

EDGE International Review

Implementing Legal Project Management: What's the Best Way to Grab the Flame? 4

Pamela H. Woldow

There's no hotter topic in law firm circles right now than Legal Project Management. One of the world's leading LPM experts describes how to implement effective LPM in law firms.

Reflections for Legal Project Managers: Understanding the Building Blocks of Lawyer Collaboration 10

Douglas Richardson

Collaboration is poised to transform the way law firms work, but it can be a major challenge for lawyers. Here's a blueprint to installing a culture of collaboration in your firm.

The Art of Engagement: Keeping Your Audience Fully Engaged 18

John Plank

Delivering a closing argument, addressing an audience of colleagues or pitching a major client: A world-class presentation coach answers the question: "How can I fully engage my listeners?"

Creating a Fast-Track Strategy Toward Your Preferred Future 24

Gerry Riskin

Many firms shy away from charting a strategic course, thanks to inevitable partner resistance. This "fast-track" strategic solution can get you started down this critical road right away.

General Counsel Quiz: Test Your Adaptation to the New Legal Marketplace 30

Pamela H. Woldow

Regaining Control of Pricing: 7 Tactics for Law Firms in 2011 32

Ed Wesemann

The recession has shifted the longstanding balance of power to benefit the buyers of legal services. Here are seven practical steps to help law firms re-balance the pricing equation.

Marketing and Branding a Law Firm: The Indian Perspective 38

Juhi Garg and Gerry Riskin

Lawyers in India face regulations that greatly restrict their ability to market their services, so business development here must rely on fundamental marketing and branding principles. Plus: a primer on marketing through social media.

The Law of the Pencil: Innovation and Client Service in the New Millennium 46

Jordan Furlong

One of the most enduring products on the market is reliable, easy, economical, and surprisingly innovative. Law firm leaders could learn some business lessons from the humble pencil.

*Essential Insights for
Law Firm Leaders*



1 + 1 = 3

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Accelerating upwards!

By **Gerry Riskin**

Welcome to our second *Edge International Review* for 2010. We are so excited to begin with articles by the newest members of our team: Pam Woldow and Doug Richardson (both lawyers and extraordinary senior consultants joining us from Altman Weil) and John Plank (the finest presentation coach to lawyers and TV personalities in the world). Check out their stellar biographies at www.edge-international.com.

These key additions reinforce our growing reputation as the leading international consultancy for law firms. It is an amazing privilege for us at Edge to serve our firm clients globally. Just as you experience in the practice of law, we continually learn and gain insights through serving some of the finest lawyers and law firms in the legal marketplace.

In this issue, you'll find articles relating to legal project management, collaboration within law firms, pricing tactics, fast-track strategies, engaging presentations, marketing and branding with an Indian flavor, and a unique and thought-provoking item on what lawyers can learn from, of all things, pencils. Your candid feedback is always welcome, as are your suggestions for future topics and themes of interest.

You will find an electronic copy of this and previous editions of the *Edge International Review* at our website. You are welcome to download and share full editions or individual articles among the members of your firm. Enjoy!



Gerry Riskin
Founder
Edge International

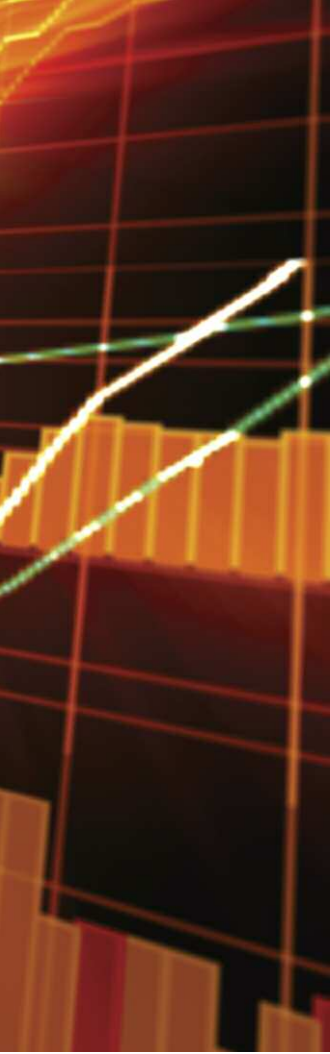


Implementing Legal Project Management:

What's the Best Way to Grab the Flame?

The rapid emergence of legal project management (LPM) as a powerful new source of energy in the legal profession resembles the discovery of fire. It's hot, it's new, and everyone is gathered around, trying to figure out how to put it to best use. Cautious types shrink from picking it up. But first-movers who dare to grab it and bend it to their will suddenly find themselves in positions of power at the head of the clan.

By Pamela Woldow



Stripped to its essence, legal project management is a logical sequence of activities in which a law firm and its client collaborate to agree on goals, define the value of service, allocate resources, create a realistic and comprehensible budget and action plan, develop critical work paths and performance measures, try to anticipate and limit bad surprises, and employ transparent communication protocols.

We shouldn't oversimplify LPM, because managing complex legal projects demands equally sophisticated planning and execution. But in working with clients to implement LPM training, we do try to demystify LPM as much as we can. LPM's sheer novelty and its frequent association with quantitative, IT-driven industrial project management approaches tends to generate predictable resistance among lawyers. Effective LPM training programs must respect and address this resistance.

LPM is a discipline still in its infancy, and law firms are struggling with the challenge of how to introduce it, initiate it, implement it and develop it until it becomes an accepted part of the fabric of the firm.¹ As a basis for any law firm LPM training initiative, let me suggest a few pointers:

1. MAKE LPM AN EXERCISE IN LPM

LPM can practice what it preaches. By that I mean, the basic LPM action sequence can and should be applied to the rollout of LPM itself and to the design of LPM training initiatives. LPM calls on all stakeholders to collaborate to:

- A. scope the project;
- B. allocate resources and identify constraints;

¹ * Legal departments also wrestle with internal LPM-related implementation challenges, but the stakes are slightly different because in law firms, LPM has direct consequences for profitability. LPM holds enormous promise for cost centers (i.e., legal departments) as well, but implementing LPM in-house tends to be easier. Few legal departments are as large as major firms, with their hundreds of partners, associates and paralegals, so LPM implementers are not immediately faced with daunting challenges of scope and geography. This article will confine itself to law firm LPM implementation.

- C. plan the project thoroughly, carefully, and comprehensively;
- D. execute the plan;
- E. monitor progress objectively and dispassionately; and
- F. review and discuss lessons learned.

This last step is incredibly important. In large firms with many offices and hundreds of lawyers, there will be an understandable desire to cast all the LPM protocols in stone at the outset and then start the implementation machine rolling forevermore. But it's not enough that a lot of people receive training; given what the firm is promising clients about the benefits of LPM, it is imperative that lawyers and paralegals actually learn from the training.

So you must solicit participant feedback, ask for suggestions, swallow pride of authorship, and be willing to make mid-course corrections, even during Phase 1 rollout.

2. START SIMPLE

Too frequently, experienced project management practitioners cross the line to become zealots, touting the myriad capabilities of fully mature, fully institutionalized LPM. This can really terrify the troops, or at least turn them off.

At the early stages of LPM implementation, don't tout it as a Swiss army knife that can do anything, if only you can get it to open. Just as your child's first car should be a Toyota and not a Ferrari, accept that initial LPM efforts must be at the level of "LPM 101": comprehensible, manageable, and built around core constructs to which greater sophistication can be added later.

3. BITE THE BULLET

In large firms, LPM training can get expensive. In particular, the cost of designing reams of materials customized to different lawyer levels and conducting scores of focused workshops may make your eyes water. Why so many workshops? Why not a smaller number of mass presentations?

Our team's experience is that if LPM is ever to get beyond lip service in your firm, lawyers must dive in and get their hands dirty with numerous LPM activities in a highly interactive process keyed to real-life case studies — preferably ones designed around the firm's actual clients, practice and engagements. Workshops with more than about 25 participants miss out on that experiential learning, resulting in bored lawyers turning to their BlackBerry.

The process of gathering initial information, designing the program, and

customizing case studies requires time and expense. The good news is that these upfront design costs will be amortized as the firm's LPM training continues over time. True, total program costs correlate with the number of workshops. But the unit cost of each workshop drops dramatically once initial scoping and planning are done and LPM training enters the execution stage.

4. CHOOSE A HORIZONTAL OR VERTICAL APPROACH

In our LPM design work, we often find ourselves at the heart of the “horizontal vs. vertical” debate. The “horizontal” perspective says you should train all the firm's lawyers at a certain level in an intensive series of workshops. This approach says, in effect: “In order to get full-immersion LPM exposure and teach large groups of lawyers the same precepts as quickly as possible, let's have workshops that include same-level lawyers from different practice areas.” This is the fastest way to build LPM momentum within a firm.²

Inherent in the horizontal approach is the need for layers of programs. Typically, we recommend training the partners first, because the “value proposition” is different: their programs go lighter on the “nuts and bolts” of daily matter management and heavier on teaching the powerful business development and client relations benefits that LPM confers. For lower-level lawyers and staff, our team will focus more on teaching practical tactics, tools and techniques to the people who will do the actual LPM heavy lifting day-to-day.

In contrast, the vertical approach trains members of particular client teams together. This “intact group” approach allows the people who work together daily not only to learn the mechanics of effective LPM, but also to develop the collaborative relationships and trust that really make LPM sing. Vertical LPM training is extremely interactive. Its costs may be higher, however, because a firm with many different client teams will require several customized workshops with attendant design demands.

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² A horizontal sub-category adds: “Let's bring all the practice group members together in their own workshops, so we can design bespoke case materials that will be realistic and useful to them.” This is an effective training approach, but it does require an extra increment of design time.

