

THE ATTORNEY'S GUIDE TO
**REFERRAL
ETIQUETTE**



by Stephen Furnari

IT FEELS JUST LIKE A LAW FIRM ...BUT HAPPIER.

Law Firm Suites' shared law office space
...helps attorneys solve the challenges of small firm practice.



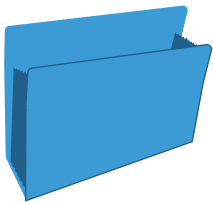
CLIENT REFERRALS

Receive client referrals for no other reason than showing up to work and being nice.



OFFICE RENTALS

Office options ideal for solos, small firm attorneys and out-of-town firms.



COMMUNITY

Lawyers are most successful when they work collaboratively with other successful attorneys.



VIRTUAL OFFICES

Premium commercial office services offered on a low-cost, a la carte basis.



BUILT-IN NETWORKING

Keep your network active even when you get too busy to leave the office.



CONFERENCE ROOMS

Conference rooms rentals in a facility that feels like a working law office, not a sterile hotel business center.

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A note about your Ethical Responsibilities

This eBook provides advice on the best practices for giving and receiving referrals. It is for information purposes only and does not constitute legal counsel, guidance or an opinion about how to practice law within the bounds of the ethical rules governing your jurisdiction. Compliance therewith is solely your responsibility and adherence to those rules should take precedence over the points discussed in this eBook.

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A NOTE FROM THE AUTHOR

In 10 plus years of practicing law as a self-employed attorney, I have implemented every kind of marketing strategy imaginable – speaking engagements, public relations, article and blog writing, email marketing, eBooks, trade shows, videos and web marketing. Despite all my efforts, referrals from other attorneys, dollar for dollar, are the single biggest revenue source at my firm.

However, there are few things more frustrating than trusting another attorney with a valued client’s sensitive matter only to have the other lawyer blow it. It’s embarrassing and jeopardizes the trust you’ve cultivated with the client, sometimes over the course of many years.

At Law Firm Suites, my staff and I are frequently the conduits between referring attorneys and referral recipients. If things go bad, we are usually the first to hear about it.

This eBook was inspired by a referral gone awry.



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HOW *good* INTENTIONS GO BAD

A new client at Law Firm Suites was eager to make a mark in the referral circuit and referred a case to one of his suitemates. The receiving attorney was a smart, capable, experienced attorney, and a genuinely nice person.

The referral turned out to be a poor fit for the receiving attorney's practice.

It happens.

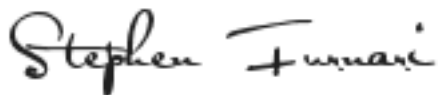
But instead of following through, the receiving attorney sat on the email and did nothing. The referring attorney, who is also a smart, capable and friendly person, waited too long to follow up when he received no response. He ended up getting an earful from his client who was waiting to be contacted by the receiving attorney.

In an effort to do damage control, my staff spoke with the receiving attorney. We asked why he didn't get in touch with the client (or the referring attorney). He said simply, "the referral wasn't a good fit, so I ignored it."

Two capable, well-intentioned professionals who should know better...didn't. The end result was hard feelings and jeopardized reputations. And in the legal community, rebuilding a damaged reputation is an arduous task.

My hope is that, armed with these referral rules of the road, you will become a referral superstar.

--Stephen Furnari



Founder, Law Firm Suites

DON'T KILL THE GOOSE

A good referral partner is the lawyer's equivalent of the Golden Goose. A steady stream of referrals from one referral partner can (financially) make a year. A steady stream of referrals from two or three key sources can make a practice.

In our day-to-day battle to conquer the Three Headed Monster of small firm practice (servicing clients, marketing and administrative duties), there's only so much of us to go around. Referral partners are critical to the sustainability of the small firm lawyer's practice.



REFERRAL PARTNERSHIPS ARE HIGHLY LEVERAGEABLE



For attorneys, developing referral relationships with strategic partners is a highly leverageable marketing activity.

WHY?

Because your personal army of referral partners is out there looking for cases for you even when you are too busy to do it for yourself.

Good referral partners keep the pipeline full, staving off the feast-or-famine revenue cycle that curses most small firm lawyers.

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Referral partnerships are a **two-way street**

Notice how frequently I use the word “partners”? That is because referral relationships are a two-way street. One-off referrals are a nice perk, but only those cultivated relationships that generate a consistent stream of referrals make us financially secure.

In a referral partnership, your role is to hold up your end of the bargain. Unless you steadily reciprocate with opportunities of equal or greater value, you referral partner’s business will soon be sent elsewhere.

SAVVY LAWYERS TREAT REFERRALS AS CURRENCY

The bottom line is, referrals are currency, and savvy lawyers treat them as such.

Savvy lawyers, like yourself, attend networking events not only to find business opportunities for themselves, but also for the three or four other lawyers in their referral network.

When an attorney's website generates leads that are not a great fit them, the savvy attorney refers the lead to the colleague who is most likely to return the favor.

No business lead is wasted by the savvy attorney.

Attorneys who reciprocate are rewarded with more referrals

Classy referral recipients who quickly return the favor are rewarded with more referrals. Greedy pigs who never (or rarely) reciprocate will soon be cut off from future opportunities.

A GOOD REPUTATION IS EVERYTHING

Even in heavily populated cities like New York, Los Angeles or Washington D.C., the legal community is surprisingly small. Think of it like one big office environment. And just like in any office, word travels fast. Receiving attorneys who violate the Referral Rules of Etiquette quickly develop a bad reputation. They see their inbound referrals decrease significantly, if not totally disappear.

This makes sense. We are in the reputation business. Our success is, in large part, contingent on our reputation in the marketplace. When you make referrals, you put your own reputation on the line. The success or failure of the referral is a reflection on you. This is a scary proposition considering the ultimate success of the referral will be entirely outside of your control.

Attorneys won't chance being burned by an attorney with a reputation for handling referrals poorly.



THE STUFF YOU SHOULDN'T HAVE TO TELL OTHER PROFESSIONALS

In the Law Firm Suites Community, the exchange of referrals is a core tenant of our culture. There is an expectation among our attorney clients that they will exchange referrals with their suitemates. You would think that our clients would all be pros at referrals. Yet, it's surprising how often nice, smart, capable and well-intentioned attorneys blow it when it comes to referrals, only to find themselves cut out of the referral loop and wondering what happened.

These referral "rules of the road" may seem obvious. They are. These are the things that you shouldn't have to tell another professional. Yet, as we saw in the story above, there is plenty of evidence to the contrary.

