

Round Table: Business Development and Marketing in Austria

On September 2, Partners from 8 leading law firms in Austria met in Freshfields' Vienna Office for a CEE Legal Matters Round Table on law firm business development and marketing approaches. The Round Table participants represented a good mix of international firms, including both Austrian firms with a strong CEE regional presence and firms operating exclusively in the Austrian market.



Peter Huber, Managing Partner
Vienna,
CMS



Jasna Zwitter-Tehovnik, Partner,
DLA Piper



Christian Dorda, Managing
Partner,
Dorda Bruggner Jordis



Friedrich Jergitsch, Managing
Partner Vienna,
Freshfields Bruckhaus Deringer



Willibald Plessner, Co-Head of the
CEE/CIS region,
Freshfields Bruckhaus Deringer



Markus Piuk, Partner,
Schoenherr



Christoph Moser, Partner,
Weber & Co.



Horst Ebhardt, Partner,
Wolf Theiss





Core to Marketing and BD in Austria: Building Relationships

When it comes to marketing and business development in the country, Christoph Moser spoke at length about the need to identify the most effective channels. In contrast to the previous firm he worked at, Moser explained that Weber & Co., a smaller firm operating with limited resources, found value in moving away from “intensively sending out press releases.” He explained that: “We find it critical to stick close to the community and try to find smaller channels for our news and legal expertise and try to address our peers directly, in particular Corporate/General Counsel/Banking clients.”

Coming from the opposite side of the spectrum, Jasna Zwitter-Tehovnik argued that, while DLA Piper, as a global firm, benefited from a multitude of global marketing initiatives, there is still a strong need to “adapt to market realities.” In her view, this goes beyond a simple assessment of whether the media channels used are sufficiently focused on the local markets. Instead, as she put it, “you need to position yourself as a lawyer of trust, and you need to make sure you build a personal relationship with your client to let him know you for the specialist you are.”

Willibald Plesser suggested that the ultimate answer is simple: “Get out there and see your clients.” Markus Piuk emphasized the same thing by explaining that if you don’t spend time with your clients, someone else will. According to him, in most CEE jurisdictions – not only in the competitive Austrian market – there are at least 10-15 strong law firms, which makes it imperative to constantly differentiate yourself by engaging in dialogues with potential clients.

But staying connected to potential clients is not all about generating new business. In fact, Christian Dorda mentioned that, in his estimate, less than 20% of his firm’s work is generated from actual marketing efforts. The rest, he said, is a matter of “reputation of the brand, which is simply impossible to build without building a personal relationship.” Plesser further explained that a

great deal of effort needs to be dedicated to maintaining and developing existing client relationships to receive the best possible mandates from them in the long run, both in terms of complexity of the matters covered as well as, implicitly, the fees generated.

While relationship building is important in any jurisdiction, the participants suggested that it is even more so in Austria. Speaking to this point, Dorda explained that it is important, in the relatively small Austrian market, to be perceived as having a strong civic sense and to be engaged in your community on an on-going basis and belonging to associations (such as, he suggested, various chambers of commerce).



Advertising: Does it Pay to Pay?

Since the CEE Legal Matters business model is built on advertising revenue, we asked the attending partners about the perceived value of advertising for their firm as well as what best practices they have developed in maximizing its returns. On the topic, Huber explained that the reality with advertising is that “half of the advertising spent is wasted, but the curse is that it is close to impossible to know which one.” Dorda’s position is that advertising is generally “good to have as background noise and to make sure you have some form of presence” but that it cannot replace direct contact. Horst Ebhardt linked the drive for and potential impact of advertising to the growth stage of a firm. In his view, young organizations stand to benefit considerably more from the brand visibility it promises, while the added value for established brands, while not nonexistent, is diminished considerably.

In terms of best practices, Moser explained that his firm’s approach is generally to be as specific in their target segment as possible. According to him, it is usually best to “try to allocate print marketing funds to publications that we believe are not necessarily read by all but reach the core target audience.” Similarly, Huber’s approach is that it is best to “focus our advertising spend to industry specific outlets.” At the same

time, firms can distinguish themselves not only by choice of channel, but also by the message conveyed: “I personally prefer advertising only if we feel we have something especially pertinent to say. Simply putting our name out there by itself does nothing for us,” Piuk explained.

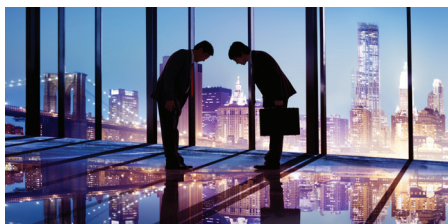
“Content is king” seemed to also be one of the main consensus points. According to Friedrich Jergitsch, there are so many things happening in the legal industry that firms have a plethora of marketing tools available to them. Traditional advertising, in his mind, can easily and effectively be complemented by using various channels to advise clients on legislative changes, for example, which helps firms position themselves as experts. In terms of distribution of this kind of content, Piuk spoke about Schoenherr’s “Legal Insights” reports, which are appreciated by clients and have helped the firm create real leads. Ebhardt mentioned that once content is generated it makes sense to use a healthy mix of firm-maintained platforms and outsourced ones as distribution channels. Huber also mentioned that even creating “blog-type” platforms to put forward such content is useful, especially in terms of motivating and rewarding younger lawyers. This can also be leveraged on social media platforms to great results if done consistently, according to Zwitter-Tehovnik, especially since tools such as LinkedIn are useful not only in conveying a firm’s message, but also in keeping track of developments. She conceded, however, that social media can become a massive drain on time.



