

August 2017 Strategy Call



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Doubling Your Business in Today's Market: Yes it IS Possible.

Objective

Hearing how another bankruptcy attorney has doubled his business.

Recording

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Key Points

How did Kenn Neeley from the Neeley Law Firm double his production over the past 3-months? He did this through:

- 1) Consistent Messaging: All of your marketing including ads, emails, phone calls, and your website should have the same message and language throughout.
- 2) Process: Having a process that you follow helps with staying consistent and leads to more retained clients. Some examples are hiring a "Client Service Director" who is the main point of contact for all potential clients/ leads and using CRM software for all reminder emails/ calls/ text and follow-up.
- 3) Post-Petition Receivables

Call Transcription

Philip: Welcome to the 720 Strategy Call for August 2017. I'm really excited about this call today because we got Kenn Neeley on the phone. A little background about him. Five years ago, Kenn came to me with the idea in offering 720 to his clients. He said "Phil, the Bankruptcy market is constricting. If I can figure out a way to add value to the client so I just don't have to drop by fees and compete only on price, it will change my business traumatically." We tested this in November 2012. Remember this Kenn? It was way back. David Perreault introduced us right? Remember that client of yours? When you tested this out, it bumped your same day retain rate to 19% with the increase of your fee for \$300 at the time. If I recall, you were filing 20-ish a month, 20 or 30 a month. Is that right?

Kenn: Yes. It was right within that range.

Philip: Over the past 12 months, you exploded your business and now, you're the number 2 filer in Arizona, right?

Kenn: Correct.

Philip: In essence, you were able to double your business, capture the market share and became the number 2 filer in Arizona and these all happened in the past 12 month or so. You did it by advertising your advertising by 40%.

Kenn: Correct.

Philip: Today, we are going to discuss how it happened.

Kenn: Sounds good.

Philip: It sounds too good to be true but I'm grateful for that. Kenn, why don't you give a little background of yourself so people can envision what your staff looks like and will start jumping in?

Kenn: Sure. It will even sound more true good to be true when I say that I doubled my business in the last few months when it really all happened. It boiled down to the changes that I made. It pretty much happened overnight. Over Memorial Day weekend, I made some changes on how I was managing my marketing, my business and my processes. Starting in our first business day in June, we had twice as much consultation. We had twice as many sign ups and we were twice as many cases that week. For the first 5 months of 2017, we went from an average of 40 cases to filing 80 cases per month in June, July and August.

About my firm, I've hung through the years of decline. We continue to grow market shares each year to a degree that it allowed my first to stay at the same size or grow slightly even with bankruptcies falling traumatically here in Arizona. Arizona had a dramatic decline than some states. Despite that, I have never lowered fees. In fact, I raised fees when the pricing competition gets very fierce. I'd generally pull my staff together and say "The time has come. We do finally have to change our fees due to the competition so we are going to be raising our fees." I'd always get the surprise looks and we then talk about how our value of will justify those raised fees that it will mean good things to our firm, growing our market share and setting ourselves apart from the competition. It's been a successful strategy.

We are going to talk about seeing how the tides turn on bankruptcy now that it seems to be happening slowly especially in some states. I do feel like we are at the bottom. We are seeing some slight increases in new client retainers and filing. The situation with consumer debt and student loan and mortgage consumer debt being on a historic high, it does seem to foreshadow an increase in bankruptcy filing in the coming years.

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Philip: Awesome. Thanks for that background Kenn. Kenn, we chatted yesterday about your office. You really saw your growth based on three things. Let's define those three things and unpack them.

Kenn: Before I start getting into those three things, let me start by saying that I always felt like the firm owner; that I should have involvement, accountability and my finger on the pulse on three areas as I would call it, the three M's; the money, the marketing and the mission of the firm.