SO WHO WILL YOU BE:

The *Classy* Referrer
or

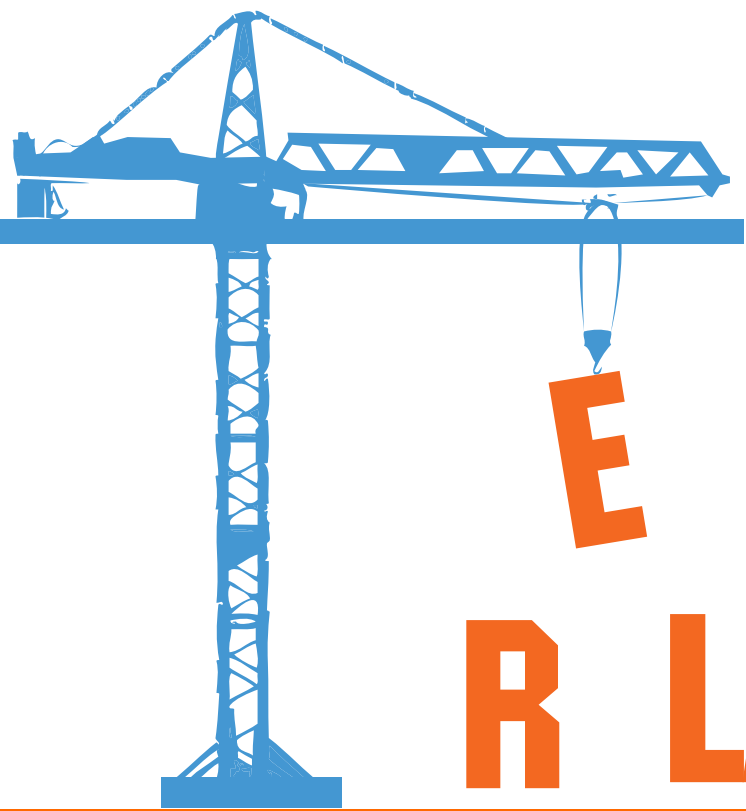


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E THE RULES OF **R** **LATIONSHIP** **BUILDING**

A strategic referral partnership is all about relationship building. Think of it like making a new best friend.

It takes time and effort, and it rarely happens overnight.

Rule:

**WITHOUT MUTUAL TRUST,
THERE WILL BE NO REFERRALS**

Professional reputations are at stake when referrals are made. Consequently, steady referrals will not be exchanged without a strong foundation of mutual trust.

..... ▶ **THERE ARE NO SHORTCUTS HERE.
TRUST TAKES TIME TO DEVELOP.**

Would you trust a total stranger to watch \$100,000 in cash for you? Clients represent cash. Never refer a long term, marquis client to an unknown recipient. It's better to not make any referral at all. Test out new referral partners with a small piece of business first, preferably from a networking contact with whom you have no previous relationship.

..... ▶ **WHEN IT COMES TO GETTING REFERRALS,
SIZE DOESN'T MATTER**

When you receive a piece of business from a new referral partner, give that referral client the deluxe treatment, regardless of the size of the matter. This referral may be your one and only chance to make a good impression on the referring attorney.

“*I warned you in advance,
this is obvious stuff.*”

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▶ **WITHOUT PERSONAL CHEMISTRY,
THERE WILL BE NO TRUST**



People do business with people they like and who are like them. Without personal rapport, two people will never get the opportunity to develop mutual trust.

The best case scenario is where you immediately have many things in common with a prospective referral partner. The more likely scenario is where commonalities are not readily apparent (other than each person's ability to send business to the other). The good news is that the development of rapport can be built. But, you must be willing to work at it.

▶ **BUILDING PERSONAL CHEMISTRY
IS EASIER THAN YOU THINK**



Surprisingly, it is possible to form a referral partnership on as little as one small commonality. Finding that thing can be as simple as doing a little internet research.

Google the other person's name. Search their websites, blog, LinkedIn profile and Twitter feed. Find out where they went to school, hometown info, hobbies, press, key cases, former places of employment, involvement in charities, marital and family status. You get the idea.

Then set up a "get to know you" meeting. Ask the other person questions about his or her background. Listen to their answers. People love to talk about the most important and interesting person in their lives – themselves. It should be easy to get the other person to share information.

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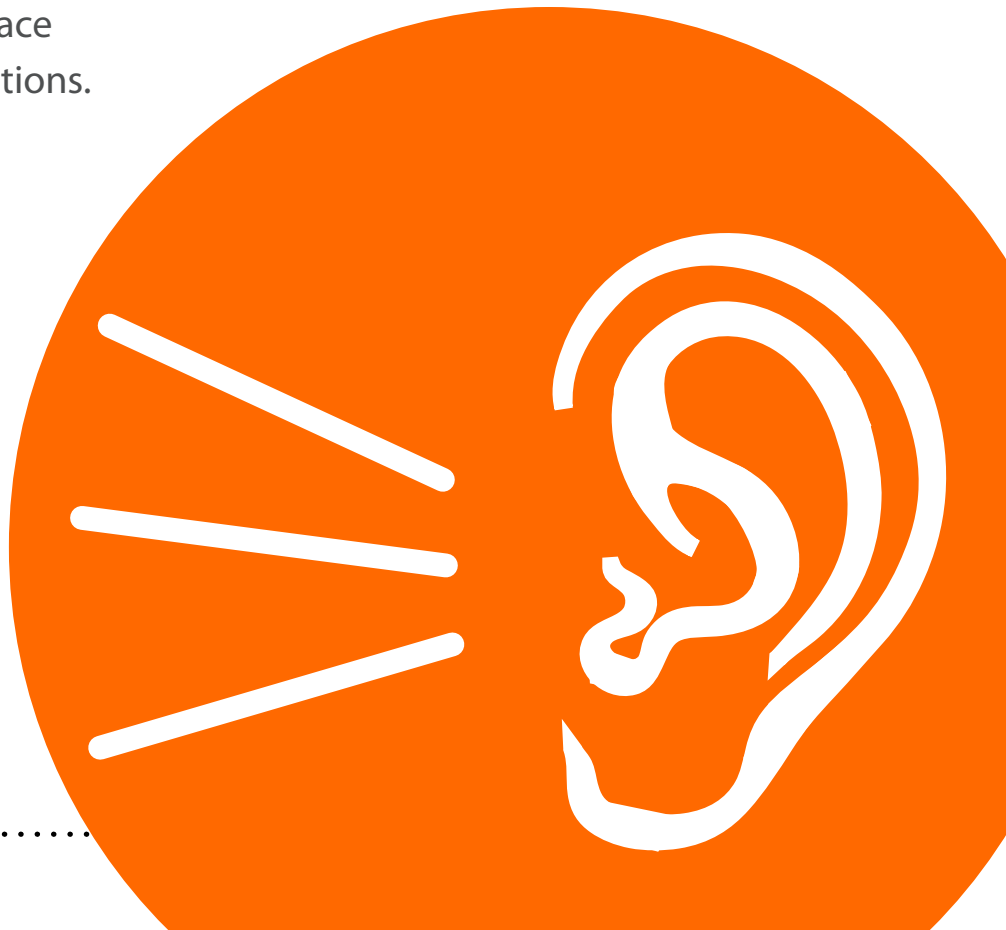


.....▶ **WHEN BUILDING CHEMISTRY,
LISTEN MORE THAN YOU SPEAK**

This exercise is NOT about you. Your job is to listen more than you speak. When you speak, it should only serve the purpose of learning more about the other person.

Keep digging until you find that thing that gets the other person excited and that you both have in common-- however small that thing may be. If you're lucky, you'll find several things.

In the rare circumstance that you can't find one thing in common, the mere fact that you took an interest in the other person will open them up to the possibility of developing a personal relationship. Often times that alone is enough. You will now know the topics that interest the other person, and these are things that will be a starting place for your future conversations.



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Rule:

PRACTICE GIVING FIRST

.....▶ **WANT TO GUARANTY REFERRALS FROM ANOTHER ATTORNEY? SEND THEM A PIECE OF BUSINESS FIRST.**

When another person gives us something, it's in our nature to reciprocate with something of equal or greater value.