Different LPM training approaches are not mutually exclusive. One enlightened AmLaw 100 firm has planned an intensive hybrid Phase 1 program that includes awareness briefings, pilot programs, LPM 101 workshops, client team workshops, “train-the-trainer” sessions, and post-training coaching. At the end of Phase 1, the firm will know what works best for its lawyers, and Phase 2 will draw on those lessons.

Post-training coaching for participants often makes the difference between adoption of LPM and backsliding. The first few weeks after an initial LPM workshop are the most crucial in determining whether a lawyer will put LPM to use thereafter. Applying LPM to a real-life project is the best way to get lasting buy-in, and the availability of an LPM-trained coach to address practical application questions is invaluable at this point.

5. HOW LONG SHOULD A MAN'S LEGS BE?

Long enough to reach the ground, said Abraham Lincoln. Similarly, the ideal workshop length is shaped by the tension between training effectiveness and the practical constraints of feasible attendance. It's just not reasonable to take large “horizontal” groups of timekeepers away from their desks for much more than half a day.

In the course of a full-spectrum LPM rollout, we often plan immersion at different depths: perhaps

- A.** a basic LPM Awareness Program to build buy-in with executive firm management (the “sniff test”);
- B.** a longer LPM Pilot Program for practice group leaders (the “tasting menu”);
- C.** a series of hands-on, case-study driven “LPM 101” programs for partners; and/or
- D.** longer “nuts-and-bolts” programs for vertical client teams or associates.

6. LET THE LAWYERS SPEAK

LPM is not about manufacturing processes designed to punch out identical widgets; it's about giving lawyers better ways to do their jobs. Therefore, at the start of an LPM initiative, make lawyers your loudest LPM sponsors and its most visible teachers.

Be careful how you integrate your IT, financial, matter management,

performance management and professional development professionals into your training. Make no mistake: these experts are extraordinarily important contributors to making LPM really perform, and some firms already are developing remarkable budgeting, task-coding, and Gantt-charting tools. But many lawyers will head for the hills if they believe LPM is going to be “IT-centric,” “data-driven,” or even “process-based,” or if they think their training will be conducted by techies.

7. DENIAL IS NOT THE NAME OF A RIVER

From managing partners of smaller firms, I frequently hear something like: “This whole LPM thing is irrelevant, because our clients are content with hourly rates, and they’ve always been content with our service.”

Wrong. Whether they prefer time-based or value-based billing, all clients welcome efforts by their outside counsel to operate more efficiently, keep legal expenses tightly controlled, avoid unexpected surprises, and communicate more continuously and conscientiously.

I am a strong LPM adherent, because every day, I witness the legal profession through the eyes of the consumer: general counsel, chief legal officers, directors of litigation management, CFOs, and risk managers. And let me assure you, *they* are fast becoming LPM adherents.

These clients want to see legal representation that is both effective and efficient, and they will reward the firms that give it to them. They crave shared-power relationships rather than battles of bargaining leverage. They relish constant, open and collaborative communication. And they prefer not to delegate total control for their matters to outside counsel and then pray for the best.

So my best advice for firms that want to stay on top of clients’ hit parade? *Give them what they want.*



Pamela H. Woldow is a partner and General Counsel with Edge International who has earned widespread recognition for her pioneering work in transforming law firm-client relationships, including legal project management, alternative fee arrangements, RFPs and law firm selection and convergence programs. She also specializes in providing advice to general counsel and chief legal officers on law department operations. Contact her at pwoldow@edge-international.com.

Reflections for Legal Project Managers

Understanding the Building Blocks of Lawyer Collaboration

By Douglas B. Richardson

In her article on legal project management (LPM) on page 4, Pam Woldow describes the characteristics and benefits of legal project management — what it looks like, how it improves matter management, how it leads to improved metrics and fewer surprises, how it achieves significant efficiencies, and how it fosters more interactive client relationships.

At its heart, LPM is really all about collaboration. Here at Edge International, we think LPM is set to transform the way law is practiced in the future. But successful LPM implementation requires more than great blueprints and rational processes. It also requires, and eventually must engender, a collaborative





commitment among stakeholders. As many frustrated legal project managers will attest, that can be a tall order when the cats you're trying to herd are lawyers.

American colonial patriot Thomas Paine once suggested: "If we do not hang together, we shall surely hang separately." That message finally seems to be coming home to lawyers whose profession has become economically challenged. The sun is setting on the epoch dominated by "individual contributors," because the legal profession's structures — both law firms and legal departments — have become so large, specialized, geographically dispersed and global that interdependence has become an absolute necessity.

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But that doesn't mean that lawyers willingly embrace the prospect of pulling together in harness with their colleagues, even if that harness promises the LPM benefits of rationality, predictability, efficiency and profitability. So we need to understand why lawyers do, and don't, collaborate well.

WHY LAWYERS RESIST COLLABORATION

Trying to mobilize lawyers by lecturing them about how collaboration produces better synergy, efficiency, results and motivation does not work. Nor will showing them the LPM "value proposition" automatically build strong buy-in to law firm or legal department LPM initiatives or translate into real-life best practices.

Why is this? Why do so many lawyer groups and teams remain, as one wag put it, "a bunch of egos connected by central heat?" If "emotional intelligence" — that ability to relate effectively to diverse personal styles in diverse situations — is now widely recognized as a core leadership skill in the private and not-for-profit sectors, why do so many lawyers still want to do everything their own way?

The answer lies largely in lawyer temperament and personality. Over three decades, I have conducted standardized personality assessments of hundreds of people who chose the law as their career. A large percentage of lawyers come out looking remarkably similar to each other — and remarkably different from the general population.

Lawyers rank near the 90th percentile in autonomy, far higher than the

overall population. Skepticism? Above the 90th percentile. In urgency, lawyers rank at about the 75th percentile, 25 percentage points above the general norm. In other words, lawyers tend to push for immediate gratification and lose interest if rewards and benefits take a long time to ripen.

On the other hand, lawyers are less resilient than the general population (30th percentile), which tends to make them self-protective and conflict-averse. And most telling, lawyers rank in about the 12th percentile for sociability, a category in which the general population ranks at the 70th percentile. And there you have it: lawyers are not natural joiners.

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UNDERSTANDING LAWYERS’ “MASTERY PROFILE”

A very high percentage of lawyers, both male and female, display what I call a “mastery profile.” That is, they define their self-image very strongly in terms of mastering new challenges and racking up an impressive list of accomplishments. Their motivational motto is, in effect, “I am defined by what I do.” Mastery types therefore enjoy the role of free-range subject-matter expert, where their competency commands others’ respect, if not their affection or trust.

This motivational profile tends to make lawyers “challenge junkies,” whose careers are shaped by a continuous pursuit of individual success experiences. They need a constant supply of personal wins to maintain their sense of self-worth, because in their minds, a single failure can psychologically taint a consistent prior record of success.

THESE CATS CAN BE HERDED

It’s hardly surprising, then, that many lawyers don’t welcome the call to collaborate. Still, they are capable of working effectively on teams, provided the other players have complementary technical competencies and are skilled enough to merit respect. Lawyers do not see teams as affinity groups, where membership and acceptance are their own rewards, or as social organisms. They tend to regard teams as performance-producing machines.

In this sense, lawyers’ natural drive for the objectively manageable

outcomes may actually prove to be the key to successful LPM initiatives — which are, after all, designed to produce consistent methods for setting standards, tracking progress and measuring results.

Getting LPM to “stick,” however, will require that during their training, lawyers are insulated from the fear of failure and the humiliation of being revealed as incompetent or ignorant. This is exactly why LPM training programs must proceed incrementally, with ample time to master new terminology, try new techniques and experience the practical productivity and client relations benefits of LPM.

Good training, however, is not all that’s required for successful team participation and improved productivity. All the players have to trust all their colleagues — and with lawyers, that’s asking a lot.

With legal project teams, aligning incentives for all stakeholders requires the leader to inventory and understand the hot-buttons and turn-offs of each team member.

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OVERCOMING RESISTANCE TO COLLABORATION

People can and will collaborate only if three conditions are met:

1. they believe it is safe to collaborate;
2. they are adequately motivated by the potential rewards of collaborating; and
3. they understand what to do in order to collaborate effectively.

Effectively taught and implemented, LPM addresses the last condition admirably: it delivers the goods at the rational level. So that leaves us to examine the subjective barriers to collaboration.

Let’s look at the first two conditions: why doesn’t everyone commit constantly to ardent, unhesitating collaboration? Easy: we’re afraid it might not be safe. A basic tenet of human nature is to constantly weigh the likely rewards and risks of any action. If the downside of any choice clearly outweighs the benefits, we choose not to act.

However, things get trickier in situations, such as the advent of LPM, where the players can’t predict the consequences of their actions. Whenever we can’t accurately assess risks and rewards, we tend to withhold our trust and decline to exercise initiative. Among conflict-averse lawyers, this lack of trust may not take the form of open resistance, which makes it difficult for the

project leader to understand why everyone is nodding their heads vigorously while the project succumbs to “friction losses” and loses momentum.

Addressing the second condition, having motivational drivers that keep all the players engaged, is challenging because we all have unique personal “motivational maps”: different values, drivers, aspirations and goals that resonate particularly powerfully for us as individuals. With legal project teams, aligning incentives for all stakeholders therefore requires the leader to inventory and understand the hot-buttons and turn-offs of each team member — a time-consuming but absolutely essential project step.

Fortunately, most lawyers do tend to respond positively if several basic motivational hungers are fed: 1. their typical need for control; 2. their need for respect for their abilities; 3. their need for individual achievement as well as team success; and 4. their craving for approval.