Money goes without explanation. You need to understand what's happening with your firm's finances. As for Marketing and the firm's mission, these two can get lost in the day to day legal work of the firm owner especially if the firm or the owner does a lot of the legal work. I've always tried to be involved in directing marketing activities in my firm and the mission of our firm. Our set of core values that we try to communicate to our clients. In the last few months, what I really saw happen was being able to put out the messaging and the communication to potential clients. Once people start interacting with our firm, there's a continuous messaging that they get. You really need to make that consistent and really resonate with those potential clients and once they become clients, current clients. To be able to get that messaging out and have it happen without someone typing up a custom email to every person that calls or emails your firm, it boils down to having those processes in place. It has to be automated and having the messaging done consistently and inspiring to those clients to have them take action on it. In my firm, we do some post-petition collection of legal fees that we have been successful with and being able to do in Arizona and the 9th Circuit in general. It's being able to structure your fees in a way that it both sets you apart and provides value to your clients. It's to provide an avenue and opportunity to your client and be able to file bankruptcy quickly when needed due to a wage garnishment and to have a good system in place to track and collect those fees and continue to provide good service to those clients so that they will be willing to pay those post-petition fees has also been critical to my firm.

Philip: For those who came and join the call late, we got three things that contributed to your growth on why Neeley is now the number 2 filer in Arizona. It's a well thought process, consistent messaging and in certain cases, post-petition receivables. Let's break that down.

If we are going to make a list of the processes that people need and things that you really focus on with Boni, your front office and your different staff, what would those examples be? What would be the process be and things that you created for your staff? One, you mentioned not making an email every time. Let's unpack this.

Kenn: We will go through this chronologically. We'll start with the interaction of a potential client with our firm. A lot of our new clients come from paid advertising, Google pay-per-click and Bing. You have a very short amount of text that you can put in an Ad to try to get a potential client's attention. A lot of firms will outsource this or will hire a firm that specializes in legal advertising or just marketing firms that specialize in legal advertising. I see a lot of very similar Ad copy; a very similar Ad structure. When you click on the Ad, either the Ad would route you to the Attorney's homepage or to a landing page that's the same as what you see on other firms. It's not very interesting. There are a lot of duplicates. Most of the Ads, the landing pages, don't stand out. Sometimes, you have a breakdown where the Ad says this is what you'll see when you get to the Attorney's landing page.

Transcription, continued...

Philip: Kenn, let me stop you real quick. I wanted to define a couple of things. First, when Kenn's talking about advertising specifically like Google Adwords. When you click on the Ad and routed you to a landing page, it's a specific website designed just for that Ad. What Kenn's saying is if the messaging on the Ad is not consistent with the landing page, there's going to be a breakdown. If the message on the Ad routes you to the firm's website, there's going to be a breakdown.

Kenn: That's exactly right. Let me give you a few specific examples. There are some attorneys who are members to the 7 Steps to a 720 Program who will put that in their Adwords text. When you click through, it routes you to the attorney's landing page which may not talk about nor has anything about 7 Steps to a 720 Program on it. If it does, it's not really clear as to what it is, what value it adds and why's it's a unique offering to the firm.

Another example is a lot of attorneys would use Zero Down or payment plan type language in the Ad or two to get clicks and the landing page doesn't even talk about fee, fee structures or fee options or exactly what Zero Dollar down means. In Arizona, a lot of firms advertise \$0 down but what they mean is \$0 Down to hire. Still, the full fees have to be paid before filing. That's the disconnect that you'll get when you use few words in an Ad and bring someone on to your page and the page itself doesn't really explain to the person who clicked on that Ad what the value is in those different offerings that are in the Ad.

Philip : Perfect! Great feedback from a Lead Gen perspective when you are generating leads. You can incorporate this to whatever. For those who send out letters to people who have been sued, you can get those addresses from court houses. It's the same exact thing. Whether it's Google, Bing or Court House letters, it's the same for your marketing. It's consistency.