You can see this at work in all areas of our lives. For example, compliment someone on how nice they look today. In nearly every case the recipient will reflexively say "thank you." Most people will also pay you a reciprocal compliment.

Personal finance guru T. Harv Eker does an exercise in his seminars that really demonstrates the power of this phenomenon.

He asks participants to pay a compliment to someone else, but instructs recipients to say nothing in return; not even thank you. He asks recipients to pay careful attention to how it feels when they do not reciprocate. It's awkward. An imbalance in the relationship between the two people is created that makes them both feel uncomfortable.

This phenomenon is what makes referral partnerships so powerful. Giving referrals ends up becoming a contest to see who can do it most. This is the best type of contest, because there are no losers.

Finding opportunities for your referral partners is as simple as being cognizant of their practice areas. When you are out doing your own marketing, keep an eye out for opportunities for your partners. The more referrals you can send to other attorneys, the more referrals you will find are sent back in your direction.

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Rule:

UNDERSTAND THE CYCLE OF BUSINESS FLOW

.....▶ **GOOD REFERRAL PARTNERS UNDERSTAND HOW BUSINESS FLOWS TO AND FROM THEIR REFERRAL PARTNERS' PRACTICES.**

The best referral relationships are those where there is the possibility for the consistent exchange of referrals. Corporate transactional attorneys and commercial litigators have this type of relationship. So do workers' comp attorneys and personal injury litigators. Each practice area is in the position to frequently send and receive referrals to the other.

There are some instances where a lawyer may be in a position to send steady referrals, but where you are not in a position to reciprocate. For example, corporate transactional attorneys who represent small business owners can frequently send referrals to divorce attorneys; however, divorce attorneys are rarely in a position to reciprocate with direct referrals.

If the divorce attorney understands the flow of business to a corporate practice, he or she can introduce and endorse the corporate attorney to other referral partners, for example, an IP attorney. Your obligation to reciprocate can be fulfilled by providing value other than through a direct referral.

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““ You may be surprised to learn which **PRACTICE AREAS** may be able to refer you business.””

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If you've never given detailed thought about how referrals flow to and from your practice, check out our [Practice Area Referral Guide](#). In it, we list over 34 practice areas and how business flows to and from each area.

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The Referrer's Obligations

Rule:

DO NOT REFER CRAP CASES

Whether you are referring for the first time or are reciprocating, referring a crap case will jeopardize your referral reputation. By sending a crap case, instead of the receiving attorney owing you one, you will owe them. The recipient may feel compelled to take on the case as a courtesy to you, but they will view the referral as value given to you, not received by them.

▶ YOU KNOW THE CASES WE'RE TALKING ABOUT:

- the ones with legal theory problems;
- where the client fires litigation counsel at the slightest hiccup;
- where the clients are bad payers;
- where clients have a reputation for stiffing their lawyers or are just difficult to deal with; or
- in cases where there just isn't much value.

Always be up front with a referral partner if you send a case that is less than ideal. Tell the receiving lawyer what you know about the case so they can properly assess the risks of accepting it. Always be cognizant of violating client confidences.

Also, it is courteous to let the recipient know that you will not be insulted, nor will it affect your referral relationship, if they decide to not take on the case. This way they don't feel obligated to take on the case just to preserve their relationship with you.

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Rule:

KNOW THE RECEIVING ATTORNEY'S IDEAL CLIENTELE

.....▶ **REFERRING A CASE THAT'S A POOR FIT FOR THE RECIPIENT'S PRACTICE IS WORSE THAN NOT REFERRING AT ALL.**

It sends a message that you didn't respect the recipient enough to take the minimal effort required to understand her ideal client. This is especially damaging when you are trying to reciprocate from a previous referral. The recipient has already demonstrated her value and understanding of your practice with her original referral.

There is little risk and no excuse for not learning about the recipient's practice. Your ignorance makes a terrible impression on the prospective client, whose time you've just wasted.

.....▶ **HOW TO REFER IF YOU'RE UNSURE WHETHER A CASE IS A GOOD FIT**

Ideally, you will know the receiving attorney's ideal clients prior to making a referral. However, sometimes referrals come up that you think could be a good fit, but you may not be sure.

In this case, be honest about it. Call the other attorney and explain that you may have a referral, but that you are unsure if it is a good fit. Then ask the attorney if it is an appropriate referral.

By calling first, you will get credit just for considering the attorney, which could lead to reciprocal referrals in the future.

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Rule:

MAKE SURE THE RECEIVING ATTORNEY IS A GOOD FIT FOR THE CLIENT

.....▶ **REMEMBER, YOUR REPUTATION IS ON THE LINE, NOT ONLY WITH OTHER ATTORNEYS, BUT WITH PROSPECTIVE CLIENTS AS WELL.**

Know the recipient's reputation in the community

Find out how they relate to clients. Are they no-nonsense, tell-it-like-it-is counselors or do they take more of an empathetic consultative approach with clients?

Know their lawyering style

For example, don't send a client to a divorce attorney who has a reputation for being a "killer" when all they really want is a low key mediation.

Know something about the receiver's rates and billing style

Are they high rate billers? Are they low rate, slow billers? Do they review every nuance of a client's matter, whether necessary or not (and on the client's dime), or are they efficient about their work, even offering flat fee billing?

If the client doesn't know what they prefer, make them choose

If the client is unsure about their needs or preferences, provide the client with information about the recipient's style and let the client choose. Armed with enough information to make an informed decision, if the referral ends up not being a good fit, you will bear less responsibility for making a bad recommendation.

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Rule:

ALWAYS PRE-SELL THE RECEIVING ATTORNEY

.....▶ **A REFERRAL THAT CLOSES EASILY IS HIGHLY VALUED. IT DEMONSTRATES THAT YOU HAVE TAKEN THE TIME TO SEND A VERY QUALIFIED LEAD TO THE RECIPIENT.**

A referral that takes a lot of effort to close is little more than a cold lead. While all leads are generally appreciated, cold leads have substantially less perceived value, reducing the reciprocation value.

One way to turn a cold lead into a hot lead is by pre-selling the receiving attorney to the prospective client.

Explain to the client why you think this lawyer is a good fit, how you know them (if appropriate) and positive experiences that you've had with the attorney. If you've had limited experience dealing with the receiving attorney, let the client know, but also let the client know why you are recommending this attorney.

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Rule:

WITH PERMISSION, SEND THE CLIENT'S CONTACT DETAILS TO THE RECEIVING ATTORNEY

GOOD REFERRAL PARTNERS UNDERSTAND HOW BUSINESS FLOWS TO AND FROM THEIR REFERRAL PARTNERS' PRACTICES.

Leads that include the prospective client's contact details are better quality than leads that do not. The former gives the receiving attorney an opportunity to pursue the lead directly, increasing the likelihood that it closes. Therefore, referrals with client contact details have higher reciprocal value than those without.

Of course, make sure you get the client's approval before sharing their contact details with the receiving attorney.



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“What to do when the client DOES NOT want to share their contact details”

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There may be instances where the client does not want their contact information shared. Perhaps they want to have a conversation with the receiving attorney on their own terms.

In these cases, you will generate more reciprocation value from the lead if you do the follow-up for the receiving attorney, keeping them apprised of your conversations with the prospective client. By doing for the receiving attorney what they would do for themselves (in terms of sales), the likelihood of the lead closing remains high, increasing the reciprocation value of the lead.