HEAVY ON THE CARROTS, LIGHT ON THE STICKS

In a practice group or client team context, how can a project leader address this reluctance to trust? The classic recipe is one part open and frequent communication, one part clear performance standards (firmly applied), two parts fair and frequent feedback, and most importantly, three parts making sure all team members feel that their individual interests are perceived and respected. With large teams, taking everyone’s motivational pulse is a large undertaking, and this explains why well-wrought communications plans require frequent mood checks as well as process checks.

It’s important to understand that collaboration is not really a unified “mass” activity. It’s actually an aggregation of unique individual contributions to a common cause. Similarly, trust is not really a group phenomenon: it is a continuous work in progress, a relationship-building exercise in which the skilled leader must reinforce personal bonds lawyer-by-lawyer until individual commitments finally coalesce into a climate of collective trust.

Such collective trust is hard to orchestrate, particularly if the players are on different floors, in different cities, in different countries, or are part of different cultures. Without trust, however, true collaboration is impossible; best the leader can hope for is compliance. Trust cannot be generated by forced acquiescence or threats of punishment. Compliance-based teams

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function — if at all — only as long as a power figure keeps swinging the stick. This certainly is not the recipe for the successful long-term adoption of the sweeping attitude and behavior changes that LPM requires.

LPM AND THE STAGES OF TEAM DEVELOPMENT

Powerful and proactive top-level sponsorship is required to launch any large-scale change management project. But the real collaborative action happens after the kickoff. Team-building gurus tell us that all new project teams progress through four inevitable stages of development:

1. *Forming*, where relationships are cordial and superficial, but nothing very serious gets done;
2. *Storming*, where the alignments of power, authority and control get hammered out, often noisily;
3. *Norming*, where acceptable attitudes and processes — both formal and informal — are tried, tested, and accepted or discarded; and
4. *Performing*, in which roles, boundaries, standards and outcomes become institutionalized and widely accepted.

It would be grand if LPM implementation could jump directly to Norming and Performing, but the first two steps simply cannot be ignored or skipped. LPM describes the procedural norms of good project performance, but it does not purport to prescribe personal attitudes or motivation shaped during Forming and Storming.

Moreover, in legal project management situations, Norming often must extend beyond just accommodating new methods and procedures. It also must include processes for transitioning out of the past, for mourning “the old days” while orienting team lawyers to current realities, opening up communication that fear or resistance has shut down.

This, of course, is hard sledding if some team members — notably, an entrenched power elite — believe they fared better under past practices. What incentive do they have to dilute or transfer their power or economic advantage? Put differently, broad-scale LPM initiatives are likely to foster intergenerational tension between the traditional fiefdom princes and the more collaborative (and certainly more technologically proficient) successor generations. LPM program planners therefore must understand and accommodate these differences in perceived self-interest among different stakeholders.

THE WAVE OF THE FUTURE

After the top-level leadership power structure has issued the challenge for everyone to collaborate better, the best LPM implementers may turn out be young turks with plenty of skin in the game — respected up-and-coming lawyers perfectly capable of building their own spheres of influence, but who choose instead to subordinate their own self-interest to the productivity of the team and the success of the organization.

In the long run, leveraging the buy-in from high-potential lawyers and organizational opinion leaders among each stakeholder cohort will be the best way to develop buy-in and collaboration from the rank and file at all levels.



Edge International Partner **Doug Richardson** advises law firms and legal departments on leadership development, organizational and interpersonal communications, team effectiveness and legal project management. A Certified Master Coach, Doug formerly was a large-firm litigator, federal prosecutor, and Dow Jones columnist for over 20 years. Contact him at richardson@edge-international.com.



The Art of Engagement: Keeping Your Audience Fully Engaged

A few months ago, the managing partner of a prestigious law firm asked me this question: "How can I keep my listeners engaged while I'm presenting?" In fact, she's already a superb presenter — but like all good speakers, she constantly strives to be better. I'd like to share with you the advice I gave to her.

By John Plank

The level of interest in your topic and the quality of your information will always vary from one presentation to the other. But the challenge inherent in every presentation remains the same: "How can I be sure that I will engage my listeners?"

There are many approaches and techniques available to you, but there are only a few that I would call "The Essentials."

THE THREE ESSENTIALS TO ENGAGING YOUR LISTENERS

1. Listener Focused Content
2. Strategically Focused Format
3. Fully Engaged Delivery

LISTENER-FOCUSED CONTENT

This may seem too obvious even to mention. But many presenters fall into the trap of believing that simple information isn't enough — that their presentation must be unique, the very best, the definitive presentation on this particular topic. So their focus is often misplaced from the start.

Don't ignore your creative impulses, of course. But you must begin by preparing content exclusively to satisfy the wants and needs of your listeners. Avoid “nice to know” content; instead, stick with “want to know” and “need to know.” Your creativity — what makes your presentation unique — will follow naturally.

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That's all well and good, you might say, but how do I know what my listeners want? In fact, you may already have a pretty good idea — but don't torture yourself by guessing! Before you write a single word, conduct a series of short informal interviews with three or four key people who are arranging or attending your presentation and ask them what they're most interested in and what they perceive as the group's likes and dislikes. I have always found that audiences appreciate being asked about their preferences before a presentation. If it's not appropriate to ask your

anticipated audience, brainstorm with your colleagues instead.

If you go through this process, you'll probably find that most of your first assumptions were correct. But frequently, those key additions and judicious deletions will make the difference between a good presentation and a great one. As well, the added certainty of knowing what your listeners want you to talk about will inspire your preparation and give confidence and authority to your delivery.

STRATEGICALLY FOCUSED FORMAT

The structure and style of your presentation should enable you to establish rapport, simplify complex issues and compel your listeners to pay attention.

Here are four formatting strategies I recommend to ensure a compelling performance.

1. Establish a rapport. As the old saying goes, “I don’t care what you know until I know that you care.” In your first few minutes, you must demonstrate that you know your listeners, understand their individual and organizational achievements and challenges, and are fully familiar with their current situation and opportunities. This establishes you as an authority — and creates interest in what you may be able to provide.

2. Make it an adventure. Outline the challenges and opportunities related to your topic and increase the expectations of the benefits you are going to offer. Start with something familiar to your listeners; ideally, prepare one or two stories to illustrate the challenges and opportunities you’re going to talk about. Very few people actually like presentations; but everyone enjoys stories!

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Your goal is to teach people to remember what you have said, so that they can take action and share your messages persuasively with other key decision-makers.

3. Make it easy to remember. Great presentations are always simple. Provide a brief outline of what you’re going to discuss. Most presentations can be divided into three main parts. Aim for a maximum of three sub-points each: it’s simple, but thorough. There will be nine key points — just enough for a listener to retain in both short and longer-term memory. The simplicity of this format also makes presenting much less stressful.

Remember: without retention, your presentation has no lasting influence. Your goal is to teach people to remember what you have said, so that they can take action and share your messages persuasively with other key decision-makers.

4. Use compelling language. Bold claims and strong statements might impress some audiences. However, if your listeners are independent thinkers, take care to respect their unique perceptions. Use language that arouses interest and curiosity. Pose questions, outline options, describe problems, and cite opposing views related to your topic. This continuously stimulates your listeners, demonstrates the breadth and depth of your expertise, and shows that you are receptive to feedback.

FULLY ENGAGED DELIVERY

This is the hardest skill to develop. You must try to engage your listeners continuously as you present. Here, again, are just the essentials: three key factors towards full audience engagement.

Always think of your presentation as a dialogue. Pose questions, outline options, describe problems, and even raise common arguments related to your topic.

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1. Strive to be fully present. Dare to take time to reflect on what you're saying — *while you're speaking*. Simply reciting your presentation, no matter how clearly you speak, will fail to fully engage your audience — and it certainly won't engage you! Your listeners are there to discover more about your topic, to measure your knowledge and skills, and to appreciate your integrity and strengths. You are there to gain a deeper understanding of your topic and discover more about your listeners and their requirements. Immerse yourself in the experience.

2. Interact. As you deliver your presentation, there must be a continuous connection. Always think of your presentation as a dialogue. Pose questions, outline options, describe problems, and even raise common arguments related to your topic. This continuously stimulates your listeners, demonstrates the breadth and depth of your expertise, and shows that you are receptive to feedback.

It's not enough to simply make eye contact — pay attention to and read your listeners' responses from moment to moment. Share each thought with specific individuals in the audience. Quite often, you'll be able to acknowledge their response with a quick nod or a smile. This is extremely powerful and compelling for listeners: they experience a presenter who not only sees them but responds to them. When you have experienced this kind of fully engaged speaking, you will never want to do it any other way.

3. Seize the opportunity. For almost 20 years, I've watched hundreds of professionals transform their careers and their businesses by changing their attitude towards presenting from “Obligation” to “Opportunity.” Presentations enable us to learn at a level much deeper than we could ever achieve by simply reflecting in solitude.

We define ourselves more clearly every time we speak. Speaking is the most powerful way to differentiate your organization — and to enhance your personal reputation in your profession.

Embrace every speaking opportunity that comes your way — continual, conscious practice is an essential aspect of improvement. Seek out more opportunities to share what you care about.

