

# Competitive Strategies for Mid-Sized Law Firms



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# Executive summary

Mid-sized law firms in today's legal marketplace are often given three choices: merge, grow, or die. That's accepted wisdom. Mid-sized firms may try to compete for profitable corporate litigation, deal, and other bread-and-butter work, but everyone knows they (1) don't have the IT and other systems heft to innovate with the big players, (2) don't have the scale to market and compete for global business, and (3) can't attract the talent they need to go head-to-head with Big Law on major work.

But what if that's wrong? What if mid-sized firms are in an ideal position to fix what's wrong with law practice today? *Competitive Strategies for Mid-Sized Law Firms* – a collection of essays by and about mid-sized firms – offers a new perspective.

Our opening chapter attempts to determine the parameters of what actually constitutes a mid-sized law firm, using both contemporary research, as well as the opinions of some of the book's contributors. Chapter two, by futurist John Alber, then debates the extent to which mid-sized law firms have the nimbleness and creativity to transform the legal services model in ways that clients are demanding. He argues that the revolution has already begun and that some visionary mid-sized firms and the companies that serve them are already taking the steps necessary to kick Big Law's can down the road and around the corner.

Continuing with this theme, it's been noted that the associate-heavy pyramid model characterizing Big Law has all the earmarks of a low quality model, ripe for innovation. In chapter three, Fred H Bartlit, partner at Bartlit Beck LLP, undertakes an analysis of why a smaller, partner-heavy business model is more conducive to producing high quality legal services than the current prevailing pyramid model – and how mid-sized firms are ideally placed to implement this structure.

Indeed, this may be the key to enabling mid-sized firms – and the law industry in general – fight off competition from other sectors. Much has been made over the past year about how the Big Four are preparing to take over the legal sector and how Big Law needs to respond. Equally, it has been stated that only Big Law has the deep pockets necessary

to invest in the technology and innovation required to respond to this increased competition. However, not much has been said about how mid-sized law firms have a unique opportunity to successfully implement the changes necessary to out-compete their larger competitors. In chapter four, Stuart Wilson, former global chief marketing and business development officer, Dentons, and chief marketing officer at KPMG, believes there will be many winners and losers in the legal sector of the future, and among them will be many mid-sized law firms.

Chapter five continues with this perspective. Presenting views from BigLaw, mid-sized firms, and boutiques – and what she believes are the advantages and disadvantages of each – Nancey L Watson discusses how firms of various sizes and strengths can put themselves in the position to win more business and effectively compete in various markets by virtue of focusing on various levers of quality and/or service and delivery models.

In today's law firm environment, mid-sized law firms are in a unique position to compete. Some view this segment as one facing challenges in scale, footprint, and unable to afford the latest technological capabilities. Others see it as an agile, fleetfooted group able to provide tailored services with a strong personal touch, and one where firms can exploit mid-sized scale to be more responsive and tuned in to the clients they wish to serve, using new approaches to the practice. Chapter six, by Mark Medice, principal, LawVision LLC, takes the format of an interview with four mid-sized firms, discussing innovation, the competitive marketplace, managing change to transform practices, and data and technologies changing the practice for the next ten years.

The next two chapters are presented by companies working in close collaboration with mid-sized law firms, specifically in the field of technology. It is evident to any industry insider that there are more legal technology products now than there have ever been. From e-discovery to legal research to analytics to contract review, every niche and utility in legal is being addressed by legal tech companies. This explosion in available technology has created unprecedented opportunities for firms. It also poses a threat to those that choose to disregard this rise of innovation or merely acquire “shelfware,” or technology that remains proverbially shrink-wrapped on a law firm shelf and not adopted years after purchase. As clients demand more value for less, certain mid-sized firms have leaned on technology to increase efficiency while maintaining accurate, high-caliber work product and minimizing risk, all while evening the playing field with the biggest firms. So how do you address these pressures without becoming disillusioned by the unending



array of options and difficulties of technology adoption? To get a clearer picture, in chapter seven, Anand Upadhye, VP business development at Casetext, talks to some forward-thinking leaders at America's most prominent, innovative mid-sized and large law firms to learn from the best.

In chapter eight, Chris Austin, director of information governance, Bowman and Brooke, describes a mid-sized firm's subscription to an innovative product, including the challenges they faced purchasing and rolling the technology out and how they overcame those challenges. Chris provides actionable takeaways from a mid-sized firm that is modernizing in an industry that can be resistant to change.

Our final three chapters look at the culture of mid-sized law firms. Many firms will state their commitment to greater inclusivity and accessibility, but few will actually put in place schemes that command significant resources and input in order to guarantee it. Garden Court Chambers, a leading UK firm based in central London, is the exception. Its pioneering program "Access to the Bar for all" – which won Diversity Initiative of the Year at the 2017 UK Diversity Legal Awards – moves past the traditional one-week shadowing scheme format and aims to tackle the issues faced by young people from underprivileged backgrounds by providing long-term guidance and support in the form of extensive mentoring and funding. In chapter nine, Charlotte Ogilvie, marketing and communications executive, delves into the mechanics, context, and impact of the scheme, providing an inspiring and compelling example for other mid-sized firms to follow.

