

Strategies in Law Firms: The Winning Trends

By Patrick Bignon

In light of the strategies set up by law firms and the variable results observed, certain trends seem to be more favourable than others.

Devising a strategy is a process that should be carefully structured. In order to go beyond the idea itself and develop a concrete and realistic vision of the future, law firms have to make fundamental choices. A certain number of principles established from their observations could guide them through the process.

Knowing One's Strengths to Develop One's Potential

In order to develop, an organisation must rely on its key strengths. Therefore, in order for a law firm to work out an efficient strategy, it needs, above all, to have an in-depth understanding of its market position. There are several aspects to be taken into account: identifying the sectors in which the firm already holds a prominent position; understanding the principles and the choices that led to its success; identifying its fields of excellence; being aware of the market position of its main competitors, etc. These aspects should be included in the firm's strategy and be used as a basis for future actions. Knowing one's limits is also fundamental: a firm should seek to develop its activities in fields where it has the best chances of delivering a competitive advantage. Investing in sectors in which the prospects for making a profit and visibility are weak, would almost certainly end in failure.

Concentrating Efforts to Optimise Growth

Winning strategies are generally those that avoid scattering efforts and know how to focus the firm's investment projects and resources on practice areas. It is difficult for a law firm to maintain a competitive edge in all its fields of activity. The partners

should therefore make choices, define priorities in terms of the development of their activities and invest in the most promising sectors of the firm.

Encouraging Complementarity between the Firm's Activities

Complementarity between a law firm's various departments is an all-important element. Ensuring a continuum between the various practice groups within the firm creates strong cohesion between the teams and encourages healthy competition between the departments. This coherence in the skills on offer makes it possible for the firm to be better prepared for cross-selling and to propose complementary services to its clients.

Innovating to Enhance the Competitive Edge

Quite often, adopting an innovative approach makes it possible for a firm to strengthen its position in the market and to develop its visibility. In the business law sector, innovation first of all involves technical legal issues. Lawyers have to constantly broaden their spectrum of knowledge concerning their clients' sectors of activity. Consequently, they can anticipate the evolution of their clients' needs and propose the appropriate innovative solutions. Another way of innovating for law firms would be to make various teams work together, so as to develop a multidisciplinary approach, making it extremely difficult for competitors to retaliate. By offering exclusive services in the market, the firms can create decisive competitive advantages. Finally, the firms must seek to improve and perfect their working procedures and methods as well as the way they interact with clients. Innovation in terms of the quality of the service provided to clients is a factor that is sometimes neglected; yet it enables the firm to firmly stand out from its competitors.

Setting up a Flexible Organisation and Being Ever Ready to Adapt to Changes

An organisation must be able to constantly adapt to the changes in its market sector. A firm should therefore be particularly attentive to trends and anticipate the new needs of its clients. Furthermore, it should establish an appropriate organisational structure, mainly based on flexible teams and individuals capable of adapting easily to change.

Relying on Favourable Partnerships

Lastly, knowing how to develop partnerships with other firms is becoming an essential aspect of every law firm's strategy. Behind each structure, there is a network of relations that should be developed and maintained. In the case of independent law firms, networking is above all a privileged means of giving the firm access to an international network, which is determinant today in a large number of matters handled. Moreover, partnerships can also enable the firm to improve the services it provides to its clients by working closely with other professions or other lawyers with related expertise.