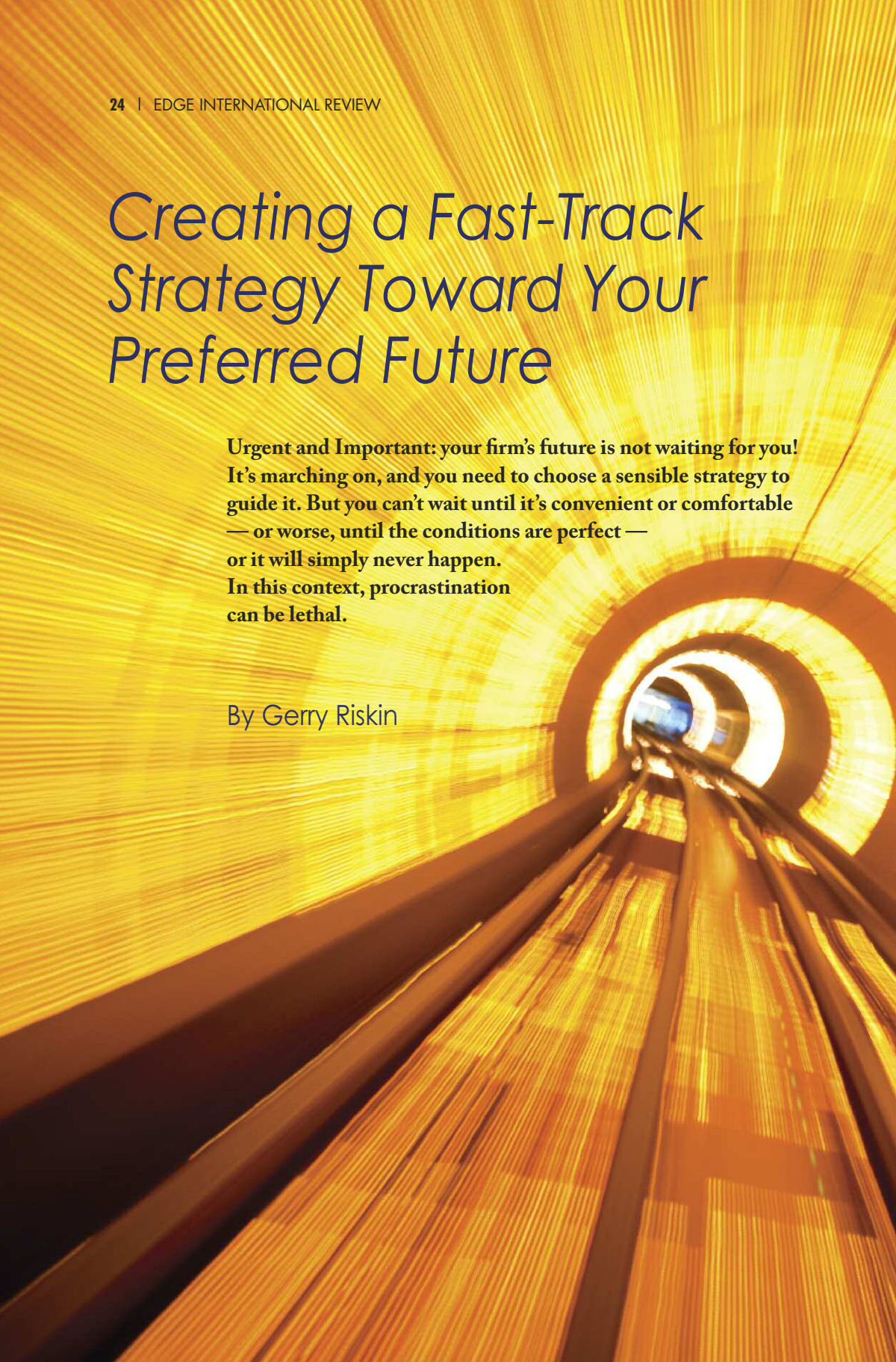


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Creating a Fast-Track Strategy Toward Your Preferred Future

Urgent and Important: your firm's future is not waiting for you! It's marching on, and you need to choose a sensible strategy to guide it. But you can't wait until it's convenient or comfortable — or worse, until the conditions are perfect — or it will simply never happen. In this context, procrastination can be lethal.

By Gerry Riskin



Strategy is all about focus and direction; often, it's about what your firm does not want to do as much as what it would love to do. Without a strategy, even good law firm leaders find themselves steering around the icebergs without a clear destination, while more strategic competitors are striking out into the deep.

So if a strategy can create competitive advantage, why do so many firms wander around directionless? I believe that as lawyers, it's precisely our intelligence and practice experience that get squarely in our way. Here are six examples of the lawyer-specific propensities that work against us when selecting our strategy — I'll wager that more than one of these will resonate with you.

- 1. We don't want to exclude anything.** "What if a global circus owner asks us to do a huge elephant acquisition? We'd better list 'circus law' among our practice areas."
- 2. We are constrained by precedent.** "Which other law firms have done it this way before — how did it work for them? The ABC firm? We would never emulate them. Has XYZ done it? We revere XYZ."
- 3. We are perfectionists.** We must explore every option thoroughly until we have vetted every combination and permutation. "Maybe we'd better defer our strategy pending a global study on how general counsel in high-tech companies prefer their eggs in the morning."

4. We require consensus. “Partner X won’t go along with this. Yes, we know he’s unreasonable and ill-equipped to assess a decision of this nature. But he can be difficult and rude when he doesn’t get his way. It just isn’t worth doing without his support and especially not over his objections.”

5. We despise being wrong. We hate risk, and we won’t move until we have a bullet-proof action plan that is certain to succeed. “How do we know this will work for sure? We don’t want to be embarrassed by making a big mistake.”

6. We’re resting on our laurels. Our past success has made us complacent. “We’re making a nice living now and working very hard — we don’t want to spend more time even on high-quality non-billable initiatives. Leave us alone.”

Partner X won’t go along with this. Yes, we know he’s unreasonable and ill-equipped to assess a decision of this nature. But he can be difficult and rude when he doesn’t get his way.

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One traditional answer to these problems is to throw excessive amounts of money at an elaborate process that involves surveys and research and meetings and assessments and heaven knows what else. “No one can criticize the leadership team if we spend a million dollars to have McKinsey study us and tell us what to do.” But although these elaborate processes can hypothetically work, they’re slow and can easily polarize factions within the firm.

Sounds discouraging, doesn’t it? But forming a strategy for your firm isn’t impossible, and it doesn’t have to be the strategic equivalent of brain surgery. In fact, there’s much to be said for a stripped-down, get-it-done-now, fast-track strategy that gets your firm off and running in the right direction. There is no substitute for actually doing something!

(This may be an appropriate point to insert a disclaimer. If yours is a global firm, with more than a thousand lawyers in more than a dozen offices in more than three countries, and you have not articulated a strategy that has been reduced to writing in over five years, then you need a more robust approach than I am describing here. But if you are revisiting a strategy or creating a new one for a firm of a few hundred lawyers or less, then breathe easy. There is an elegant strategic process that will take you only a day and a half and get you off to a great start.)

THE STRATEGY OF ADJUSTMENT

We want to avoid the error of overbuilding the strategy. By way of analogy: if you commute from your home to your office in your own car, following the same route each day, why not just program your car for every turn and traffic light, so that you can sit back and relax or read while your car drives for you? Because of the three-year-old who might chase a ball into the street right in front of you, or the unfastened cargo from the truck in front of you falling into your path. In a word, “uncertainty” — there are just too many variables.

Many firms make the huge mistake of looking at strategy as the Grand Plan that will withstand all foreseeable changes in the relevant variables. Your firm’s strategy must be flexible enough to assimilate information as changes occur and then adapt. If this world promises anything, it is change, much of it unforeseeable.

Hopeless? No more than driving to work. When a bridge is washed out, you change your route. You might even adjust your timing based on whether school is in or out and how many parents and school buses are clogging the lanes. The point is that you do not defer your plan to drive to work until you have achieved perfection. You get underway and trust that you can make the course corrections necessary as circumstances dictate. This is precisely how you should treat your firm strategy.

THE MAKING OF A STRATEGY

So let’s get down to choosing an overall destination for your firm, with sub-destinations for your sub-groups. To achieve this, we need your leaders to gather together for a day and a half. To start the process, we would benefit from the collective knowledge of your partners by asking them a few survey questions, possibly along these lines:

1. Describe the prospects for the future of your practice.
2. Identify your firm’s highest priority over next few years.
3. Evaluate (or add to) a list of threats and opportunities the firm faces.
4. Describe your firm’s greatest strengths.
5. Identify your firm’s endangered practice areas and industries.
6. Identify, from a list, your firm’s top goals.
7. Get input on work/life balance priorities.
8. Establish the perception of prominence of your firm’s brand.
9. Identify your top competitors and their greatest strengths.
10. Identify areas where your firm can dominate (*i.e.*, rank among the top three).

The data gathered from a simple survey can be organized and presented to the leadership team and discussed for a couple of hours. This is extremely helpful, because it is credible and allows leaders to be responsive to the partners whom the strategy will affect.

THE ART OF EXCLUSION

The next segment is a tightly facilitated discussion about where the firm's few best opportunities lie. The tight facilitation is to avoid digressions and overly critical and analytical discussion: the group must stay on track!

The toughest part of the process is to exclude areas from the strategy. There are two kinds of exclusion. One is for the areas you decide to exclude from your practice, while the other is identifying an area that will receive what might be called standard support.

Let's imagine a business-oriented firm that also does matrimonial work. Let's further imagine that the nature of the business clientele suggests that the firm must be able to serve a much larger geographical area — perhaps by expanding, merging, joining a global association, selecting “best friends,” or some combination thereof. Further, the firm may see the importance of beefing up its intellectual property capabilities. In all events, the matrimonial area is not perceived to be part of the firm's growth engine.

If the firm decides that the matrimonial practice is inconsistent and counterproductive to the strategy, the firm may decide to jettison the practice area altogether. In such a situation, the firm might assist the departing partners and feed them referrals. Equally, the firm might decide that it is perfectly fine to keep the matrimonial group inside the firm and support it with the firm's overall infrastructure, but not to invest in the group to the same degree as the identified strategic areas (geographic expansion and IP capabilities).

