

Small Firms Thinking Big – Lessons in Success

“You don't have to be Big to be Strong...”

We used this tag-line to launch our Small Practice Solutions range of professional support services and technology applications in 2003; and it is still as true today as it was two years ago. Thankfully, growing big for the sake of size is no longer de rigueur in business. The focus instead is on the quality of the client relationships and services delivered.

As our economy strengthens and market conditions for legal services are looking more favorable, we will see more new practices launched in the New Year. 73 new practices launched in 2004 and 74 in 2005. The strategic challenge facing small practices today is how to effectively deploy the practice's limited resources and best effort behind their business development initiatives and service delivery. From the number of new law practices starting up, we can see that lawyers are not averse to taking up this challenge.

Over the course of practice management consulting conducted by us in the last two years, we have gained valuable insight into solo and small practice lawyers who continue to strive and thrive in this competitive environment. We hope that the “secret of my success” type lessons shared in this article will be inspirational and instructive to other struggling proprietors. In our eyes, every solo and small practice proprietor who has not shirked from the challenges of operating a successful practice (by whatever definition) is already a winner.

Lesson 1 – Build Relationships

“My best salesperson is the one I am giving legal advice to” says Gordon Oh from Ari Goh & Partners, as the primary source of his business is referrals from existing clients. Marketing research backs this claim as 80% of business development potential comes from existing clients and only 20% of the potential rests in the remainder of the market place.

Existing clients are also potent source of repeat business. Yet few practices deploy a strategic plan for offering more legal services to their clients after the close of their case files. We have discovered that for most law practices, attempts to “keep in touch” with clients is an ad-hoc affair involving no more than a greeting card at Christmas.

“Value your clients” advises Stanley Gan from Alliance LLC. He goes further to say, “spending time understanding their business and developing the relationship will return your investment in time and effort more surely than trying to get in new clients”.

Anyone in business today will understand the value of a “network”. Most inspirational business stories involve the inestimable value of making connections and of facilitating connections. Whom do you know may be able to help your client's business? Can you send business his way? By showing your interest in helping your client succeed, you can be sure that he will think of you when he needs legal advice or contracts drawn up for his business.

Lesson 2 - Learn to Say “NO”

“Learn to say “no” is Kenneth Siow's advice to new startups, “especially to the clients who are either unwilling or unable to pay your fees”. Early qualification of clients should occur by virtue of fee counseling and engagement letters that clearly spells out the client's payment obligations.

“One of the most valuable lessons you learn as a lawyer, is how to identify and manage engagement risks” says Kenneth. If you have set yourself some guidelines, it will help you avoid making the same mistake twice.

Corollary to learning how to say “no” to unprofitable cases is refusing cases that will not help you to build your niche market. See Lesson 3 below on Cultivating Your Niche

Lesson 3 – Cultivate Your Niche

Few law practices today, regardless of size, can remain competitive by offering clients an all-embracing legal service. “Clients today are much more sophisticated in their demands. Everyone wants to see a specialist for their problems. You can’t be a GP, set up shop and expect clients to come walking in” says Mark Han of M/s MarkHan

Solo and small practice lawyers should evaluate their strengths and market positioning. Cultivate your legal expertise and client relationships to build up a “niche” market. Specialization can mean a choice of not only a field of law by also a specific industry segment.

Once you have identified your niche, build up your skills and experience on the selected area of practice. Become an expert in this field so that you can compete even with the best from the larger practices. You will find that positioning yourself as an expert in a specialized area to a target group much more effective than marketing general legal skills to all.

Worried that you will be turning away good prospects? Realistically, you can start by “specializing by exclusion”, meaning that you identify the types of cases or clients whom you will not accept, rather than specify only those types of cases that you will. This brings us to the concept of “Network Marketing” for law practices – see Lesson 4 on Building Your Network.

Lesson 4 – Build Your Network

In the last few years, we have witnessed the growth of alliances and networks of small specialist practices that refer work to each other by specialty. Inbound and outbound referrals are monitored to ensure that the implicit quid pro quo actually develops, and to maximize the asset value of outbound referrals for business development. It makes perfect sense where specialist skills are more highly valued; and everyone benefits – your practice, other lawyers and most of all, your clients.

