your experience with value billing methods and who gets involved in determining ROI?

The new buyers of legal services are far more focused on the financial aspects of buying legal services. Offering alternative billing methods that can be compared using rates per hour has

made the job of comparative performance about lawyers and law firms easy targets for discounts. The concept of pricing based on the value provided has proved to be challenging for all parties. Many firms have hired pricing analysts. The problem for these analysts is that their calculations are based on the law firm's costs rather than the value to the business. All legal services can be easily measured: the services either help the client grow assets or protect assets.

Licensing of IP by companies is a clear example of opportunities to grow and protect assets at the same time. Helping clients with real property tax audits that reduce the tax bills are another.

**14.** How big an upside does the company expect to see from a new business opportunity before committing to a legal and business strategy?

Ultimately, your greatest potential lies in breaking free from tight budgets drawn with existing legal needs in mind. Before you propose that the client invest in your services to execute a plan it had not budgeted for, you need a clear sense of the client's risk tolerance and how large a bottom-line benefit must be before it gets the client's attention. If, in this part of the conversation, you hear the client agree that some amount of ROI would make approval of a new initiative likely, you may find it useful later on in this process to repeat that back to the client.

**15.** What sort of legal services are you currently using, and do you expect any changes?

Perhaps they have been relying on outside counsel for, say, garden variety tax work or ERISA. If so, ask yourself why they are talking to you now. Maybe some new and critical

situation is in the offing, and they feel the need to shop around. Or perhaps they are just dissatisfied with their current counsel and are looking to turn everything over to another firm.

This line of inquiry is also helpful because you will be able to compare their current legal needs with the services they are now buying. Something may well be missing on the service end. With new or first-time buyers, there may be particularly glaring omissions. With long-term clients, watch for certain recurring patterns. Some of them may be turning to Firm X for, say, tax work, and to Firm Y for litigation. Do they even know that many firms offer the best of both? One-stop shopping is a powerful lure for most clients and prospective clients. Consolidating to fewer and fewer outside firms has been the most compelling “one-stop-shopping” trend in recent history.

For less sophisticated buyers, modify the questions. Ask them to imagine the best-case lawyer/client scenarios, as well as the worst.

## 16. What do you like about what other firms do, and what do you wish they would do differently?

Learn from your competitors’ mistakes without attacking them directly. In fact, never make negative comments about your competitors. It reflects on the judgment of the buyer! Identify where competitors have fallen short in order to determine where you will need to do better. It is helpful to find out who those other firms are, because they are likely to continue to compete with you for future work. The buyer may mention their names without your having to ask. This could turn out to be the most important question about your opportunity to replace the competition.

## 17. How much detail do you like to get from your lawyers?

Here is where you can get a real picture of their legal environment, and how much knowledge of the law they are bringing to the table. That knowledge will have a direct impact on your business development efforts. They may not be interested in hearing about all the details of your most recent case and are not likely to appreciate your trying to dazzle them with displays of esoteric legalese.

By the same token, if they demand chapter and verse on every deal, they may well expect to be talking shop before they hire anyone. Incidentally, if they take pride in their legal knowledge, they probably have invested power in their general counsel, at least in determining which firms get what business.

## 18. How do you perceive our firm in particular?

You should be listening here to two things. First, what is it that has interested them enough to consider hiring you? Is it a particular practice area or your firm’s overall reputation? Define that strength and, whatever it is, reinforce it in your discussions. But note also what even the most admiring clients fail to perceive about your firm. Remember, you are trying to build a long-term relationship. That means going beyond the one or two areas of expertise that they have seen fit to mention.

## 19. What criteria do you use in selecting lawyers? What makes a good lawyer?

A good lawyer may be variously defined as someone who wins cases, returns phone calls, respects in-house counsel, or keeps costs down. Sometimes they have no particular impression



of you or your firm. They may just be spreading their nets, talking to as many lawyers as possible. So do not guess what they are looking for. Ask them.

## 20. How does your budgeting for legal services compare to what you spend on other resources?

Get a sense of the cost pressures beleaguering them. Sophisticated buyers are not looking for bargain-basement rates, but they are attracted to lawyers who are sensitive to their need to stay within reasonable limits. Again, the main issue is their comfort level. They are going to want to know that you are someone they can deal with. You will need to assist in the budgeting process. Helping clients establish

budgets, manage matters and use attractive fee arrangements (AFAs) have grown increasingly commonplace in the “New Normal.” Many firms will have to develop desktop and laptop technology programs to communicate with clients’ systems.



### Next Steps

The last question you may want to ask is the one that will lead to a commitment. Building relationships is a process, and one in which clients and prospective clients themselves participate. So ask your client or prospective client for help in determining what the next step might be rather than begging for the business using antique “closing” techniques.