This part is tough, because many leaders are reluctant to communicate to a group that while it's an important part of the firm, it is not in the strategic “sweet spot” that will receive extra attention. It's like explaining to one child why the other child, a gifted musician, gets to travel to perform in a concert. Not fair, perhaps — but realistic, and a necessary sacrifice where resources are limited.

This process, which I have described in a skeletal way, sees the leadership team making decisions within one to one-and-a-half days. The result must be a specific action plan and a process whereby that plan remains illuminated and measured. It is critical that the plan not fade into oblivion — that would be worse than not having conceived the plan at all.

THE NEVER-ENDING STORY

In summary, we gather input, simply and quickly. Then we decide on a focus. Then we accept that areas outside the strategic focus still need support, but not the special attention of the strategic areas.

From that point on, the plan requires continued scrutiny and adaptation. Suppose, for example, that while IP is part of the strategy, an M&A practice team becomes available from a respected competitor or in a desirable growth jurisdiction. The leadership team might decide to exploit that opportunity, so long as it complements and is not inconsistent with the plan, and so long as it will not so tax the firm's resources as to unduly delay execution of the primary strategy.

In other words, when the day-long session ends, your process is not over. Senior firm leaders should ensure that subgroups follow similar processes for their groups. That's what practice group meetings are for.

For those partners who are never satisfied with the quality or the quantity of the information available, there are two answers. The first is that corporations make billion-dollar decisions every day with much less information than we are accustomed to as lawyers. The second is that in the most vital areas, the acquisition of information can proceed continuously and be evaluated frequently without holding up the journey at the start.

The best firms don't have the best strategic plans. The best firms know how to plan, and then frequently adapt those plans to their rapidly changing world.

[For a complimentary set of survey questions and a process outline, you are welcome to contact the author.]



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General Counsel Quiz

Test Your Adaptation to the New Legal Marketplace

By Pamela H. Woldow

Every day, general counsel rely on metrics and benchmarks to monitor how well their in-house department is doing and whether targets are being met. But how often do they get the chance to test themselves too? If you're a GC wondering how he or she is doing in this turbulent economy and time of upheaval, Edge International would like to offer this quick and easy quiz.

For each question, check the appropriate response or responses, then add up the totals and see how you scored.

1. Over the last two years, how has your outside counsel spend changed?

- (a) Increased
- (b) Stayed essentially the same
- (c) Decreased

2. For what percentage of the matters you assign to outside counsel are you using alternative fee arrangements?

Note: Alternative fee arrangements include any matters not based on hourly rates multiplied by the number of hours, as well as discounted hourly rates. An example of an AFA would be a flat fee.

- (a) 0%
- (b) 1% – 15%
- (c) 16% – 35%
- (d) 36 – 100%

3. Have you used any of the following to contain or reduce outside legal spend?

- (a) Reducing the number of law firms
- (b) Seconding an outside lawyer within the legal department
- (c) Using contract lawyers
- (d) Offshoring legal work
- (e) Issuing RFPs or tenders for individual matters or portfolios

4. Have you implemented, or are you planning to implement, efficiency measures in your legal department, such as Legal Project Management?

- (a) Yes
- (b) No
- (c) Never heard of it

5. Do you currently use electronic billing to help manage outside legal spend?

- (a) Yes
- (b) No
- (c) Never heard of it

Scoring Key

1: a = 0, b = 1, c = 2

2: a = 0, b = 1, c = 2, d = 4

3: Give yourself 1 point for each entry checked

4: a = 3, b = 0, c = -1

5: a = 3, b = 0, c = -1

How did you do?

- If you scored 5 or less: We need to talk, yesterday.
- If you scored between 6 and 12: You're on the right track, and we can help you achieve even greater savings and efficiencies.
- If you scored higher than 12: You're doing a great job! Let us know how you did it.

To follow up, contact Edge's General Counsel Pam Woldow at pwoldow@edge-international.com

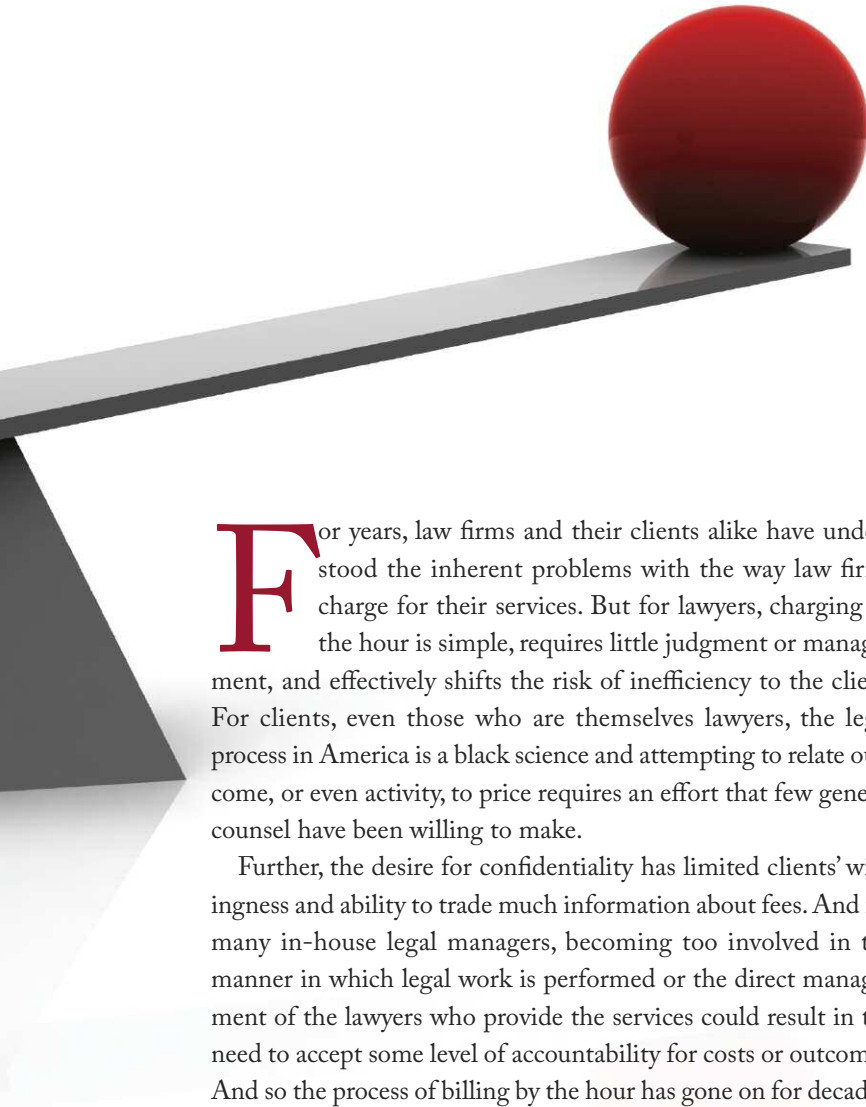


Regain Control of Pricing:

7 Tactics for Law Firms in 2011

In a growth industry, the sellers of services are always in a position of power when setting price. The recession, however, has shifted that balance of power to the benefit of the buyers of legal services. Law firms need to deal with some major pricing issues now or risk never regaining a level playing field for selling legal services.

By Ed Wesemann



For years, law firms and their clients alike have understood the inherent problems with the way law firms charge for their services. But for lawyers, charging by the hour is simple, requires little judgment or management, and effectively shifts the risk of inefficiency to the client. For clients, even those who are themselves lawyers, the legal process in America is a black science and attempting to relate outcome, or even activity, to price requires an effort that few general counsel have been willing to make.

Further, the desire for confidentiality has limited clients' willingness and ability to trade much information about fees. And for many in-house legal managers, becoming too involved in the manner in which legal work is performed or the direct management of the lawyers who provide the services could result in the need to accept some level of accountability for costs or outcomes. And so the process of billing by the hour has gone on for decades.

Then along came the recession. The demands for efficiency by the boards of sophisticated corporate buyers of legal services empowered and motivated their in-house counsel to question fees and shop services among vendors. At the same time, law firm managers saw the potential for massive amounts of empty plates among their lawyers. Without the foundation of a pricing or cost model to fall back on, responding to the demands of clients was characterized by one firm as: "The answer is yes — now, what's the question?"

Now the dust is settling, and general counsel are starting to become aware of this new empowerment and ability to assert control over virtually every aspect of law firm relationships. Collectively, this is manifesting itself in developments like the ACC Value Challenge and the drive toward alternative billing.

The Value of Legal Services



Here are seven tactics that law firms can use to maintain a level playing field in working with clients to set price.