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The fast track to earning a reputation for being a

GREEDY PIG

In an effort to demonstrate reciprocation value, you may be tempted to refer an attorney to every random person you meet (regardless of fit) and then tell the attorney about it – every time. This is the equivalent of the guy who runs around a business networking event throwing business cards at people. At the end of the night they may have given out 100 cards, but they made no real connection with anyone who can add value to their business.

This practice may be particularly tempting if you've received a referral from an attorney with whom you want to develop a referral partnership, but have had difficulty reciprocating with a quality lead.

It's easy to make this type of half-hearted referral, and everyone knows it.

These are not real referrals. They have little or no reciprocation value, and will do more damage to your reputation than good.

Do this often enough without generating results, and you will quickly earn the reputation for being a Greedy Pig.

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Never share an attorney's

.....▶ **PERSONAL**

contact information
with a client

When making a referral, always give the client all of the attorney's **BUSINESS** contact information.

If by virtue of your relationship with the other attorney you have access to his or her personal contact information (i.e., their mobile phone, home phone or personal email), never share it with the client unless you are specifically given permission to do so.

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Rule:

NEVER WASTE A *QUALITY* REFERRAL

As discussed above, there are times when a client will not want you to share his or her contact information with the receiving attorney.

Always let the receiving attorney know that you have given out their contact information to a *quality* lead.

A lead can be a quality lead even if it is a long-shot. As long as you disclose the shortcomings of the lead, you will get credit for the effort.

Finally, always make sure to instruct the client to let the receiving attorney know you were the source of the referral, ensuring you receive rightful credit.

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Rule:

ASKING FOR A REFERRAL FEE IS CRASS, WITH A FEW EXCEPTIONS

▶ **ETHICAL ISSUES ASIDE, WITH FEW EXCEPTIONS, ASKING FOR REFERRAL FEES FROM OTHER ATTORNEYS IS NOT GOOD FORM.**

This is especially true when asked of attorneys who bill by the hour or at fixed rates based largely on time.

It's human nature. When you work at a lower rate than you think your time is worth, you will either not work as hard, begin to resent the matter, or ultimately give it less priority. You may even begin to resent the referring attorney. Either way, the client suffers, which is bad for the referring attorney's reputation.

As we discussed previously, a receiving attorney will feel compelled to reciprocate with a referring attorney, most often in the form of referrals of equal or greater value. *For most attorneys, the lifetime value of a good client is worth much more than squeezing 25% from a billing attorney.*

Plus, once a referral fee is paid, the receiving attorney has no "moral" obligation to reciprocate further. This often hinders the possibility of developing a strong referral relationship, never mind the loss of a return referral.

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“When it’s OK to ask for referral fees”

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In some instances, it is acceptable to ask for referral fees. These situations include:

1

REFERRALS OF HIGH VALUE CONTINGENCY CASES.

Certain practices expect to pay referral fees. In fact, the referral fee is usually built into their practices’ economic model. These attorneys are often litigators working on contingency matters where their fee is not a function of time spent on a matter, but is based on the size of the settlement or jury award. Often, these attorneys earn far more from a successful case than the value of the time spent on it if they had billed hourly. These practices include personal injury, medical malpractice and products liability.

Most attorneys practicing in these areas will tell you that they happily pay referral fees.

2

CO-MARKETING ARRANGEMENTS.

If you engage in an exclusive co-marketing arrangement where all your referrals for a certain practice area go to one firm, or where two or more firms agree to engage in a business development strategy on a joint basis, it is proper etiquette to have a referral exchange agreement between the two firms. With these arrangements, the firms are agreeing to some form of exclusivity, for which there is an opportunity cost (i.e., they will not be developing referral relationships with other firms in this area). In exchange, a referral fee is appropriate consideration for giving up other opportunities.

3

REFERRALS TO NON-RECIPROCATING ATTORNEYS.

If you have referred a case to an attorney and they have not reciprocated in a timely manner (six months to a year), it is proper etiquette to ask for a referral fee on subsequent referrals.

YOU SHOULD OFFER TO PAY A REFERRAL FEE WHEN...

You receive a case from an attorney and you know you will have little or no ability to reciprocate with a referral. This frequently happens when you get a referral from an attorney where your practice areas overlap. This also happens when a lawyer receives a case from an attorney where business only flows in the direction of the receiving attorney, such as in the corporate attorney, divorce lawyer example discussed above.

If the referring attorney refuses to accept a referral fee, you should buy a nice gift when you get paid and try to introduce the referring attorney to a colleague who is in a position to send them referrals.

Rule:

WHEN NOT TO REFER TO MULTIPLE ATTORNEYS

If you have a successful referral history with an attorney, do not make more than one referral recommendation to a client unless there is a compelling reason to do so (like, for example, where the client specifically asks for multiple recommendations). In this case, it's a good idea to advise the receiving attorney about the client's request.

Attorneys with a successful referral history have an expectation that, when a lead is referred by a trusted referral partner, they will not be competing with several other lawyers for the business. If the receiving attorney learns that multiple recommendations have been made without first being advised of this fact, the receiving attorney may question your mutual trust, potentially undermining your relationship.

If for some reason the client decides not to hire the receiving attorney, then it is appropriate to recommend other lawyers.

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“When you *should* recommend multiple attorneys”

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If you have little or no referral history with a receiving attorney, it is appropriate to recommend more than one lawyer. When it comes to new referral relationships where mutual trust is still being established, receiving attorneys should expect that referring attorneys will recommend more than one lawyer.

Again, the referring attorney's reputation is on the line. Making multiple recommendations forces the client to make the ultimate decision; thus, reducing reputational risk if the client becomes unhappy during the course of the engagement.

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“How to best refer a client to multiple attorneys”

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When making a referral to multiple attorneys, **NEVER** copy the competing attorneys on the same email. While it may seem that doing so provides everyone with “full disclosure,” the practice does more harm than good.

Even in the biggest cities, practices areas are small worlds and competitors are often collegial, if not friendly.

Receiving attorneys understand that you may refer cases to other attorneys, but they do not necessarily want to know where those cases are going. It’s a bit like copying your spouse on an email to your mistress.

It just makes everyone feel icky.

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Rule:

PROTECT YOUR REPUTATION BY FOLLOWING UP WITH THE RECEIVING ATTORNEY

..... ► **THROUGHOUT THE COURSE OF THE REFERRAL PROCESS AND THE ENGAGEMENT RELATIONSHIP, IT'S GOOD PRACTICE TO BE IN TOUCH WITH THE RECEIVING ATTORNEY.**

This is especially true if the referral is a long-term client of your practice (or one of their family members).

You protect your reputation by making sure the receiving attorney is doing the right thing. It also allows you to assist the receiving attorney with the sales process to the extent they need it. Finally, it helps to keep you top of mind for reciprocal referrals.

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When to contact the receiving attorney

Without asking the receiving attorney to divulge attorney-client confidences, you should follow up with the receiving attorney to the extent they are not regularly updating you on their own. Contacts should be more frequent during the sales phase, and taper off considerably once the receiving attorney has been retained.

CONSIDER CONTACTING THE RECEIVING ATTORNEY:

- ✓ If you sent a referral and have heard no response from the attorney within a day (provided you did not receive an auto-attendant message that they are out of town);
- ✓ If you have not heard from the referring attorney within two days of them advising you that they were scheduled to meet the client for an initial consult;
- ✓ If you have not heard from the referring attorney or the client that a decision was made about engagement within two weeks from the initial consult;
- ✓ Periodically during the course of engagement (quarterly on a long-term litigation, more frequently but not more than monthly during a shorter term engagement).
- ✓ When you become aware that the matter has concluded.

