

Small firms can have big plans, too

by Trish Carroll

Size, full service, geographic spread and longevity do not guarantee success for a law firm – just look at Coudert Brothers, which had all these characteristics and announced its intended dissolution in August 2005.

What does lead to success is the ability to provide depth in key areas of importance to a specific client-industry base and to differentiate in a way that is of genuine value to the targeted client-industry base.

Recent coverage in *The American Lawyer* revealed that while bigger still means richer, there are smaller firms operating in specialised areas or taking commoditised legal services and operating very profitably. Most of the stand out smaller US firms have a clearly identified specialty such as litigation, immigration, labour and employment or insurance defence. This phenomenon is to be expected as there are four basic market-brand positions to occupy. This is true of law firms and other organisations, and they are:

- leader – own the category (for example, Mallesons owns first-tier, full service)
- challenger – challengers to the leaders (for example, Minter Ellison taking on Mallesons)
- niche – one or a combination of premium and high-end, budget-discount, segment-industry focus (for example, premium and high-end in the tax niche, Arnold Bloch Leibler)
- flanker – a major brand protects flank by creating a new brand around the core brand (for example, Gadens Galaxy Systems, flanker brand of Gadens Lawyers).

In the legal media it is the leader and challenger positions that attract the most attention. Generally in law firms these positions are associated with full service, multi-site firms operating at the top end of the legal market servicing the world's biggest companies and the needs of governments.

The lessons smaller firms should take from the leader-challenger positions is in the area of business planning, discipline, focus, investment and quality

in terms of people, technology, systems and processes. These are the attributes leading to sustained success. In Australia, many smaller and medium-sized firms have tried to imitate the leader-challenger full service firms. This has caused many firms to miss the opportunity to own a different space in the market.

However, there are firms that have successfully carved out their own differentiated position. These firms demonstrate the value of having a market strategy based on not trying to be most things to most people. Rather they often focus on having a deep-narrow area of expertise.

When considering market positions, the options for smaller firms typically fall into the categories of:

- single niche – such as immigration, tax, property, private client services, employment and workplace, dispute resolution, IP and class actions
- multi niche – industry focus, providing a range of expertise relevant to an industry such as automotive or complementary industries such as construction and property development or telecommunications and integrated communications
- 'founder hero' brands – often begin as niche and remain as such or expand niche into additional areas of practice, become regional and sometimes global, thereby moving through the brand positions to leader-challenger (Baker & McKenzie is an excellent example of a 'founder hero' brand moving successfully to a leader position).

Leader-challenger brand positions do not have to be the global model most commonly used as examples. Leader-challenger brands can exist in a single location where dominant market share is achieved in that single market.

Success happens the same way for firms of all sizes. Planning, market analysis, implementation and monitoring are the key to success. Without planning

anything is possible. With planning comes a shared understanding about what is to be achieved (objectives) and the activities that will enable achievement (strategies).

The most successful small to medium-sized firms are those with a clear understanding of what they want to be famous for and in what sectors. Overarching a firm's marketing plan is the need for a clearly articulated brand strategy. Brand is a term that has become a catch-cry for many activities. What 'brand' means remains something of a mystery for many firms. In a nutshell, focusing on your market-brand positioning goes straight to the core issue of what does your firm stand for and what makes it different (and better)?

In essence your brand is your firm's reputation in the marketplace. Law firms need to consistently reflect and deliver against their market reputation. You are selling the knowledge, expertise and skills of your people – and they need to reflect (at all levels) what your brand stands for.

The importance of brand in your marketing strategy is that a firm's brand can:

- provide a common purpose and source of internal unity
- enhance business development and client retention
- attract and retain quality people.

Your brand must transcend individuals and be based on clear, sustainable points of difference relative to competitors. The temptation in smaller firms to have a brand based on individuals can ultimately lead to the brand being quickly devalued when those individuals leave. Of equal importance, the brand of individuals leads to the firm's brand being diluted by the sub-brands of the individuals. ■

Trish Carroll is the founder of Galt Advisory. This column is an abridged version of a paper Trish Carroll and Nigel McBride, chief executive partner of Minter Ellison Lawyers, South Australia and Northern Territory, presented at the 2005 IBA Conference. For more information, contact trish@galtadvisory.com.au.



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MARKETING PLAN FUNDAMENTALS

1	Business overview	Honest assessment of existing market position and sources of work
2	Competitor analysis	Honest assessment of competitors segmented into location, work type, client, industry, profitability, innovation, brand position
3	Shared mission	A statement encapsulating what the firm is in business to do (i.e. why does your firm exist?)
4	Goals	Broad long-term aims that define accomplishment of the mission
5	Objectives	Specific, quantifiable, realistic targets that measure accomplishment of the goals over a specific period of time
6	Actions	Specific steps to be taken to implement the strategies and deliver on the quantifiable, measurable objectives
7	Resources	Budget, people, technology, research, measurement required to support the overall plan