1. Understand the Value of Your Services. Within every law firm, there is a hierarchy of services, ranging from “bet-the-company” specialties performed by lawyers with few peers in your marketplace to commodities that could be performed equally well by just about any law firm in the city. In most

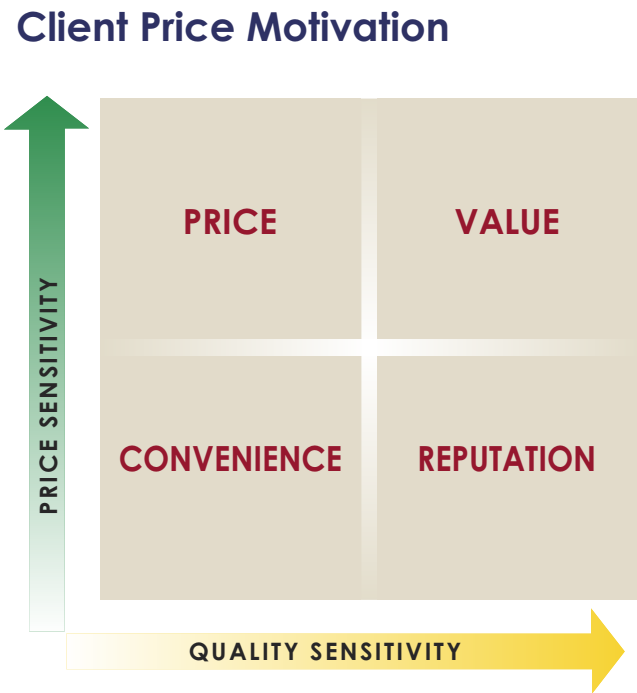
firms, pricing is driven by the lowest common denominator, causing discounted prices for premier practices. Using a value pyramid, identify those practices where your firm has a unique capability (and honestly assess how unique it truly is). In most firms, that pyramid falls into four categories: 10 percent of practices are at the highest level, 15 percent at the next-highest level, and 75 percent are in the lower half. Oscar Wilde said, “These days, man knows the price of everything and the value of nothing.” Develop a communication and invoicing system that ensures that clients understand the value involved in your services.

2. Proactively Introduce Alternative Billing. Gaining control sometimes means recognizing those elements that are beyond your control and positioning yourself to take advantage of them. Alternative billing might turn out to be precisely such a situation. Fixed- and contingent-fee billing can be tremendously attractive to both the law firm and the client, if introduced for appropriate matters. Introducing a form of pricing other than hourly billing can permit the law firm to control the circumstances in which it is used and

give it a first-mover competitive advantage over other firms that may be working with the same client.

3. Rebuild Your Cost Structure. Most firms’ response to the reduced availability of work and the squeeze of profits has been to cut operating costs and lay off associates. Here’s a better alternative, especially for law firms that have watched their practices become increasingly commoditized: reconstruct the way your firm provides services, from the ground up. Firms that consider rebuilding themselves have been primarily concerned with the reaction of clients and law school recruits. But the experience in other industries that have retooled in this recession has been customer enthusiasm. As for law students, do firms really think that a reconstruction of their practice is going to have a worse impact on their reputation than layoffs and deferrals? Put everything on the table, including your office locations, your use of part-time and telecommuting lawyers, off-shoring, etc. Then reevaluate your pricing in light of your revised cost structure. The more your practice has slipped down the value pyramid, the more important this price restructuring will be.

4. Segment Your Client Base. All clients have some level of price sensitivity. For some clients, selecting counsel is all about price and has little to do with quality or capability, typically the case with commodity services. But most clients try to balance the highest capability with the lowest price. There are even clients who view price as a measure of quality and seek the best lawyers possible by paying the highest prices. Finally, there are “convenience clients” who, due to urgency or other special circumstances, are willing to be less aggressive on pricing than they would normally be. By taking the time to identify



each client's circumstances, a firm can develop pricing that is flexible enough to match client satisfaction with firm profitability.

5. Dump Margin Busters. Even after you have taken aggressive action to rationalize your pricing, there will be some clients that are so price-sensitive that it is impossible to profitably handle their matters. Responding to a demand for fixed-fee pricing on complex cases with highly unique circumstances, or getting into hourly-rate bidding wars with other law firms, can be financially devastating. Worse, going after every piece of work, regardless of

There are some clients whose extreme pricing demands your firm simply cannot meet. The sooner you recognize that fact, the less money your firm will lose on them.

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the fee structure, establishes a downward price spiral that will eventually destroy a firm. There are some clients whose extreme pricing demands your firm simply cannot meet. The sooner you recognize that fact and tell them to take their business elsewhere, the less money your firm will lose on them.

6. Create a Loyalty Program. Use pricing to encourage stronger client relationships and to generate more business. Traditionally, law firms have looked at the pricing

model upside-down from other businesses. Lawyers tend to charge their highest rates to their largest clients, while giving large discounts (either directly in fees or through write-downs of time or receivables) to small clients. Consider incentives for your largest clients like “most-favored-nation status,” whereby no client receives a lower fee than a major client who gives the firm a lot of profitable work. CMS Cameron McKenna offers special discounts to clients that give the firm all their legal work.

7. Do Some Cost Accounting. Design a cost accounting model for your firm that allows your lawyers to make rational pricing decisions. The standard of profitability on pricing in most law firms is whether the firm achieved standard hourly rates — anything less is considered a loss and anything more is considered a premium. Instead, understand your break-even point at reasonable lawyer capacity levels. This doesn't take a big consulting study — odds are your CFO has already developed a cost model, but never saw any receptivity to the concept in the firm's management.

None of these tactics are magical. But until law firms address their basic pricing strategy and the fundamental models of how they want to charge for their services, they will constantly be in a defensive position when working with aggressive clients. It comes down to the old standbys of understanding what clients want and figuring out how to give it to them at a price that provides your firm with a fair profit.



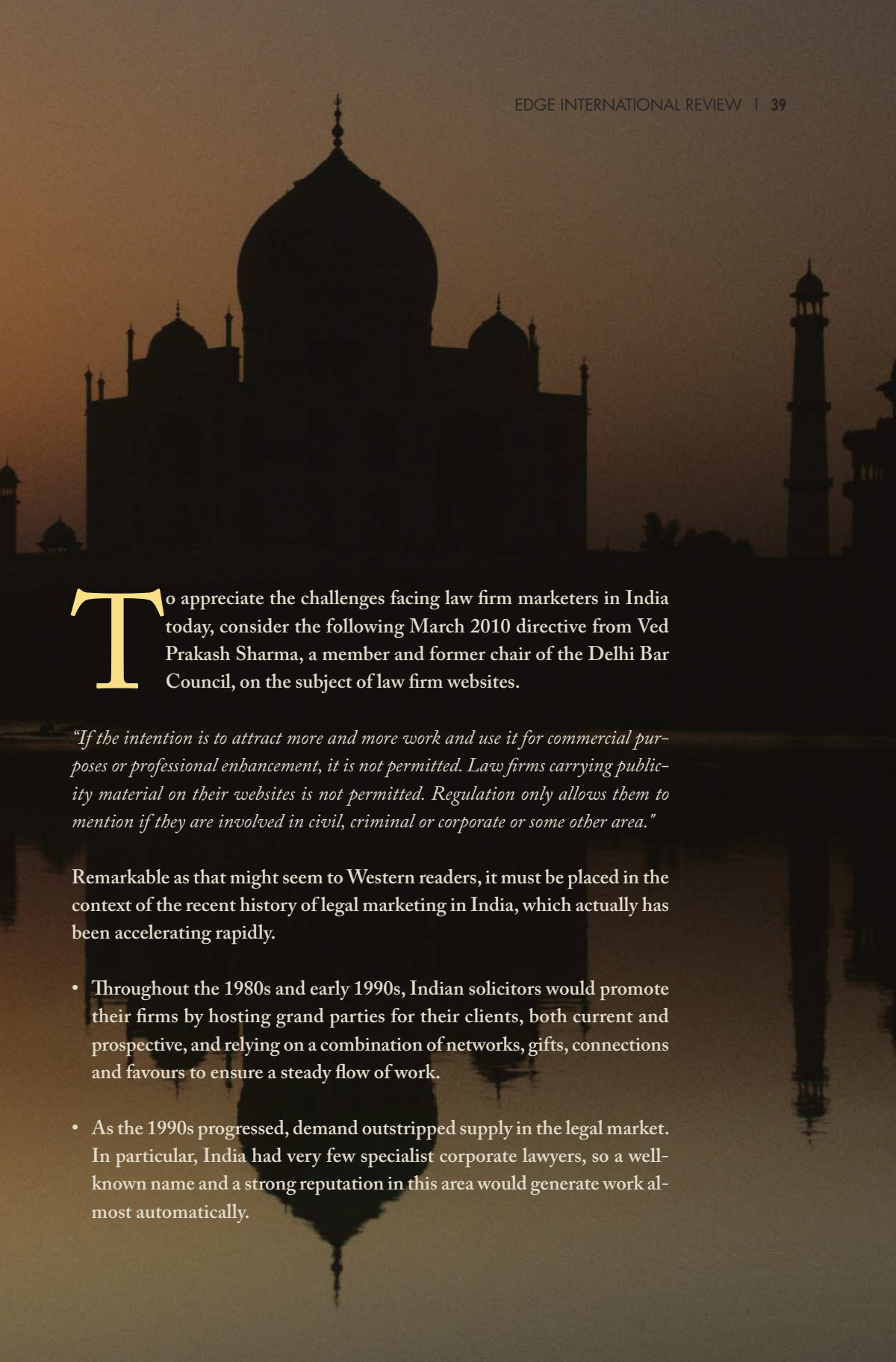
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Marketing and Branding a Law Firm

The Indian Perspective

Lawyers in India must grapple with regulations that greatly restrict their ability to market their services. Accordingly, business development in India must rely on longstanding marketing and branding principles that also apply equally well to non-Indian lawyers.

By Juhi Garg & Gerry Riskin

A silhouette of the Taj Mahal in Agra, India, set against a warm, orange-hued sunset sky. The iconic white marble mausoleum is reflected in the calm waters of the reflecting pool in the foreground. The image captures the architectural details of the domes and minarets in dark shadow.

To appreciate the challenges facing law firm marketers in India today, consider the following March 2010 directive from Ved Prakash Sharma, a member and former chair of the Delhi Bar Council, on the subject of law firm websites.