Kenn: Exactly. I mentioned one of the M's earlier on the call is Mission. For us, it really comes down to our goal which is not just filing bankruptcy for our clients but to provide them with the tools and resources they need to make a financial change that will change their life forward. We try to convey that in our Ads. From the very first time that they read our Ad that will go to our landing page, to the landing page that they read, to ultimately follow through and call us to start getting emails and phone calls from us to schedule the initial consultation. We use the same language in our emails and our phone calls that we are not here not just to eliminate your debt and file bankruptcy for you but we are here to give you more value than that. We see our role as providing a chance to turn things around and that's where 7 Steps to a 720 Credit score is very valuable. It's a very important piece of the rebuilding process.

Philip: That's Lead Gen. After you capture a lead through an email or call, what other processes do you create? The listeners are looking for ways to say "I don't have this process built. Here's what I need to create."

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Kenn: The big one for me has been having a dedicated staff member who I call our Client Services Director. I had that person in that role for several years. I don't believe I have the right person and don't believe that the person has the right training, the right mindset and the right tools in place until the last few months. All new potential client contacts or leads go to my Client Services Director. A lot of it is phone calls. On our landing page, our goal is to get the client to call us as opposed to filing out a form. We found that while you have a few people drop off that landing page and wanted to fill out a quick contact form, the ultimate goal is getting appointments set. You will have a higher conversion rate if you can convince that client to make a phone call. A lot of it is incoming phone calls. We focus on getting those calls during business hours. The Client Services Director does the messaging. Knowing the right language to use and knowing how to listen to the potential client is really the pre-sales process. When I used the word Sales, there would be some people who'd probably say "Oh. Sales. I don't sell bankruptcy." What I mean is selling and pre-selling. The definition of selling comes from Bob Berg, whom, I really like and I think he's a fantastic businessman and coach on the selling process. He said "Selling is to learn your client's wants, needs and desires and help them get those." That Sales Process for us starts when the potential client is explaining to my Client Services Director her situation and why they called us; what are their concerns and what's causing them pain. Do they need like they might need to file bankruptcy? She starts listening and getting those details and putting all of it into the file so that they are captured and we know what the reasons are.

Philip: How long will the call with your Client Services Director take?

Kenn: On average, it takes 8 to 9 minutes; some will take 5 to 6 or 14 to 16.

Philip: What's her objective? Is it to capture the information and set an appointment?

Kenn: I would say three and you got 2 of them. First is to get some information that will be used throughout the next steps of the process. Second is to start to build a relationship with that potential client. At this point, the potential client still sees the bankruptcy firm as a commodity. Essentially, they are calling to check on prices. At large, one of the questions is "What are your fees?" You have to have a Client Services Director who can take that question and chain that whole question into "Before we get to that, let's discuss some other things. Let's find out what your problem is. Let's find out what your pain points are. Let's talk about some unique offerings that our firm has." Get the information, build the relationship and get an initial consultation scheduled.

Philip: On your initial consultation, is it all in person? What percent of it is by phone?

Kenn: We represent clients all over Arizona. We end up doing a fifth of our consultations by phone, maybe 20%. They are successful if you follow what we have talked about and what we will be talking about. Phone consultations can be very effective.

Philip: When these calls come in, your Client Services Director would say "Great. Tell me about why you are doing bankruptcy." You want to bond with that person and you want to communicate your mission how life's different. Of course, we can discharge your debt, everyone can. Here's what we are going to do differently. Two, Let me get your concerns and have it on your file. Three, let's set an in-person appointment as soon as possible.

Transcription, continued...

Kenn: Exactly.

Philip: Is this all written out for her? Does she have a script to follow or does she have that personality that it's come natural?

Kenn: She has some talking points that we've gone through when I hired her. She's been here since March. We did a lot of role playing. We listened to a lot of phone calls from my Client Services Director as well as some other firms. With that, she was getting some coaching. Then she has some common languages that she can use for some common concerns. After four or five months, it has now become very natural for her to address those concerns that come up. Like "I want to know exactly the fee is before I come in." It's a pretty common one. We don't want her to get into exact fees as we don't know the situation until an attorney can sit down with a potential client and go through all the details of the finances.

Philip: If she's on the phone and see a lead call coming in, does she put the person that she's talking to on hold? Could she see those numbers and say "Hold on one second" to capture the call and say "Will call you back"? How does that work?