The contacts should be short and non-obtrusive. A brief email or text message is sufficient.

Give the receiving attorney plenty of space to do their job. **Remember, your goal is to protect your reputation, not to be an annoyance.**



Rule:

**DO DAMAGE CONTROL
WHEN NECESSARY**

.....▶ **SOMETIMES THE RELATIONSHIP
BETWEEN THE CLIENT AND THE
RECEIVING ATTORNEY GOES BAD.**

This can happen for a myriad of reasons. No matter which side bears the fault, your reputation is at risk if the situation goes unresolved.

If the client is at fault, your reputation with the receiving attorney will be damaged. If the receiving attorney is at fault, your reputation with the client will be damaged. It's a lose-lose situation.

Intervene where appropriate and try to find out the reason behind the dispute. See if you can help the parties find a resolution. If the client is being unreasonable, apologize to the receiving attorney. If the receiving attorney is to blame, never send another piece of business to this attorney. By showing integrity with the way you handle an unpleasant situation, you can mitigate reputational damage.

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The Receiving Attorney's Obligations

Rule:

RESPOND TO REFERRALS IMMEDIATELY

Acknowledge all referrals immediately. Immediately means as soon as you get them. Not in an hour, not before the end of the day, not tomorrow. Right away.

Referring attorneys may be under time pressure to provide the client with a referral. If you drag your heels responding to a referral, it may send a message that you are:

- not interested,
- disorganized, or
- too busy to need referrals.

If you are unavailable when a referral comes in, it is acceptable to send a simple email or arrange a call from your assistant to the referring attorney notifying them that you:

- received the referral;
- are busy at the moment; and
- will get back to the referring attorney (or the prospect) at a specific time.

Sometimes multiple attorneys will receive the same referral. The client could also be speaking to other attorneys on his or her own. The first attorney to get in touch with the client will be in the best position to land the work. The bottom line: attorneys who respond fastest to referrals land the most cases.

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Rule:

ACKNOWLEDGE ALL REFERRALS

THE QUICKEST WAY OUT OF THE REFERRAL LOOP IS TO NOT RESPOND TO REFERRALS AT ALL.

This comes up most frequently when the referring and receiving attorneys are at the beginning stage of a referral relationship, particularly when the case is not a great fit for the receiving attorney.

Instead of advising the referring attorney that the case is not a good fit, the receiving attorney does nothing. All the while, the referring attorney believes that the lead is being followed up on.

When the referring attorney hears back from the client that the receiving attorney never got in touch with them, the referring attorney looks bad. Chances are, the referring attorney will not refer to the receiving attorney again, and worse, will likely tell all of his friends about the bad experience.

Instead, make it a policy to acknowledge all referrals. If a referral is not a good fit, use it as an opportunity to teach the referring attorney about your ideal clients, and to learn how you can best reciprocate. If possible, recommend a different lawyer who may be able to handle the case.

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Rule:

SAY *Thank You* **AND BE EFFUSIVE ABOUT IT**

▶ **WHEN AN ATTORNEY SENDS YOU A REFERRAL, IT'S A *BIG DEAL*.**

The referring attorney puts his or her reputation on the line when making a referral. The referral is an expression of trust in your professionalism.

A referral is also currency to the referring attorney. The referring attorney could have sent the business to any number of capable attorneys. They instead sent the business to you. They have made an investment in *you*.

Whether the case is a good fit or not, say thank you.

And don't say it because you have some kind of social obligation to. Mean it! Show some enthusiasm. Give the referring attorney the credit and appreciation they deserve for taking a risk on you.



Rule:

CONNECT WITH THE REFERRING ATTORNEY BY PHONE OR IN PERSON

In today's world of email, text and social media, we sometimes lose sight of the value of a personal interaction. If a referral is made by electronic means (email, social media, text), then offer to connect with the referring attorney by phone or in person. Ask the referring attorney if they have time to chat by phone (or in person) to discuss what they know about the case.

If this is the first referral from a referring attorney, you have an obligation offer to meet for lunch or coffee, on you. The referrer has the choice to opt out.

..... ► **AT THIS MEETING OR ON THIS CALL, SAY THANK YOU AGAIN. EFFUSIVELY.**

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Rule:

LEARN ABOUT A NEW REFERRER'S PRACTICE AREA AND IDEAL CLIENTS

If a case was referred by an attorney with whom you have never exchanged previously, you must learn the attorney's practice areas and ideal clients so you can reciprocate the referral.

Rule:

MAKE ASSURANCES TO TAKE GOOD CARE OF THE CLIENT, THEN DO IT

Assure the referring attorney that you will take excellent care of the client. The gesture acknowledges the risk the referring attorney has taken by sending you the referral and assuages their fears.



THEN, ACTUALLY DO WHAT YOU SAID YOU WOULD DO. ACTIONS SPEAK LOUDER THAN WORDS.

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Rule:

CONTACT THE CLIENT IMMEDIATELY, THEN LET THE REFERRER KNOW

If the referring attorney gives you the client's contact information, reach out to the client immediately based on the parameters you were told. For example, if the client is only available in the evening, call the first evening after you receive the referral.

If it is not practical for you to have an in depth conversation at that time, explain this fact to the prospective client and schedule a time to connect that is more convenient for you both.

Then, let the referring attorney know you connected with the client (or attempted to do so), and the follow-up action you and the client have agreed to take.

Rule:

FOLLOW-UP WITH THE REFERRING ATTORNEY IN A WEEK

If the referring attorney did not give you a client's contact information, or if you have tried to reach out to a client without success, after a week let the referrer know what's happening.

This gives the referring attorney an opportunity to follow up with the client directly to preserve their reputation for being a good referrer.

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Rule:

ALWAYS SEND “BAD FIT” REFERRALS BACK TO THE REFERRING ATTORNEY

Whether you determine a referral is a bad fit immediately or after an initial consult, never refer the client out to a different attorney unless you have the express consent from the referring attorney. It is not your referral to make.

As discussed above, referrals are currency to the referring attorney. The referring attorney found the referral. You did not. The referral is the referring attorney's to make, not yours.

It is appropriate for you to ask the referring attorney if they have someone else in mind and to offer a recommendation to a colleague if the referring attorney requires it. If the referring attorney takes you up on your offer, you have a win-win situation. They retain the referral currency, you get points for being a helpful receiving attorney, and you also get points with your colleague for facilitating the connection with the referring attorney.

Conversely, when you make a referral that was not yours to make, all you end up with is pissed off lawyers.

Of course, let the new receiving attorney know that he or she may be receiving a call from the referring attorney.

Again, never waste a quality referral.



.....

“What happens if a
“*bad fit*” client asks
you for a referral?”

.....

If after a consult you advise a client that you are a bad fit and they ask you for a referral directly, refrain from doing so. Acknowledge to the client that you were introduced by the referring attorney and that you have an obligation to let the other attorney know that the referral was not a good fit.

Get in touch with the referring attorney and let them advise you how they want to handle a new referral.

Rule:

WAIVE YOUR INITIAL CONSULT FEE (IF YOU CHARGE ONE).

For clients, there are few things more annoying than being asked to pay a fee for an initial consultation. If the true goal of an initial consult is to determine whether the attorney is a good fit and to get an estimate on costs, why would anyone pay for what, essentially, amounts to a sales pitch?