"If the intention is to attract more and more work and use it for commercial purposes or professional enhancement, it is not permitted. Law firms carrying publicity material on their websites is not permitted. Regulation only allows them to mention if they are involved in civil, criminal or corporate or some other area."

Remarkable as that might seem to Western readers, it must be placed in the context of the recent history of legal marketing in India, which actually has been accelerating rapidly.

- Throughout the 1980s and early 1990s, Indian solicitors would promote their firms by hosting grand parties for their clients, both current and prospective, and relying on a combination of networks, gifts, connections and favours to ensure a steady flow of work.
- As the 1990s progressed, demand outstripped supply in the legal market. In particular, India had very few specialist corporate lawyers, so a well-known name and a strong reputation in this area would generate work almost automatically.

- During this past decade, things really caught fire. Managing partners and senior solicitors went all-out attracting international clients, making regular foreign visits and speaking at international conferences and forums.
- Today, the evolution continues: sophisticated law firms have come to realize they need specialized help, and they are hiring experts and consultants to help them with their marketing.

Indian lawyers cannot officially solicit work; accordingly, they must adopt innovative techniques to reach out to clients. They must develop the legal market while remaining completely legal!

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These specialists are helping develop formal marketing strategies and execute plans in the areas of business development, client management and brand building.

Law firm leaders' perspectives on legal marketing are changing; they are now prepared to take, accept and embrace the necessary steps. But the rules and restrictions referenced earlier still leave little room to maneuver. India continues to be a closed legal market, not only in terms of foreign

lawyers' entry but also in terms of business development. Indian lawyers cannot officially solicit work; accordingly, they must adopt innovative techniques to reach out to clients. They must develop the legal market while remaining completely legal!

Here are three areas critical to the development of law firm marketing strategies for Indian law firms — but these insights and advisories apply equally well to lawyers in any jurisdiction.

THE IMPORTANCE OF STRATEGY

Our partner in Edge International, Ed Wesemann, has this to say about strategy: “In its simplest form, strategic planning is really the function of identifying a vision of what you want to be — in as clear terms as possible — and then figuring out what you have to do to get from where you are now to that desired objective.”

So the first step in focusing your marketing effort is to define the vision or objective — perhaps one of these:

- growing your domestic practice
- growing a particular practice group (*e.g.*, tax, IP)
- entering a new city or state (*e.g.* Gujarat, Bangalore)

- evolving from a full-service firm to a boutique (or vice versa)
- cross-selling to existing clients
- ensuring more repeat business

A common theme in our writings at Edge International is that you must reduce your objectives to concrete actions, and then relentlessly monitor, measure and encourage those actions. This will facilitate organized, synchronized, methodical progress, while also ensuring a high success rate for the identified expectations. The plan should also leave room for innovation, encouraging fresh ideas and experimentation to keep the firm ahead of more cautious competitors.

THE FIRST ELEMENT: BUSINESS DEVELOPMENT

Rainmaking is the responsibility of the firm's lawyers and it always will be. But we must shift away from the notion that the business-development burden is primarily to be shouldered by the managing partner and equity partners. Until a few years ago, good lawyering and legal expertise were more than enough for a lawyer to survive and grow in an Indian firm. They are still the oxygen required to survive. But to ascend to the heights of the mountain, business development strategies and skills are also now mandatory. It is law firm leaders' duty to enable senior associates to attract mandates. Specifically, leaders must:

- allow them to take the plunge into business development by representing the firm at conferences or forums or in courting prospective clients;
- train them with professional business development and rainmaking skills;
- provide marketing infrastructure like research support to identify opportunities, create accessible client databases, and prepare marketing materials; and
- motivate them with encouragement and acknowledgement of their marketing efforts, and/or with appropriately designed compensation structures commensurate with their business development achievements.

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Motivate lawyers with encouragement and acknowledgement of their marketing efforts, and/or with appropriately designed compensation structures.

THE SECOND ELEMENT: CLIENT RELATIONSHIP MANAGEMENT

When the supply-and-demand curve in India was more skewed towards demand, clients behaved differently and were treated differently. This has all

Social Media:

Another Tool in a Law Firm's Marketing Toolbox.

By **Jordan Furlong**

In terms of what it is and what it can deliver to law firms, social media is neither magical nor mysterious. It's not magical, in the sense that it could summon clients out of thin air or produce new business through no visible means of propulsion. Nor is it mysterious, in the sense that only a few people (the very young and the very tech-savvy, in particular) can understand and use it.

Social media is no more than another tool in a law firm's marketing, communications and business development toolbox — another fund in its portfolio of time and attention investments. Not every lawyer and law firm either needs to use it or will want to use it. But almost every lawyer and law firm, I believe, *can* use it.

Here's one way to look at social media. Years ago, in order to communicate its products and promote its profile, a company

would advertise — but to reach the widest possible audience, it had to advertise in multiple media. So, the company might place ads in print media (newspapers and magazines), audio media (radio), visual media (billboards, bus ads), audio-visual media (TV), and in the public square (event sponsorships) — assuming it had the money and market to justify these tactics.

In the absence of unlimited funds, however, the company had to choose its advertising media carefully and strategically, focusing on those vehicles that had the best chance of having the greatest impact on a key consumer group. This was, to put it mildly, an inexact science, leading American department store magnate John Wanamaker to deliver one of the finest observations in advertising history: "I know I'm wasting half of my marketing budget. I just don't know which half."

The need for "traditional advertising," as we might call it, hasn't gone away, even if the specific media vehicles have changed (many companies today are likelier to advertise on blogs, on Google search results, or even inside video games than in

changed: clients have many more options today.

So now, it's all about a lawyer's service delivery and ability to bulletproof a client relationship. Clients' needs are much more advanced than today's law firms are used to, and we can expect this sophistication and expectation to escalate. Here are three examples of how lawyers should respond:

1. Give client-centric advice

The client wants solutions, not opinions that run to 50 pages filled with legal

newspapers). But advertising itself is a tool with limited use — all it can do is grab a viewer's fleeting attention and, in the space of no more than a few seconds, try to deliver a memorable message about a company or product. That approach has its uses and virtues, but what it can't do is tell a story: communicate valuable information, provide a deeper understanding, tell the viewer something important about herself, her world, and the people who are telling it.

That's what social media offers: the opportunity to tell a story that matters to people who matter to you, to initiate and continue a relationship of mutual value. Advertising, ultimately, is all about the company and its product; social media, at its heart, is about the relationship between a company and its customers, a product and its users. It's a conversation.

And, like advertising, the multiplicity of social media vehicles means you can

maintain a series of slightly different conversations, all interrelated but each talking about something different and showing a different side of you. So, whereas companies used to weigh TV vs. radio vs. newspapers vs. billboards, companies today weigh Facebook vs. Twitter vs. LinkedIn vs. blogs — with the enormous advantage that the cost of using these social media vehicles is a tiny fraction of what old media costs. Your choice of social media vehicles isn't nearly as limited by your financial resources; instead, it's framed by the energy and attention you can devote to them.

So, to summarize: social media tools are ways in which law firms can say something about themselves to clients, deliver valuable information to clients, and develop a conversation and relationship with and about clients. Every law firm will approach social media differently, depending on context, resources and needs.

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jargon and cases. Telling the client why it can or can't do something is only a partial answer: the client needs a business solution. Lawyers who can see the business point of view and advise accordingly can be assured of more work to come.

2. Use an innovative business model

Corporations know the market is competitive and have various options for shopping around. As the West begins to answer the call to do away with

hourly rates and look to alternative fee arrangements and value pricing, so too the East will have to explore it soon.

3. Bulletproof your clients

Talk to the client about their needs. This is not a survey process or a selling opportunity — it's about a needs assessment that is conducted with the client at their place of work. This process transcends learning the clients' known needs into exploring latent needs that the client might not have considered.

Client relationship management requires extensive strategy and skill training. Firm leaders must be at the forefront of understanding the trends

Building a credible brand name and reputation in the market is an ongoing long-term initiative. PR is just one aspect of the entire brand-building exercise.

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that are now inside or approaching their marketplace, and must sensitize all lawyers to not only attract work as and when appropriate, but to always enhance clients' satisfaction levels.

THE THIRD ELEMENT: BRAND DEVELOPMENT

Law as a service requires trust on all fronts: knowledge, delivery and client management. A strong brand presence reduces the need to pitch work and pre-instills a sense

of trust, confidence and quality assurance in the prospective client. Building a credible brand name and reputation in the market is an ongoing long-term initiative. While some law firms confuse brand-building with PR, it is important to understand that PR is just one aspect of the entire brand-building exercise.

The fact that clients and the firm's members feel proud to associate themselves with the firm translates into a stronger working culture, a happier environment, and better work. A consistently strong image helps the firm integrate new people into the firm's culture faster and more effectively.

Here are three key elements of brand-building.

1. Brand awareness

This is about communicating what you are, who you are, what's different about your firm, what value you add, and your unique service proposition. It's about creating visibility for yourself and your key people. The key ingredient is a consistent firm message that has been instilled into all the firm's people.

2. Brand positioning

Positioning is all about strategically placing your firm at the right forums and places to build presence and noticeability in the sectors and practice areas you want to build. Networking with industry people to build presence in those sectors helps the firm come across as a player in that field, as does regularly portraying the firm as an expert in a practice area with speaking opportunities or articles.

3. Brand recall

“Out of sight, out of mind” — that adage applies very much to law firm branding. Branding is a continuous effort: a firm that stays out of the limelight for a length of time raises questions about its growth. Visibility, positioned well and developed regularly, is a critical part of building a brand.