Chapter ten addresses the challenges associated with thinking and managing strategically in the current legal marketplace. Is the only strategy for mid-sized firms to merge and grow? Or, are there other ways to think strategically about market position and capture competitive advantages in ways that are largely independent of size? John Sterling, CMO at Sterne Kessler Goldstein & Fox, explores multiple dimensions of strategic thinking, including:

- The implications of scale in today's legal market – and how mid-size firms can approach competing with Big (even giant) Law;
- Options for creating strong defensive positions that are difficult (if not impossible) for competitors to overcome; and
- The logic of adopting so-called "indirect strategies" – effectively doing different things differently, creating sustained differentiation.

Compared to other professionals and the populace in general, lawyers score unusually high in several personality traits, including scepticism and autonomy, and low in others such as sociability and resiliency. These traits can be a real barrier to innovation – something that, as this book demonstrates, is a key issue mid-sized firms needs to address. Having reviewed the characteristics of successful innovation, chapter 11 posits that overcoming this barrier requires establishing a new frame of reference that encourages people to think, feel, and act differently. David Urbanik, chief operating officer at Halloran Sage, describes how one firm with a broad array of practice areas used a structured approach to define and build consensus around a common vision, purpose, values and brand promise. He details the specific processes that were used by teams to develop foundational tools, concluding by analysing the change in culture at the firm and how the foundational tools have enabled broader collaboration and innovation as well as leveraging the untapped leadership potential of not only the attorneys but all employees of the firm.

## About the authors

**John Alber** serves as futurist for the Institute for Future of Law Practice and for the International Legal Technology Association. He writes, speaks, and consults widely, focusing on finding practical ways to reshape the delivery of legal services to suit a future demanding excellence far beyond substantive legal skills. Prior to his current role, John was a transportation industry CEO. Thereafter, he led Bryan Cave LLP to become one of the most innovative firms in the world, serving as its strategic innovation partner for more than 16 years. While at Bryan Cave, he also served for seven years on the firm's operating group (its management committee). John is an Emeritus fellow of the College of Law Practice Management. He has received a number of awards, both in the legal field and in information technology generally. Among other awards, he received ILTA's first ever Premiership Award, was named American Lawyer Media's first ever "Champion of Technology", was given a Lifetime Achievement Award by Law Technology News and recognized as one of the Top 25 CTOs in the world by Infoworld. In addition, while under his leadership, Bryan Cave received recognition as a *CIO Magazine* "Top 100 Company" and was twice recognized as ILTA's Most Innovative Firm.

**Chris Austin** is an established information management professional who focuses his work on transforming organizations with new processes and emerging technologies. With over 20 years of experience, Chris has overseen change in a variety of organizations including state and federal government, academia, publicly traded companies and law firms. His knowledge and experience include information systems, library services, and knowledge management. Recently, Chris has merged traditional library services with records functionality into a cohesive unit, breaking silos and transforming how data is consumed. Chris heads up the information governance efforts at Bowman and Brooke, including acquiring state of the art software, helping Bowman and Brooke continue its dominance as one of the premier product liability defense law firms.

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He was first in his class in law school and has the top academic record in the 120-year history of the University of Illinois College of Law.

He is the subject of many books and publications, including *America's Top Trial Lawyers – Who They Are & Why They Win*. He has tried over 100 major cases in 24 states, the Virgin Islands and Scotland.

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**David Urbanik** began his business career as a strategic planning and mergers and acquisitions specialist for a large multi-national industrial corporation. In that role, he travelled the globe, providing advice and counsel to senior managers focused on developing and growing their businesses. He was deeply involved in a major corporate restructuring, managing the sale of 22 product lines and five major acquisitions. Working closely with some of the largest law firms in the world, Dave took the lead in negotiating the terms of a number of these transactions.

When his corporate employer became the victim of a hostile takeover, Dave found a new challenge in the then emerging field of the professional management of law firms. He was one of the early pioneers in formalizing and developing the role of financial analysis, marketing, planning, and information systems in the legal industry. Now, with more than 25 years of experience, he has served as a mentor and guide to many lawyers and non-lawyers alike in their personal professional development.

Dave has been cited as an innovator and has given presentations both locally and nationally on law firm management. He enjoys being surrounded by bright, creative people dedicated to furthering the best interests of their clients and takes pride in assisting in any way that he can.

**Nancey L. Watson**, BEd. is president of NL Watson Consulting Inc. She has helped professional services firms win over \$3 billion in competitive bids. Since 2012 she has worked almost exclusively with global, national, mid-size, and boutique law firms and in-house legal departments on RFPS and proposals.

She is an internationally recognized speaker who presents on topics such as pricing tactics, pricing master class, legal procurement's impact on law firm selection at in-house and law firm conferences including Thomson Reuters, Law Firm Marketing Partner Forum; Canadian Corporate Counsel Association National Conference and In-House Counsel World Summit; LawVision Group, Practice Partners Roundtable; and Legal Marketing Association, Eastern Canada Regional Conference.

Nancey is the author of ARK Group's *The Silver Bullet: How RFPS are won*, and creator of the workshop: *Strategic Proposal Management*. She is also the presenter of the accredited continuing professional development/continuing legal education course, *How Procurement Impacts Law Firm Selection*. As a contributing author for Thomson Reuters Legal Executive Institute she has articles published on procurement and law firm strategies and several podcasts on the Legal Executive Institute website. She can be reached at [Nancey@NLWatsonConsulting.com](mailto:Nancey@NLWatsonConsulting.com).

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