

The evolution of innovation



by Trish Carroll

Successful companies of every hue must manage two apparently contradictory impulses to remain vigorous competitors – they must juggle innovation and inertia.

In his recent book *Dealing with Darwin: How Successful Companies Innovate at Every Phase of Their Evolution*, author Geoffrey Moore explains how every firm in every sector needs to constantly move forward and never risk resting on its laurels.

To innovate is to create new solutions and react to the market faster and better than your competitors – that goes for law firms as much as any other business, yet there is a risk that a law firm, having successfully innovated, becomes blasé and allows inertia to take hold, simply expecting that occasional innovation will be enough.

It isn't. What was once an innovation swiftly becomes the status quo.

Let's look at one commonly pursued marketing strategy – putting the client at the centre of your business. It was once innovative, yet now is relatively common practice and in many firms has morphed into client-relationship programs.

These are the clients that deliver a reliable work flow year after year, if you know how to meet their needs. They are usually found in the public sector and in the private sector, where they are prevalent in medium to large organisations with in-house legal teams or at least an in-house lawyer. These 'relationship clients' expect, among other things, that their external firms will have a deep understanding of their needs; knowledge that will be translated into creative solutions not necessarily limited to legal issues.

Disappointment at inertia

Much has been written about the opportunities for symbiotic relationships between in-house counsel and external law firms. The changing powerbase of these relationships has caused many firms to reflect and change their service-delivery models so that they're better

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aligned with clients' needs and preferences. Even so, it caused a stir when a regional legal counsel of a major company was quoted in a well-read legal magazine about his disappointment over his panel firms' inability to deliver on his request (said to have been issued annually for five years) that external law firms show him something different, something new that would help him discharge his responsibilities. He had identified inertia, not innovation.

It's a fact that lawyers are very intelligent (just check out the university entrance mark), so why the lack of ideas? Was it because they were (a) not listening, (b) uninterested, (c) too busy, or (d) trying to find consensus about which innovation to offer?

I suspect it's a combination of all four – that, plus the pressure of the daily demands that lawyers face; the lack of recognition and reward most firms grant to legal innovators; and the ever-present 'hours jockey' mentality that demands input equal billable output.

A guide to innovation

In this highly competitive and fast-moving world of larger legal panels, sophisticated clients and intense competition, surely it's time for innovation to have a greater role? So what can we do to change this situation? A review of a range of material and case studies on this subject reveals that there are many seemingly simple things we can do to create a more innovative culture. Try one or more of the following as a starter's guide to engendering innovation:

■ send big and frequent messages

encouraging the belief that time to think about how to do things better is time well spent

- permit time and space to think beyond the next most pressing priority
- recognise that stepping back, observing, thinking, questioning and challenging is a good thing
- build in collaborative thought – throw in a mix of people (innovation rarely happens with people who all think the same way!)
- promote a "what if?" culture
- accept that patience will be rewarded – great ideas take time to develop
- explore lots of ideas – don't dismiss anything too soon
- understand that leadership matters – most companies succeeding in innovating are doing so with strong support from their leadership
- devise a process to take good ideas to the next stage
- be aware that innovation happens at all levels – don't marginalise the little innovations that, incrementally, make a big difference
- don't kill a potentially good idea by demanding a fully fledged business case – provide some funding to give it room to develop to a more fleshed out (concept) stage
- act quickly on ideas that pass the concept stage
- embrace the three Cs – communication, communication, communication.

Developing an innovative mindset is akin to the claims of a certain shampoo – it won't happen overnight but it will happen – in the right conditions. ■

Trish Carroll is the principal of Galt Advisory, a firm focused on helping law firms devise and implement practical and successful marketing and business development strategies. She can be contacted at trish@galtadvisory.com.au