In most cases, time spent on a prospective client meeting is an expense of the practice that should be absorbed by attorneys, not clients.

There are some situations, however, where charging an initial consultation fee is appropriate provided the fee is applied to any legal work for which you are subsequently retained. For example, attorneys who engage in one-to-many marketing strategies, like article publishing, speaking or PR, can produce a high volume of unqualified leads.

In these cases, charging a nominal fee (\$100 - \$250) weeds out “tire kickers” and those seeking free legal advice. It also ensures that the prospective client actually shows up for their meeting if you require a non-refundable advance payment.

In essence, an initial consult fee is an insurance policy that your time will not be wasted on unqualified leads. It should not, however, be viewed as compensation for your time. The consult is designed to assess the client’s needs and convince them that you are the right person for the job, not for you to render legal services.

**Getting paid to render legal services is appropriate.
Asking a client to pay to hear a sales pitch is not.**

Referred leads are an entirely different story. A properly referred lead will be pre-qualified and you will have already been pre-sold by the referring attorney. Referred leads are the highest quality leads your practice will receive and are the easiest to close.

Yes, there is risk the client will not retain your services. But, there is little risk that your time will be wasted. Even if a referred lead ends up not being a good fit, you will have done the right thing by the referring attorney. The gesture will be appreciated and you will be remembered the next time a more suitable client comes around.

Not waiving your initial consult fee will be an annoyance to the client and insulting to the referring attorney. In the long run, referrals will go elsewhere.

Rule:

IF RETAINED, LET THE REFERRING ATTORNEY KNOW. THANK THEM AGAIN.

Need we say more?

Rule:

IF RETAINED, BE ON YOUR BEST BEHAVIOR.

We have an ethical obligation to zealously represent our clients. That's a low bar in terms of providing excellent service. The two are independent concepts.

Every lawyer knows the things that drive clients nuts, but are not necessarily unethical. Here's a reminder:

- being slow to return phone calls or emails,
- not producing deliverables when promised,
- communicating only enough to keep you out of trouble with the professional responsibility folks,
- not being nice or helpful to clients,
- being inefficient about the client's case to their financial detriment,
- unnecessarily engaging in (or provoking) battles with adversaries,
- not sending out bills regularly, and
- not keeping the client apprised of the extent of their bill, and when they finally get it, they have sticker shock.

If you are retained by the referred client, give the best level of service you are capable of giving because word will get back to the referring attorney (and all their friends) if you do not.

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Rule:**KEEP THE REFERRING ATTORNEY APPRISED AS THE CASE DEVELOPS**

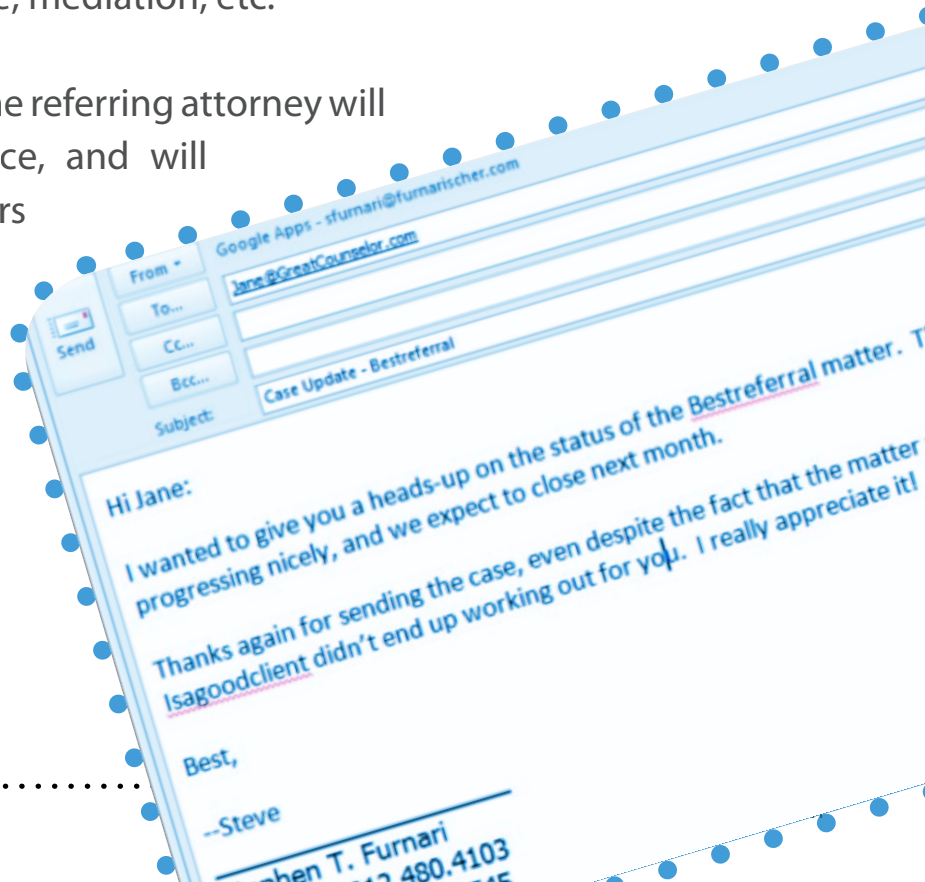
▶ **WITHOUT REVEALING CLIENT CONFIDENCES, KEEP THE REFERRING ATTORNEY INFORMED ABOUT THE PROGRESS OF THE CASE.**

This does not need to be a detailed correspondence. A simple two line email from time-to-time will suffice.

Use generalities and information available to the public. For example:

- The case is still pretrial, but is going well.
- Complaint was filed, but will be a long road.
- Making headway.
- Had a good appearance, mediation, etc.

Steady communication with the referring attorney will demonstrate your competence, and will continue to assuage any fears about making the referral to you. Best of all, it will keep you top of mind for new referral opportunities when they come up.



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Rule:

NEVER DISPARAGE THE REFERRING ATTORNEY

Never, ever, disparage the referring attorney in any way. Ever. If the referred client or a mutual colleague tries to bait you into this line of communication, even if in a joking manner, don't fall into this trap if you have ideas about keeping your referral partnership strong.

Instead, keep things neutral, positive and upbeat about the referring attorney. Apart from it being rude, engaging in this line of communication will only lead to hurt feelings and damaged referral relationships.

Rule:

REPAY YOUR "DEBT" TO THE REFERRING ATTORNEY

Once you retain a client, you owe a "debt" to the referring attorney. If you want to receive additional business from the referring attorney, you have an obligation to repay your debt, preferably within six months. Do so by introducing the referring attorney to an opportunity of equal or greater value to the referral.

The best opportunities are reciprocal referrals. If you cannot easily refer a case in return, an introduction and endorsement to a quality referral source that results in business is also acceptable.

However, the introduction needs to go beyond a mere email introduction. That does not satisfy your debt.

You have an obligation to help the two attorneys nurture their relationship until business gets exchanged. Only then have you done enough to satisfy your debt.

Invite both attorneys to lunch. Explain why you are making the introduction to both. Sell each attorney on the merits of doing business with the other.

Finding opportunities is simple. Just keep the referring attorney in mind as you are out doing your own networking and marketing. If you look, the opportunities will come your way.

