

Crisis pitch: Are clients changing the way their external providers are competing for work?

“Will pitching change post COVID-19?” is a question we’re being asked by lots of our clients and contacts. The easy answer is “yes”, but then so will a lot of things, at least in the short-term.

To arrive at a more nuanced answer you should begin by asking your clients. Remember to pick your moment, everyone has limited time right now, but just by asking the question and having an open conversation you’ll be helping to enhance the links between you, your firm and your clients.

And in fact, in times of crisis like now, our own research shows how clients are valuing closer relationships with their external lawyers. During and post the 2007/8 crash, in-house lawyers often complained to us about the lack of “personal” contact with their external solicitors. Those who did call, often only for a catch-up, were remembered afterwards and there is no reason to think the same won’t be true this time. A number of our in-house contacts have told us some lawyers have done this well over the last few months, while others have failed to contact them at all.

Looking at pitches specifically, there are likely to be several differences when it comes to winning major clients and projects post-lockdown.

Firstly, there will be firms who will “lose their dignity” when it comes to pricing and pitch a ridiculously low price just to win the work. Countering a low-ball is always difficult, but when the economy is in recession it is even harder. Clients will want to pay as little as they can, but they still need reliable advice that achieves the outcome they desire. In the end, a firm that low balls will give them neither.



With 2007/8 still recent in terms of corporate memory there is a good chance that lots of your clients will understand this. But in case they don't, a good way to deal with it is as follows:

1	Firstly, remember you are all on the same side – more than ever your clients will welcome a transparent and open conversation over your cost structure and the calculations for providing the services they need at the right price. As part of this, you will want to understand their expectation on costs and what their budget is.
2	As part of these discussions, you can jointly evaluate the various options and potential pricing structures. It is good to go into detail sharing your calculations. It will also help explain to your clients why your price is what it is and show them why the low-ball firm cannot possibly achieve everything promised.
3	Providing discounts may be an option, depending upon your costs, although these should be time based (e.g. for an initial period and evaluated as the business recovers etc) and typically in exchange for a higher volume of work. Discounts should never be a unilateral concession on your part only - they should give you something of value in exchange (and this may be something of non-monetary value like recommending you to other parts of their business or other potential clients).
4	Where you do enjoy a strong relationship, you can offer to help them review all of their external legal spend and find better ways of achieving what they need. This includes pointing out areas where other providers may be more cost effective than you. They will be particularly interested in how other clients are seeking value, as their own experience is limited.

A detailed explanation will not only enable you to justify your price, but also provide a useful platform to show your expertise. A price is (or should be) based on your prior experience of similar work. So, while you're telling the client what you're going to charge and why, you can also explain how your previous experience has informed your thinking and how your methodology has helped previous clients solve similar problems.

The second change is that it is highly likely you will find yourself pitching against firms who are not your usual competitors. The reason for this is twofold. Firstly, clients may ask smaller firms to pitch for higher value work because they think they'll get a cheaper price. But on the flipside, bigger firms may think it worthwhile to pitch for work they wouldn't usually look at, in an effort to improve cash flow.

Our advice is not to worry too much about your rivals. Try to find out who they are so you understand where you "sit" and again talk to the client about the list. Then have an honest internal conversation with your colleagues about your chances of winning.

In many cases you may just be making up the numbers, the client has their favourite lawyers but are required to have a “competitive” pitch. One simple technique is to ask the client for a call in order to answer any questions you may have on their specific needs. If they say they are too busy to speak to you it may be that you are not their priority.

Once you’ve done this and you’re sure you have a realistic chance, concentrate on your proposition and make it the best you possibly can.

This means doing all the good things you would have done before we even knew what COVID-19 was. Also remember though, that your clients are likely to be dealing with tough business issues and will expect (and quite frankly deserve) a pitch response that properly answers their questions and shows real commitment.

The third thing to remember is closely related to this... in-house lawyers will be under a lot of pressure from their bosses in the business. Decisions that may have been left to them in the past, may now be overseen much more closely by their superiors. There are numerous ways in which this can affect a pitch process and the personalities of the people involved. You may for example, find that your usually friendly GC is rather more distant, or that you’re asked unexpected questions.



Just keep listening and asking questions when you need to. But listen carefully and don’t assume that what happened last time will apply now. If you’re being asked to pitch for work, always find out who is going to be listening to you, it will help you understand who might be making the decision.

Finally, for the foreseeable future it is likely that you will need to pitch via video link. This is, of course, very different to pitching in person. Presenting to a video camera is a different skill and the only way to get good at it is to practise. Rehearsals are always important.

Increasing price pressures, new competitors and alternative approaches, this all sounds very familiar. Strong personal relationships are the key element and valued even more during difficult times, not least as they allow for more open and powerful conversations on a client’s specific needs.

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