



THE NEW ELLIS GROUP

# Monday Monday

*Connecting the Dots with Karen Kaplowitz*



*Helping you create and reinforce the habits of successful career building,  
gleaned from my work as a business development strategist, trainer and coach*

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**Managing Expectations.** After glowing descriptions of “representative” matters, some lawyers’ websites have a disclaimer: “Similar results cannot be guaranteed.” It is very tempting for lawyers to estimate recoveries optimistically and to discount the costs when meeting with prospective clients. Lawyers know that some clients, like homeowners who are considering which real estate broker to hire to sell their homes, may be influenced by which lawyers claim they will get the better result. But inflating the likelihood of a good result or minimizing the costs can lead to very unhappy clients who challenge their fees, do not appreciate the results, and do not continue the relationships. Managing expectations is also important for lawyers in their relationships with their partners especially with respect to revenue projections. As you prepare for meetings with clients --and year end budgeting-- consider these questions:

- Are your estimates of outcomes and costs derived from historical data and experience?
- Have your projections been influenced by what you believe your clients/partners expect?
- Are you allowing your own aspirations to affect your projections?
- How often have you had to modify your projections downward in similar situations and how did your clients and partners react?
- What is the likely effect of making conservative projections of outcomes? If you are candid, even if that means being pessimistic, are you likely to lose the client?
- Are you sufficiently confident of your projections to memorialize them in writing?

Managing expectations is of course important not just at the outset of a matter. Even if your initial estimates are not confirmed in writing, your clients will remember them. And even if you do not agree upfront that there will be a consequence if you are wrong, your clients may expect you to bear some of the risk if you were overly optimistic about the outcomes or the costs.

**Example:** The lawyers realized early in a matter that their initial assessment had been overly optimistic. Their clients’ position was not as strong as either they or their clients had expected. The outcome was not likely to be as favorable and the costs were likely to be more considerable. The lawyers reported to the client that they needed to change their projections of the outcome and the cost and explained what new factors had affected their assessment. The lawyers laid out for the clients various options and continued to communicate as candidly as possible throughout the matter. At the conclusion of the matter, the lawyers accomplished a result which was worse than they had initially projected but better than their interim estimates. The clients acknowledged their disappointment that they had not done as well as they had initially expected but expressed their gratitude that the lawyers’ skill and hard work had gotten them a better result than they might have obtained.

When you pitch clients for new work, are you taking into account the predictable effects of overestimating the outcomes and underestimating the costs? And in providing projections to your partners for expected revenue in 2016, are you applying the same standards?