

SPECIAL REPORT



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How to Develop a Newsletter Strategy

By Irwin Pollack, Esquire

There are hundreds of newsletter “vendors” who purport to customize the content of a particular newsletter to fit your practice area, however many professionals decide to design their own product – totally targeted to the marketplace, type of practice, and the makeup of their clientele.

If you choose to take the in-house route, keep in mind the five key characteristics of both database and subscription marketing:

1. There is a moderate to high fixed cost associated with production of the product that must be amortized across some number of recipients. The cost to create the first copy of the product – to hire the authors (whether in-house or not), the designers – and to pay all that overhead to produce that one copy, is a significant number. If you look at even the smallest newsletters, there is usually an editor or in-house assistant dedicated to that product, which means we are talking about a fixed cost, including design, printing, and postage of at least \$50,000 a year.

2. Once you’re beyond the minimum – of either paid subscribers or new clients to cover the costs – the cost of serving an additional client with your material is low. Although the fixed product cost is high, the variable product cost is usually quite low. Once the fixed costs are covered, they do not change when a new name or subscriber is added. So, a newsletter, for example, might cost only 40 cents to print and mail an issue. In closing, it takes a large investment to create one copy of the product and then very small costs to add names.

3. The total cost of your newsletter proposition can usually afford to break even – or even lose money – on the acquisition of a new intake, client, or even subscriber. Because you’ll end-up keeping a certain percentage of your new names over a period of time – think about it: you’ll get their business either now or later!

4. If you decide to charge for your “know-how,” renewal costs tend to be much lower than acquisition costs. Why? Because once you have a client, unless you totally dissatisfy them with the product or service you’re offering them, you’re likely to hold onto them for a long time.

5. Whether you make money, break-even, or even lose a little on your newsletter project, that’s only part of the economics picture. If a direct ROI from your newsletter (in subscription revenue, book sales, seminar revenue, etc.) was the only source of revenue from a recipient or subscriber, the economic model would be fairly simple. But, think about it...the predominant revenue source for professional service providers – be it consultants, lawyers, or accountants – is an indirect one: advertising. Subscription marketing guru Don Nicholas claims your readers may not provide revenue, but they generate it indirectly by ultimately viewing you as a problem solver, “expert” in your field, or one who can help them in times of need.

A handwritten signature in black ink that reads 'Irwin Pollack'.

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“No matter what type of law you practice, or the size of your firm, we will mastermind your marketing programs and become the driving force behind your results-oriented business development program.”

**– Irwin Pollack
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