Kenn: It's an interesting question. The way that we have been doing it is when she's on the phone, one of the non-legal attorney's staff will take the call and attempt to set the appointment but there's a difference with the success rate of my Client Services Director than the others. In the next couple of days, we will have some changes in my phone system and will allow her to take more of those calls and funnel all those initial consultations request calls. We will train one back up so that when she's out, say, she's on vacation or out sick or at lunch, the dedicated back up will take over.

Philip: Good deal. We covered lead gen on advertising, the calls coming in and the process. What's another process?

Kenn: Once the consultation is set, the next step is to have the person show up. You have invested money to call you and more money to get you to schedule an initial consultation with them. At this point, we have quite a few automated emails and automated text messages that go out to our potential clients through a CRM that we use called InfusionSoft where we have set up campaigns. As far as InfusionSoft goes, this would be my strongest campaign. We were able to automate a lot of communication and a lot of tasks for my staff. This ensures that once the person contacts us, if it's not an incoming call, they get called back. Once they get called back and schedule an initial consultation, they get reminder of that. They get the information that they need. They get pointed to some testimonials about our firm. We are essentially continuing that pre-sales process; building a relationship, educating them about bankruptcy and about our firm. The goal is to have them show up for their initial consultation. Also, a day before, my Client Services Director Amber gets a task on her InfusionSoft Dashboard to make phone call, the next day after the initial consultation. By then they already know her as they've already talked to her on the phone once, sometimes two or three times because they rescheduled or have other questions. She calls them and says "Hey Jim. Just making sure that you are still set to coming in at 11 o'clock and to see if you have any questions or if you need directions." She tried to have one more in-person contact with the next day's appointment. We have a very high show up rate. We also send some text messages reminding them that they have an appointment the next day and on the morning of the appointment, we send them another short text message that looks like it came from Amber because by then, she knows most of them since had conversations with them. It just says "Hey Jim. See you at the 11" and it comes from Amber.

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Philip: Regarding the leads captured, you set the appointment and communicate with them "Hey. Here's your appointment time. Here's information about our firm. Here's how we rebuild your credit score" and to use your words, whatever's aligned to your mission. They get a call the day before, a text message a day before and on the day of the appointment. A lot of this is automated; the emails and information on how to rebuild their lives after bankruptcy and this is for any leads that comes in. It can be on your website or every call that comes in: Are you interested on some information on how to rebuild your life after bankruptcy? They are all going to say yes. All of you on the phones are 720 clients, I'd say 80% will say yes. You can send them information on how rebuild their life after bankruptcy. It takes the shame away from bankruptcy and thinking that it's going to be on my credit report for 10 years. Some people think they can't get a home or loan for 10 years. This is a simple process that can be moved in to leads that set up or don't set up an appointment or even people who set an appointment but don't hire you. All of a sudden you can create a process that drips. After lead follow up, the intake meeting.

Kenn: At this point, a lot of our potential clients come in and they already feel that they know us. They already trust us. They like us. They will occasionally come in with the checkbook out and sit down at the beginning of the initial consultation and say "What does it cost to get you guys retained?" We'll say "Let's slow that down a little bit and kinda go through your situation and see how we can help you." There are many clients that are ready at that point and decided that of all the firms in Arizona, we are the one that they want to work with. It makes the initial consultation by enlarge a lot less on "Hey. I'm going to convince you that our firm is the best option for you in Arizona." It's more of an opportunity to have a discussion with the potential client. We go back to the notes that Amber has made regarding their big concerns; why they set the appointment with us, what their fears are, what their primary questions are and pick up the same conversation that they had with Amber on the initial consultation and get into it deeper. As an attorney, we can now give them options and give them advice. We can start to some legal analysis and talk some strategies with them. Once the discussion starts, for our clients, very seamless, they feel and you can tell that it's a comfortable situation for them. We really focus on making it a discovery of what this client needs and what results do they want. We can then show them the services that our firm provides to meet those needs and desires. Again, it's a sale. It's not what you would consider a sale as per definition of a used car salesman. It's more of a cooperative, collaborative relationship building process. We show them our unique offerings and our ability to do Zero dollar down type options which takes away the pricing and affordability resistance. In the last two months we have so busy with doubling our filings, I haven't gone through and done the analysis of the percentage of our new initial consultations that retain us on the spot. It's absolutely and significantly higher than before we put a lot of communication and creative fee options in place. Based on a cursory overview, my estimate is about 70%, a very high possible retain thereafter consultation and get it rolling; getting documents etc.