Legal Directories: Worth the Time Investment?

All law firm marketers complain about the massive amounts of time eaten up by legal directory submissions. This work involves not just gathering relevant information on previous deals and nagging fee-earners for relevant information, but also reaching out to clients and asking them (sometimes repeatedly) to vouch for the quality of a firm’s work. We asked the attending partners if they feel these efforts pay off in terms of generating business.

Jergitsch said that he does not recall once being called up by a new client because of their ranking in a directory. That is not to say that the rankings do not add any value, he noted, agreeing with Horst Erhardt, who explained that law firms “cannot really afford to not be listed as it is more of a confirmation that anything else.” The same was argued by Plesser who described the rankings as a “useful endorsement to have,” with Moser reinforcing this view by explaining that for clients it is “really hard to argue [internally] why a choice was made for one [unranked] firm over others which are ranked.” Piuk also explained that being listed in such directories is particularly useful in what he called “exotic markets” (such as Moldova, he said, for Schoenherr). In such markets, Piuk explained, a general counsel turning to the market for the first time is quite likely to rely on such directories. Plesser applies the same logic when it comes to “niche or exotic” practice areas but emphasized that, at the end of the day, all the above are valid points if you are talking about established directories with a thorough methodology.



Branding: Out Looking In and In Looking Out

Since a great deal of the discussion focused on the specific nature of the Austrian market, we asked the representatives of international firms in Austria whether the branding efforts of their firms focus on positioning themselves actively as large international organizations or whether they feel the need to localize their brand identity. Plesser emphasized the need to strike a balance between the two. On the one hand, he mentioned that Freshfields does benefit from its full service/top level positioning promised through an international brand, but he emphasized that that promise has to be constantly fulfilled by providing the best quality service that clients can get on the market. He pointed out that a brand is always something that “in some instances it is perceived to add value, while in others it is something that makes you fight uphill.”

With regards to the size of marketing and business budgets allocated to markets out-

side of Austrian borders, the percentages ranged from CMS’s approximately 10% (as estimated by Huber) to Weber & Co.’s 40% – the majority of which Moser explained was targeted at the German market. Ebhardt did point out that, at times, such investments are hard to break down by market, as when, for example, he meets a General Counsel in New York for work in Austria.



A BD Culture: Not all Lawyers are Marketing Animals

For the last part of the discussion, participants discussed their approaches to building up a business development culture, with a lot of the conversation revolving around how they train up the rain-makers of tomorrow. To start, Piuk pointed out that while his firm dedicates a lot of time and effort towards fostering a business development culture, “it cannot really be forced upon people.” He explained that there are some people who are genuine “marketing animals” and genuinely enjoy speaking with clients, while others, with “incredibly strong legal expertise” may simply not enjoy that aspect as much. “That is not to say they are not critical,” Piuk clarified, “as there is nothing better than doing marketing with a strong professional that is a go-to expert in his/her field.”

In terms of “training the young,” Huber explained that structurally firms can and do include BD as part of their “core curriculum,” complemented by a reward system such as (for instance) a “business developer of the year.” The same was noted by Zwitter-Tehovnik, who referred to what DLA calls its “academy,” and is part of the firm’s partnership track. Also in terms of structure, Ebhardt explained that all Wolf Theiss lawyers have a “BD target agreement,” based on their strengths and seniority. He also mentioned an interesting exercise that the firm carried out regularly, with several GCs agreeing to be “pitched” by young associates as part of an in-house competition that even the GCs, Ebhardt claimed, enjoyed.

Dorda also spoke about the importance of

creating a flat hierarchy to allow younger members the opportunity to see first hand not just that they have to be in front of a client, but also *how* to do so effectively. According to Moser, having a young associate shadow a client meeting is a critical tool to demonstrate that effective lawyering is not simply about billable hours, but also showing them the value of communicating with clients. “I never had feedback from a GC that it is not ok to bring an associate to a meeting,” he added. Jergitsch explained that, while in some cases, it might be difficult to bring associates along for a BD meeting, Freshfields tries to make sure that associates are constantly encouraged to write and “get their name out there.”

Overall, the round table generated a fruitful exchange of ideas, and we would like to thank all the participating partners for their time and especially to Friedrich Jergitsch, who offered to host the event. We look forward to more such gatherings in the future!

Radu Cotarcea

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