Wendy Leong of Asia Legal LLC operates a boutique shipping practice with three other partners. She counts referrals from other law practices a potent source of new instructions; including referrals from large law practices that find themselves in a position of conflict and unable to take instructions from other parties in the same or related matter.

Lesson 5 – Make Small Work for You

You are what you are – a small practice. When you position yourself, don’t try to hide the fact that you have limited resources. Instead make being small work for you by stressing the advantages you can offer over larger practices – like lower costs, responsiveness and individual attention.

Focus on the thing that you offer (or can offer) that gives you a competitive edge, and make that your value proposition to your clients and prospects. Take care to “walk the talk” by delivering on what you promise, without raising expectations you cannot meet.

Lesson 6 – Provide Service

You can't practice law without clients. And when you put the "client" into the definition, what you do is "provide your client with a legal *service*".

You may sincerely believe that your clients are paying for your "legal expertise". The truth is - you are not really selling expertise because your expertise is assumed and your client or prospect can hardly tell a cunning legal stratagem from a reasonably competent one; but they can certainly tell if their phone calls are returned and if they feel valued.

Marketing gurus are fond of saying "The first step to marketing a service is getting the service right". Many lawyers do not see how investing in improving service delivery – whether in training, salaries or increased staffing – will earn them more. Yet there are so many ways to fall short – from the way your staff answers the phone to how you monitor case deadlines. Providing good service is much more than a matter of professional etiquette, it is a business imperative. According to professional indemnity insurers, Alexander Forbes, most complaints against lawyer stem from a failure of administration and delivery and not from giving wrong legal advice. Failure to address the inadequacies in your delivery systems can lead to a damaging loss of reputation in the market.

The first step to providing excellent service right is being prepared to spend time and resources getting it right. Obtaining client feedback is also a good way to show your client that you value the relationship and are serious about providing good service. Amongst the law practices that are now working towards a PRIMELAW accreditation, improving service standards ranked high on the list of motivating factors.

Lesson 7 – Value Your People

When your clients walk into your practice, they can detect the forces at work. Energy, dedication, even passion; these are discernible from their interaction with your staff and becomes an integral part of their experience of the service you provide.

How do you instill in your staff a sense of personal responsibility and ownership in the practice?

"Engage positively with your support staff and involve them in the decision making process" advises Gordon, "you will receive constructive feedback on how things are being done and how they can be improved". To encourage a culture of ongoing and open communication, be prepared to take time to explain management decisions and to act upon their feedback. Anything less will reveal a lack of real intention behind the gesture.

Lesson 8 - Milk the Publicity Machine

Don't be shy of publicity. Lawyers have a tendency to consider courting media coverage belittling to the profession. Media coverage increases visibility and augments your profile as a specialist in the relevant legal field, and it is FREE; yet I know of only two law practices in Singapore that regularly send out press releases regarding their accomplishments, their lawyer's public appointments and speaking engagements to the newspapers. Being "in the news" (for the right reasons) is indisputably one of the most effective ways to achieve recognition for your practice.

Solo and Small Practice lawyers should take the opportunity to become acquainted with reporters covering the legal beat – whether criminal law, consumer rights or business news; it is not inappropriate to provide expert background on topics within the ambit of your specialty.

There are also excellent opportunities to provide pro bono services that can be strategically employed to generate a high positive profile. Criminal lawyers, who have “become famous” through conduct of high profile cases under the voluntary Criminal Legal Aid Scheme, have seen how the publicity worked in their favor by giving them credibility and heft in public eyes.

Conclusion

Finally, a word of encouragement for solo and small practice lawyers who are still working out what their “niche” market is. The prevailing cultural environment of “Business at the Speed of Thought” actively favors small practices as they are more agile and adaptable, able to respond quickly to business needs and pressures.

A small practice only needs a dynamic and entrepreneurial head to respond to the challenges of an increasingly competitive market; while business and management decision making in larger practices are convoluted processes often encumbered with self-interest groups and cronyism.

With few exceptions, we are constantly discovering that entrepreneurial drive, innovation and derring-do are much more evident in the Davids of the legal scene and not Goliath.

You Go, David!

Author – Sylvia Low and Serena Lim
Email sylvia@bizibody.biz | slim@bizibody.biz
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