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## **Leadership In A “Down” Market**

By  
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When business is slow, leadership faces two forces that threaten a downward spiral. The first is morale. Fear of economic instability can be a self-fulfilling prophecy. If layoffs actually occur, the problem is exacerbated. The second is marketing. The response to reduced revenue is to reduce expenses. Since marketing is one of the few discretionary expenses, it is a likely candidate for cuts. But, sparing the seeds will limit the crop – putting even more negative pressure on the bottom line. Following are some suggestions to strengthen both morale and marketing when revenue is weak.

### **Morale**

Morale is high when people feel optimistic about the future. While the uncertainties of a downturn are frightening, they can be countered in several ways.

Building confidence in the leader is probably the most important thing a leader can do to enhance morale. In order to increase success, leaders should consider what kind of style they want to use to lead. One common style is to use fear as a motivator. Some leaders believe that fear is motivating them, so they use fear to motivate others. One managing partner we know actually tried to amplify his concerns and painted a worse scenario than he actually anticipated. While fear of the future did produce some short term positive response, the ultimate result was to frighten the remaining employees so much, they left the firm.

We believe that the most effective technique for a leader to build confidence is to be a **buffer of fear**. That is not to suggest a “Poly Anna” attitude. But rather, a realistic, but positive approach. It is appropriate to acknowledge the concerns of the situation, but then to immediately focus on the solution. It’s important to avoid negative behavior including impatience or anger. This kind of behavior communicates fear and lack of faith in the future. When people feel confidence in the leader, they will feel more optimistic about the future.

Another way to help people feel optimistic about the future is to develop a reasonable plan with reasonable goals and steps. People are motivated by a plan that seems practical and achievable. We recommend to leaders that they be willing to explain and justify the reasons they have for taking the actions they choose. If the reasons seem logical, people will be more likely to be excited about participating in the effort.

Our third suggestion for building confidence is to meet regularly to maximize communication. Keep people updated on the status of the plan’s implementation. Ask for feedback and new suggestions. With open, regular communication, people feel involved, informed and more optimistic.

### **Marketing**

It is common to ignore marketing during a down cycle. But, cutting back on marketing makes as much sense as dieting to cure hunger. Since dollars are limited in a down market, leaders need to be diligent in developing cost-effective marketing programs. Here are five techniques to energize low-cost marketing:

**1.** Involve everyone. Marketing should not be limited to the known Rainmakers. Everyone in the firm should be responsible for identifying marketing opportunities. We recommend that people keep a note pad dedicated to documenting marketing observations. For example, people can write down how they can alter their procedures to enhance client relations or increase the firm's public image. They can write down their observations about how other businesses are implementing low-cost marketing programs. Great marketing ideas often come from unexpected sources. More eyes will observe more opportunities.

**2.** Create structure. Never expect marketing to be implemented when people have "free time." Free time is a fantasy. **Schedule** time to identify and reach out to current clients that could use more services. **Schedule** time to identify and reach out to existing relationships who should be referring business. Create systems to document the follow-through and hold everyone accountable for their commitments. Structure makes marketing happen.

**3.** Maximize telephone and e-mail communication. While there is great value in face-to-face meetings, they consume valuable time. Phone calls create a strong emotional connection. If you can't reach your contact, don't leave a voice mail message. Instead, hang up and send an email. Email is more likely to stimulate a response than voice mail – and that keeps the relationship active. If possible, use blast emails to maintain a presence in the minds of *all* your contacts. It's powerful and it's free.

**4** Rethink your eating habits. Dining out is costly and time-consuming. If a meeting is necessary, try to meet between meals. To reduce travel, invite people to your office. If you must eat, try to have more breakfasts. They're quicker and less costly. So are drinks after work. If you can, try to create group meetings with people who you would normally meet individually. Each additional guest reduces the time and cost of an otherwise extra meeting. Consider other activities besides eating. Invite your contacts to join you in your pastimes. Visit at the gym. If your contacts don't share your interests, follow the lead of Henry David Thoreau. He was known to take "walking meetings." He would discuss business with his guests as they strolled around Walden pond. While we have no pond, we've actually taken walking meetings many times and have found them remarkably pleasant and effective. For the more athletic, try jogging!

**5.** Innovate. Constantly consider new services. Look at the new twists you've brought to existing clients and consider expanding them to other clients. Seek out new markets. What other industries could use your services? What other groups of referral sources have you not yet tapped? Challenge your perceived limitations. For example, can you raise your rates? Can you fire low-profit, high-maintenance clients? While these actions may seem counter-intuitive in a down market, they may be the best thing you could do.

Leaders can protect against the threat of the downward spiral of a downturn. With an aggressive effort to increase both morale and marketing, leaders can expect their efforts to be both emotionally uplifting and financially fruitful.

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