Rule:

WHEN REPRESENTING CLIENTS OF OTHER FIRMS, KNOW YOUR PLACE.

If you are working on a “one-off” matter (i.e., a divorce or personal injury case) for a client of the referring attorney’s firm and the client asks you for a referral on a different a matter, and that matter is within the spectrum of the referring firm’s practice area, do not make the referral. As discussed above, this is not your referral to make and doing so will result in you never receiving referrals from the referring attorney again.

Instead, let the referring attorney know (if ethical) about the client’s request and suggest to the client that they speak with the referring attorney about the new matter.

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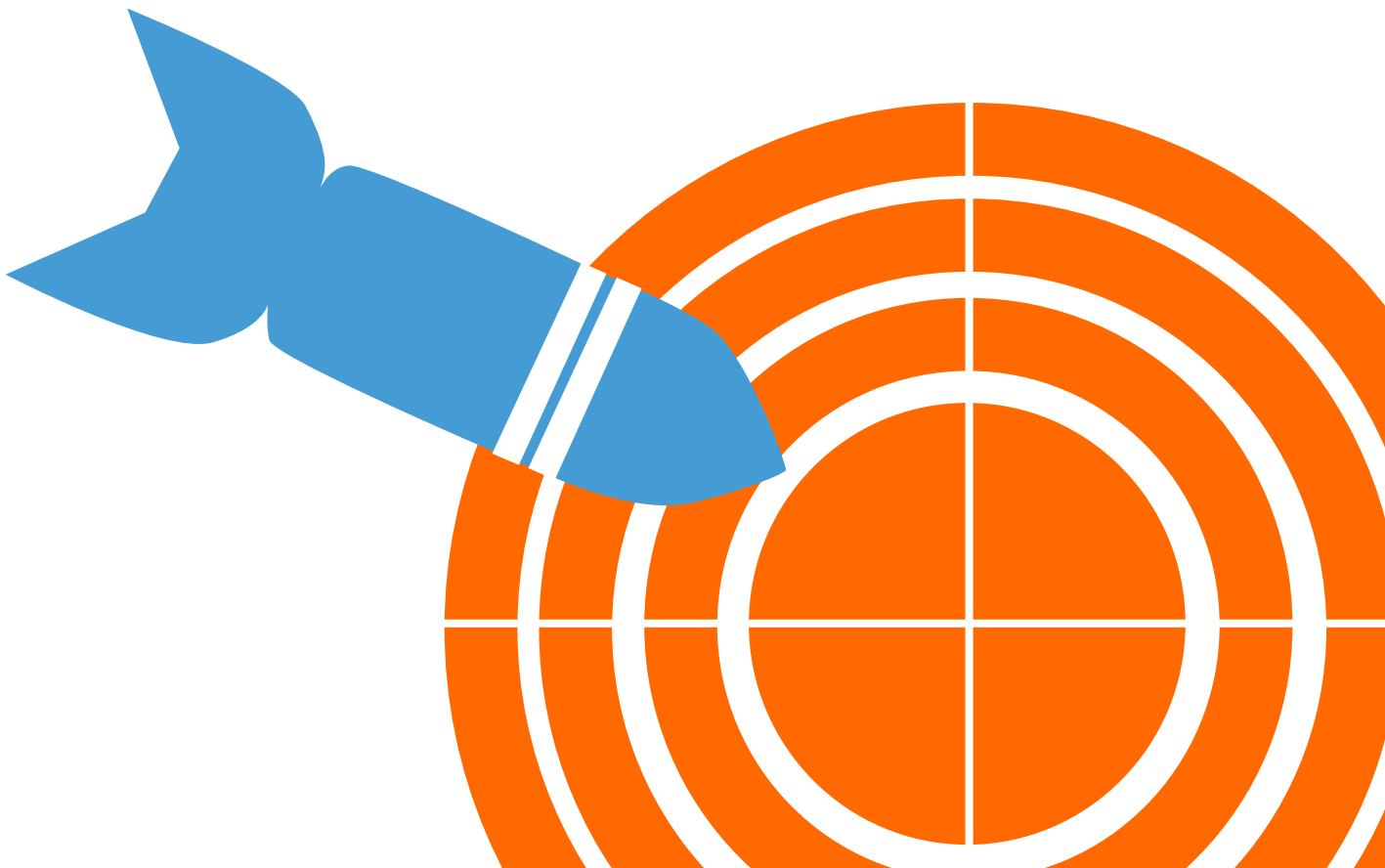
CONFLICT REFERRALS

How to handle follow-up work requests

At times you may receive conflict referrals from firms that have similar practices to yours. Or, you may receive a referral from a firm where there is practice overlap but where you handle a particular area that the other firm does not (i.e., you both do corporate transactional, but only your firm does securities work).

These clients may ask you to perform additional legal work that

- 1** is beyond the scope of the referred matter,
- 2** you are not ethically required to perform, and
- 3** the referring firm can competently (and ethically) handle. In this instance, unless you have the prior consent from the referring firm, never perform the additional legal work without first speaking to the referring attorney. To the extent it is ethically permissible, let the referring attorney know about the situation and see how they would like you to handle it.



.....

Also, explain to the client your situation with the referring firm and how their request puts you in an awkward position. Suggest that the client contact the referring firm.

.....

If the client insists that the receiving attorney handles the new matter, explain this to the referring attorney and ask him or her how they would like to handle it. A commitment to return a referral or pay a referral fee is appropriate.

Referring firms and receiving firms should be reminded that you can't prevent conflict clients from developing a preference for working with the receiving firm. It is just the risk of making the referral in the first place. The best you can hope for is a situation where both parties deal with it with integrity.

Further, the receiving firm of a conflict referral should never engage in (or give the appearance of engaging in) any activity that will risk it getting a reputation poaching other firm's clients.

Rule: DO DAMAGE CONTROL.

Lawyers are frequently the bearers of bad news. Inevitably, dustups will occur. When a problem arises with a referred client, do whatever it takes to make the situation right. This is especially true if the referred matter involves a long-term client of the referring attorney's firm. If as a result of your engagement the referring attorney loses the client, you will certainly lose their future referrals.

To the extent ethically permissible, advise the referring attorney what's going on so they can help you do damage control on their end. Often, communicating with the referring attorney about how you are handling the situation will help you minimize reputational damage with the referring attorney

Rule: BE MAGNANIMOUS AT THE CONCLUSION OF THE CASE.

At the conclusion of the case, let the referrer know the case has concluded and, to the extent ethically appropriate, share with them the outcome of the case.

..... ▶ **THANK THE REFERRER AGAIN. BE EFFUSIVE. IF APPROPRIATE, SEND A GIFT AS A TOKEN OF YOUR APPRECIATION.**

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Work on You

Rule:

PAY CAREFUL ATTENTION TO YOUR PERSONAL IMAGE

For small firm attorneys and solos, appearing credible is always an issue, especially in a B-to-B practice. You may be perceived as being less professional, or proficient, than your counterparts in bigger firms merely for being a small firm lawyer.

A seasoned attorney will not risk being embarrassed by a receiving attorney.

There are basic things that clients (and attorneys who refer clients) will expect you and your practice to have. These are signs on which your professionalism will be judged. Without these things, clients will not take you seriously and neither will referring attorneys:

•••▶ A basic website describing your practice.