Philip: From a process prospective, what strikes me on the intake meeting and every attorney on the line has a process when they do an intake on the phone. You're bridging the emotional gap from Amber straight to the meeting. The re-bonding process is not needed. You're bringing it up as if Amber and you or your attorney huddled prior to having the client come in. It's like "Hey John Jones is coming in. Here's his problem etc" Is it fair to say that you're sliding right into that emotional huddle?

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Kenn: Yes. That's exactly right.

Philip: For the smaller firms, they talk to people as the calls come in. On that perspective and fortunate for you, you are at an advantage. If you're doing 25 and under filings a month, you don't have a bunch of staff and taking the lead calls as they come in, on your perspective, it's a total advantage because you can keep that relationship going. They key is to have the process on the lead follow up automated and not doing all the lead follow up yourself. Kenn, are there any other process that we need to review that matters on a business perspective?

Kenn: We also have one more process that we use, the Hire later process. For the majority of clients that don't retain on the initial consultation, they don't tell to your face "Oh. I'm not going to hire you because of. . ." Most of them will say "Let me talk to my wife" or "I'll have to go figure out if I want to do Bankruptcy"; "Maybe I can borrow some money from my day" or something. They have an excuse to consider it. There were some concerns that we were not successful in addressing or resolving in the initial consultation. A lot of those people may not resurface again but a lot of them really will. We have a high percentage of Hire Laterers who did end up retaining us. We have a system in place to create tasks for Amber, our Clients Services Director and also the attorney that met with that potential client to follow up and find out if they already made a decision; find out if they decided to file somewhere else. We then take them out of our system or maybe they are waiting for something to happen that will be preferable to them in reference to the filing and timing of bankruptcy. Keeping in touch with those clients in an automated way will bring them back. As one of the owners of the firm, one of the hardest things for me is when I go to the Meeting of Creditors and I recognize someone sitting in the Meeting of Creditors, I am sure that I met with that person. I look at their name on the agenda and when I come back to my office, I look them up in our system. Low and behold, they had an initial consultation three months before and weren't effective in following up with them and went and hired a competitor. It's even harder when you look on the disclosure fees and they paid much more. It was not a fee issue. It's a matter of your failed to build that relationship and get that client to follow through with your firm.

Philip There's so much talk about the gestation period of someone calling for bankruptcy. Whether it's logical or not, some people are just not emotionally ready to file bankruptcy on their first meeting. They're just not. If you have a firm that does any type of advertising, good luck to call everybody all the time. "Hey. I'm following up on our conversation two months ago." "It does not work. You need some type of automated lead follow up system. There's plenty of technology out there and something that we are working on internally with 720 on how we can do this for our clients where we take away the need to pay for expensive software. We will do all that and manage it for you. It's something that we are testing with a couple of attorneys. If you don't have any type of follow and you do advertising, you are at an extreme disadvantage. We'll discuss this more later. Kenn, I appreciate you bringing that up. We have been talking about messaging consistently through this entire process. I don't know if we need to review it. Is there anything else that you want to talk about messaging?

