



BY HEATHER SUTTIE

Reckoning and Retooling

Law firm change management means having difficult conversations, and empowering business development staff



A SENIOR PARTNER who has practised law for 45 years recently observed to me, “The traditional firm pressures are huge. A few big failures and we will see radical transformation.”

Nobody talks about law firm failures in voices above a murmur. It’s almost as if enunciating such remarks in anything other than hushed tones will summon the forces of doom. The ugly truth is that, like an infestation of termites or plague of locusts, parasite-like forces have been gutting many a law firm, leaving behind little more than a husk.

The year 2008 saw a global financial crisis and with it the end of the traditional law firm’s 20-year bull run. Now, a decade later, 2018 will be a make-or-break year for many firms. Some will fracture while others will crash and burn. Smart firms will retool.

Retooling requires ruthless examination of the firm from the perspectives of its target markets and its clients. Firms that retool must then have the intestinal fortitude to right-size and reposition their offerings, throttle back on lawyer controls, and empower marketing and business development professionals to take a leadership role in driving revenue.

DEAD ON ARRIVAL

San Francisco-based Sedgwick LLP shuttered in January after 85 years in business.

Until last year, it had 274 lawyers in seven U.S. cities and in London, England. While it’s suspected that the firm faced revenue challenges well before last year, 2017 saw talent departing so quickly that over a third of its attorneys were gone by November.

Underperformance and how long it is tolerated can undermine a firm’s market position, while perceptions of owners, staff, clients, suppliers, law schools and more can conspire to bring it down with surprising swiftness.

When problems are left unchecked, a firm can experience loss of market confidence, clients, legal talent and revenue, which often trigger a death spiral.

KILL YOUR DARLINGS

American writer William Faulkner noted that “In writing, you must kill all your darlings,” meaning letting go of personal and cherished favourites. That same rigour applies to a firm’s overall business strategy and its marketing and business development tactics that may have continued without challenge because ‘that’s the way we’ve always done it.’ The key to killing your darlings lies in change management.

Anyone who has broached an awkward subject knows that initiating this type of conversation is as painful as hearing it. It can be especially difficult within a partnership where each equity stakeholder has an opinion and feels that he or she is right — and none the more so where compensation is concerned.

DATA PROOFING

Firms wanting a vibrant and solvent future trim down to fighting weight. This means rightsizing where, instead of removing individuals here and there, practices and teams better suited as independent boutiques are spun off from the firm.


Understanding your firm’s industry strengths is critical to retooling or spinning off. A firm that faces its markets by industry sends the unmistakable signal that it reflects the world of business, since no businesses other than those in the professions refer to their work as a practice. Clients don’t care about your practice; they care about their industry.

When industry alignment happens, business development falls easily into place. This is because sector strengths are crystal-clear, and a data-defined client industry map determines how the firm’s time, resources and money are best invested.

THE ENGINE ROOM

Smart law firms invest in and empower industry-experienced marketing and business development professionals as major assets of a revenue-driving engine room.

It’s often said that marketing and BD professionals are order-takers; ironically, these complaints are usually made by order-givers. So, vaulting from a perception of marketing and BD as a commoditized support service to that of customized revenue drivers means hiring highly qualified talent from key industries.

These experts know what their sectors need and expect, and how to best position a firm’s offerings for maximum impact. Retaining this valuable talent means consistently instilling the message that these professionals lead on determining and nurturing qualified client relationships that will deliver new or more sophisticated work that sits squarely within a firm’s rightsized and tightly defined legal service offerings. This, in turn, will liberate lawyers to do what they do best: lawyering. 

Heather Suttie is a legal marketing and business development consultant working with firms ranging from global to solo, Big Law to New Law. Reach her at 416-964-9607 or www.heathersuttie.ca.