Unless your services are in such high demand, your skills so special or you only accept clients referred by trusted colleagues, you must have a basic website. This doesn't require a \$50,000 investment. We're talking about a nice, template website where prospective clients can learn more about who you are, what you do and how to contact you. It's a place where referring attorneys can send clients to check you out. This is 1990's stuff, and you can now do it with a minimal (under \$500) investment.

▶ **An email address with a custom domain.**

Nothing screams low-rent loser more than an AOL, Hotmail or Gmail email address. It may just be that you're lazy, but clients and referring attorneys will either think that you're too cheap to buy a custom domain, or not technologically sophisticated enough to do so. If the former, expect to discount your rates, and if the latter count on the business being referred elsewhere. If you can't handle the most basic task of setting up a custom domain email address, clients will assume that you also can't handle their complex legal matter.

▶ **A commercial office address.**

Seasoned attorneys will think twice about referring clients if your business address is your home. Yes, technology has allowed us to work from wherever we choose, and in some cases attorneys choose their home. There's nothing wrong with that. However, clients who pay upwards of \$250/hour for legal services expect that you will have an office where they can meet you. Adversaries who learn that you work from home will respect you less. Both will question whether you are good enough to afford an office.

For less than \$100/month, you can get a Virtual Office package with an executive suite operator (like Law Firm Suites), where you can receive mail and packages and meet with clients.

P.S. If you live in an apartment building, changing your address from "Apartment 17J" to "Suite 17J" fools no one. The photo on the bio page of your website might as well be a picture of you working in your pajamas, because that's what your colleagues are thinking about you.

• • • ► **A landline telephone.**

A big part of being an attorney is having confidential conversations with clients and adversaries. Have some respect for your client relationships and get a decent telephone. It's disrespectful to charge your clients high hourly rates when your only means of communication is a cell phone or cheap VOIP phone with lousy voice quality.

• • • ► **A neat personal appearance and work environment.**

If we're being honest with ourselves, as a profession, we are not the most handsome group of people. Perhaps only accountants are worse off. There are some things about our personal appearance that are outside of our control, but we can do the best with what we've got. If you're a slob, your work will be perceived as being sloppy.

• • • ► **"Dress to Impress."**

Keep your clothing neat and pressed. Get your shoes shined. Don't keep a suit rolled up in a ball on the floor and then pick it up and wear it. Use a dry cleaner. Starch is a great thing. Don't smell (of body odor or too much perfume). For better or worse, we are a superficial society. If referrals are important to you, do your best with what you've got.

• • • ▶ **A mastery basic social graces. (don't be an a**hole).**

You may be a killer in the courtroom, but if you're rude to clients, your lack of social grace will always get back to the referring attorney. Bottom line, if you're a jerk, other attorneys won't refer you business. These recommendations set a low bar, but at a minimum:

- **Make eye contact.**

You are being hired as a trusted advisor. Clients need to share sensitive things with you. Making eye contact allows you to make a connection with the other person. Not doing so is just weird.

- **Firm handshake.**

Clients are hiring you to advocate for them. A limp handshake screams insecurity and weakness. No one wants to hire a weak lawyer.

- **Be personable.**

You don't have to be a social butterfly, but kindness and an ability to make people feel comfortable with small talk is important. Smiling once in a while helps too.

- **Say please & thank you.**

Being appreciative still goes a long way.

The measure of ECONOMIC SUCCESS

You probably just finished this eBook and are thinking: “But, I didn’t read anything I didn’t already know.” Honestly, you are probably right. You do know all of these rules.

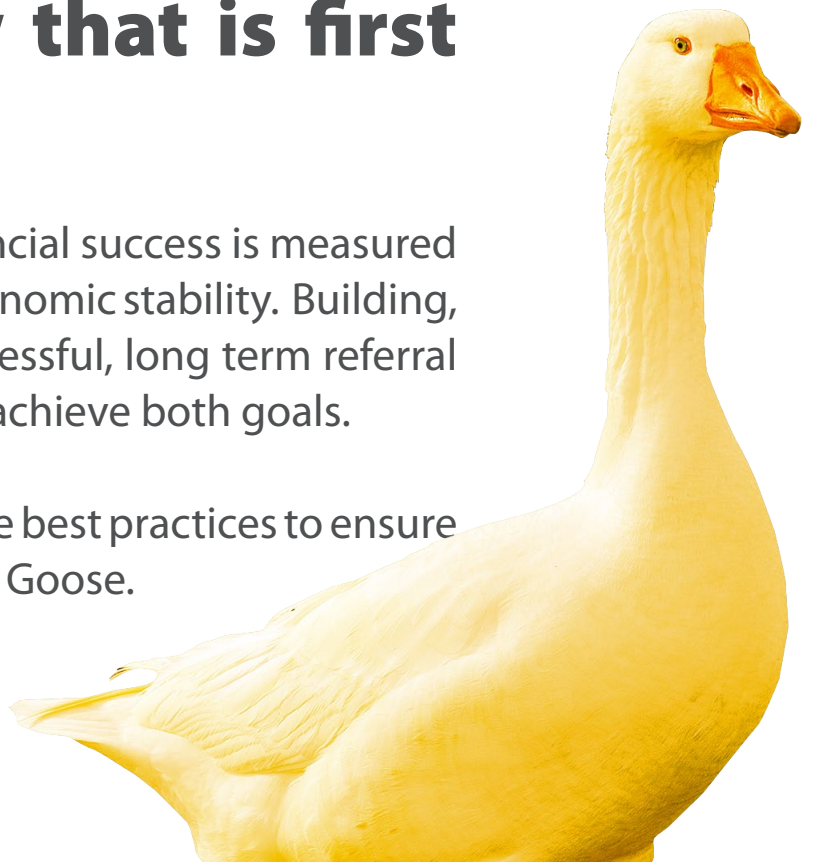
But, the two lawyers who inspired this book probably knew these rules as well. Look where it got them.

As a lawyer, you are constantly being pulled in a thousand directions at once. You are dealing with client phone calls, filing deadlines, research, drafting, firm administration, billing and books, last minute requests from your spouse, and adjusting your schedule to attend your kid’s soccer game.

Quite often, it’s the stuff you think you know that is first overlooked.

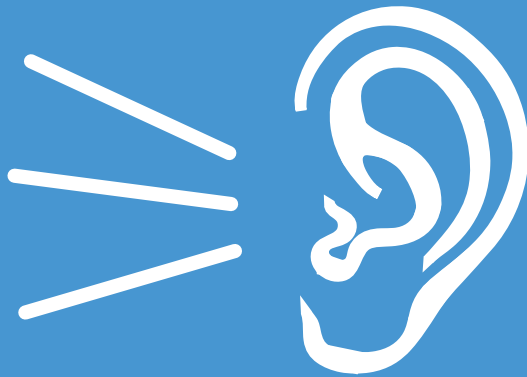
For the small firm attorney, financial success is measured not only in riches, but also by economic stability. Building, nurturing and maintaining successful, long term referral relationships is the best way to achieve both goals.

The Rules of Referral Etiquette are best practices to ensure that you do not kill your Golden Goose.



LAW FIRM SUITES GIVES ME...

- ✓ Referrals to offset my rent.
- ✓ Collaboration with other lawyers just like me.
- ✓ Easy networking while I work.
- ✓ Staff that's like an extension of my firm.



**SOUND
TOO GOOD
TO BE TRUE?**

IT'S NO LEGAL FICTION! COME SEE FOR YOURSELF.

We'll show exactly how our law office services will help your practice.

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