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Kenn: You need to build the foundation of what that messaging is supposed to be different in your firm and for my firm. It's going to be different in your area. It comes down to why you do what you do. How do you take care of your clients differently from your competitors? What's your unique offering? What's your unique personality? It even comes down to the personality of the firm; a lot of times it's taking on the personality of the owner of the firm or the key attorneys of the firm. It doesn't matter to me as to what the messaging is as long as the message is something that would resonate with the potential client, uniquely different from other firms and will be consistent. Think of different companies even non-legal. They position themselves differently. Wal-Mart positions themselves differently from Target. They are both successful and appeal to slightly different customers. You will have messaging that will appeal to different potential bankruptcy filers than the competitor 10 miles away. You want that. You don't want to copy. Nodding the water will not be clear your potential clients.

Philip: People feel the authenticity of a message. It will land flat. We all met the car dealers who say they care for us and wanted to give us the car and send us a price that we can afford. It's the feeling of closing without value that makes us all squirm and that's why messaging is important. It has to be consistent. Jamie Miller, one of the greatest 720 clients, who's in Wisconsin, talks upfront "Hey. Let's get you out of debt. Build your credit score to 720. Get your life back to normal" Check out their website www.millermillerlaw.com. Click on various parts of his website and that messaging is consistent. When you go to his office, there are pictures on the wall of a new car and an old car. The old car has a higher payment than the new car. It's about rebuilding your life. It's consistent; from the moment he answers the phone to his Ad and everything. It's consistency about rebuilding a person's life.

Before we get to the offering, if anyone has a question for Kenn, you can hit 5* one time. Kenn, any point about the offering? You mentioned three things; the growth of your firm, processes, messaging and post-petition receivables. Any thoughts?

Kenn: It's a growing, developing and evolving new way to represent clients in Chapter 7. Even the ABI journal from two to three months ago has a big article about the problem of not knowing the US trustees position on post-petition fees in Chapter 7 in a lot of states and a lot of districts. When you have a client that is facing something eminent and needs to be avoided and filed quickly, attorneys had to use Chapter 13 as an alternative. It is something very helpful to Chapter 7 clients. If you have a low-money down or no money down type of offering in your district, it's not without a doubt, have risks and challenges or attention that you may not want from the US trustees. It's been great in our firm and is allowed in our district. It looks pretty good. There are several attorneys who are using the low money down or the zero down offering in Arizona and I think it's for the benefit of debtors as long as the firm doing it continues to provide valuable service throughout the post-petition stage of the bankruptcy. To me, it's how the code was intended when Congress wrote it. When the initial forms were developed, they talked through it. They have spots on the initial forms that were developed. It has place for you to indicate how much you charge for Pre-petition and how much you charge post-petition. All of sudden, many of the districts went away from it.

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There are others that are more versed and knowledgeable on the Why across the country on that. It's something that would be strongly considered. I feel that with my firm, I have established a stake in the ground that is my market share in Arizona which is a little over 4% and feel that I won't look that market share as bankruptcy filing go up. To be optimistic, it will go up by 20% in 2018. Let's just say, I made a 20% increase in 2018, I will file 20% more cases. I know have everything in place to serve 20% more clients, bring 20% more consults in. If anything, as bankruptcies grow, I may be able to grow my market share even more but I don't feel like I will lose any market share due to the things that we've been talking about this.

Philip: That's going to be helpful. When the PI attorneys jump in, the Estate planning attorneys jump in, everybody wants to jump on the bankruptcy bandwagon for the number of good years it was. To those who are building their processes now, as you put, put your stake in the ground, are going to reap the benefits.

Kenn, I just can't tell you how helpful this call is. We don't have any questions raised but I can tell you, it's one of the most attended calls that we had from people around the country. From the beginning, 5 years ago, I always admired the way you unpacked this and the way you think with the introduction of David Perreault. I am so grateful that you shared this and opened yourself up to everybody. This has been an extraordinary call that will be transcribed and send out to everybody.

One more thing, regarding the Zero Dollar down, we had a strategy call on that last March 2017. We did a very detailed call with David Stidham and Sean Mahwinny of BK Billing and have various attorneys around the country who are using it and are just exploding their practice.

Kenn, appreciate your time and I'm sure we'll be talking to you in the future.

Kenn: Thanks Phil. Thanks for having me.

Philip: Thanks so much. Goodbye.