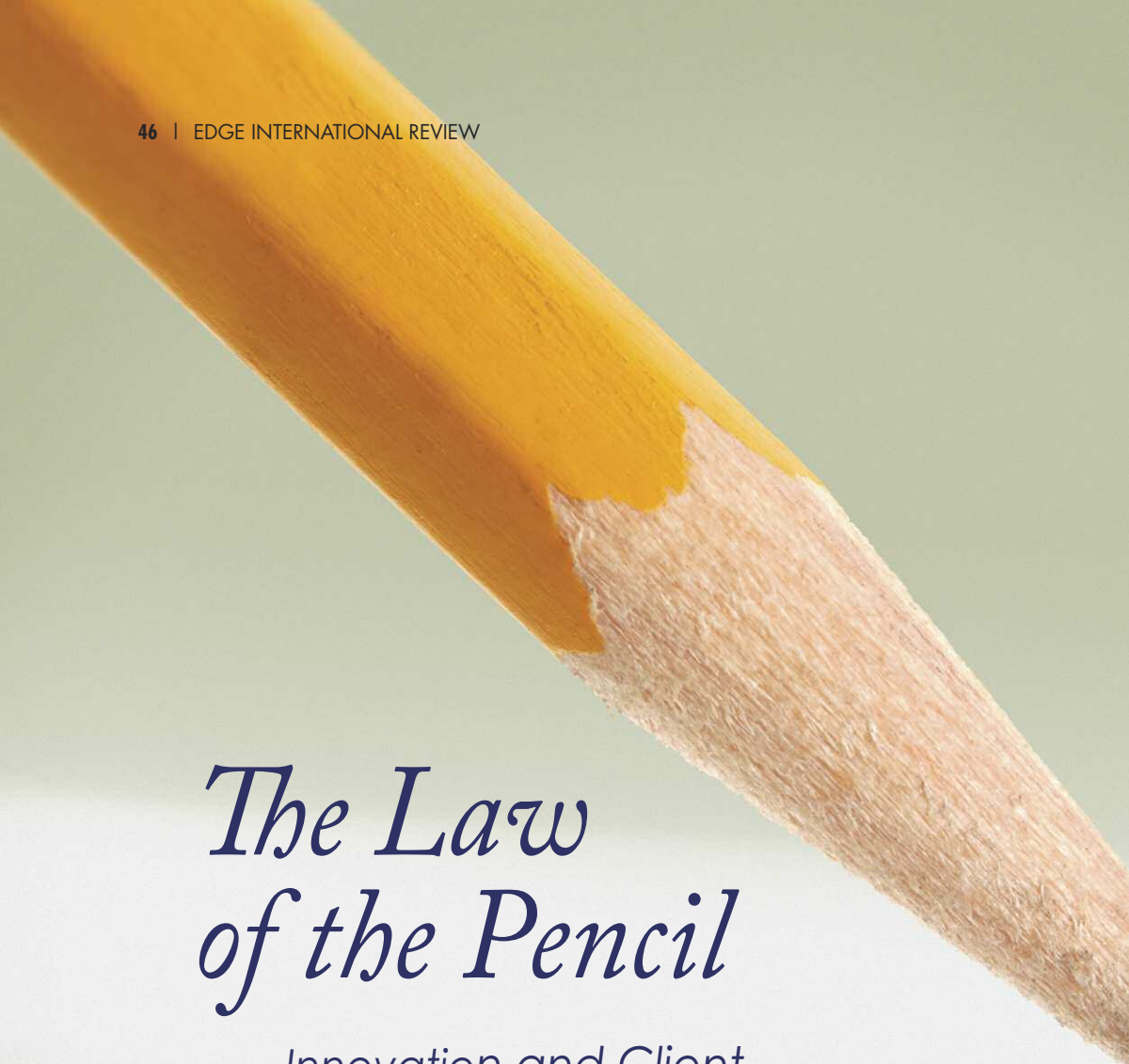
It’s a brave new world for law firm marketing in India, as well as in many other jurisdictions. The good news is that few firms have yet realized what is required of them in this new world and begun to act on it. You have the opportunity to make that first move today.



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The Law of the Pencil

Innovation and Client
Service in the New Millennium

There's an urban myth, thoroughly debunked but instructive nonetheless, involving the American and Russian space programs in the 1960s. The legend goes that NASA needed a pen that would write in the vacuum of space, in extreme conditions, without breaking or freezing or otherwise malfunctioning at critical times. Scientists set to work and spent several months and millions of dollars to invent a "Space Pen" that would do the job.

The Soviets, faced with similar challenges but much less money, chose to go a different route. They used a pencil.

By Jordan Furlong



We always seem to forget about the pencil. It's one of the first writing instruments we learned to use as children, and many of us still remember that satisfying rhythmic grinding of the pencil in a plastic hand-held sharpener (or better again, the thrill of using the heavy-duty crank-driven pencil sharpener bolted to the teacher's desk). But then, somewhere along the road to adulthood, we started to use ballpoint pens and markers, and few of us ever looked back.

Pens, with all their permanence and authority, are especially attractive to lawyers: you'd never sign a contract

or make critical changes to a document in pencil. We like the glide of a good pen and that scratching sound it makes on official documentation, and we rely on its inability to be altered or manipulated by others. I'm willing to wager that whatever writing instrument is sitting on your desk right now, it's not a pencil. But I'd like to encourage you to give a little thought to pencils — specifically, to what they can teach us about innovation and client service.

Earlier this fall, *The Economist* published a brief but enlightening article about German pencil manufacturer Faber-Castell, which has been producing graphite-and-wood writing instruments since 1761. Especially interesting is the list of innovations that Faber-Castell has introduced over the course of

You might suppose that a pencil is pretty much innovation-proof: once you've invented it, well, that's that. But if so, you'd be mistaken.

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time. You might suppose that a pencil is pretty much innovation-proof: once you've invented it, well, that's that. But if so, you'd be mistaken. Here's what Faber-Castell has done to its pencils over the years:

1. Invented the hexagonal pencil, creating edges on the previously cylindrical instrument to keep it from rolling off tables.
2. Attached an eraser to the end of the pencil (actually, the company copied this innovation from another manufacturer and survived the subsequent court challenge).
3. Introduced water-based, environmentally friendly paint that reduced poisoning hazards for the millions of users who can't help but chew on their pencils.
4. Developed the triangular pencil, making it easier for younger users to grip.
5. Added rubbery dots to the surface that, as the magazine puts it, “keep the pencils from slipping out of sweaty little hands.”

From a business point of view, there are actually valuable lessons to be taken from all this. Here are three.

1. Nothing succeeds like simplicity. The pencil does exactly one thing (two, if you count erasing) and does it easily and extremely well. You can have all the Mont Blancs and Watermans and Cartiers you want, and you can invent pens that write in multiple colours and upside down and in the vacuum of space, but you hold them the same as a pencil and they write just the same as a pencil. *The Economist* points out that even today, at the peak of the computer age, pencil sales continue to grow and now stand at between 15 and 20 billion per year.

Lawyers need to take a lesson from this example and ask: What one thing does my client need? And what is the easiest, simplest, most cost-effective way to deliver it? Asking and answering those two questions puts you far ahead of most lawyers in the search for client appreciation and market share. A simple example: integrated corporate and tax advice for family-run businesses. More complex: multi-jurisdictional regulatory compliance status updates accessed via drop-down menu on a 24/7 website.

2. Innovation is about the user, not the object. Faber-Castell's improvements to the pencil had very little to do with the "quality" of the pencils or the composition of the graphite. They were focused squarely on creating a better user experience: keep the pencil on the table, make it easier to grip, allow the user to quickly correct mistakes, and indulge the user's nervous habits. These innovations increase the ease, convenience, and safety of using the pencil, reflecting the company's understanding that the design of the product is at least as important, if not more so, than its quality.

Lawyers, who obsess over the fine details of a product or service, but rarely sweat the details of its design, delivery or end-user utility, need to learn this lesson. And we need to remember that nothing we produce for clients is ever "innovation-proof" — the user experience can always be improved. Try this: provide your best clients with a firm-branded, client-customized Apple iPad or RIM Playbook, with a password-protected app that allows them to access their documents, file updates and billing status online.

3. Your core competence is even narrower than you think. Faber-Castell isn't really a pencil company, and it certainly isn't a "global full-service writing instrument firm." Faber-Castell sells the pleasurable convenience of writing by hand, and when you get right down to it, that's not a product — it's a relationship, requiring the participation of both the seller and the user of the product.

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Law firms sell reliability, trustworthiness and peace of mind, not to mention convenience, user-friendliness and comfort — features not of the firm but of its relationship with its client.

Likewise, law firms don't sell documents or transactions or litigation — or at least, that's not what our clients actually want and it's not what differentiates us from our competitors. Law firms sell reliability, trustworthiness and peace of mind, not to mention convenience, user-friendliness and comfort —

and each of those elements is a feature not of the firm but of its relationship with its client. That's your core competence right there. For instance: how much expense and effort do you really put into “customer service”? Would you create an emergency “hot line” number for your most significant clients that would put them directly in touch with a responsible firm representative 24 hours a day?

Right now, you and your competitors are probably working hard to bring in the “best” legal talent through lateral hires or even en-

tire firm acquisitions, staying up late to ensure the finest possible quality of your client work, and investing a lot of time and money in marketing your firm as superior to others. I submit, gently, that you might be working on a variety of new Space Pens. Responsiveness to client needs, investment in the user experience, and a focus on the essentials of service, reliability and trust — that's what you really need. That's the law of the pencil, and it's time we remembered it.



Jordan Furlong is a partner with Edge International who specializes in analyzing the extraordinary changes now underway in the legal profession worldwide. He has delivered presentations on the emerging legal landscape to law firms and legal organizations across the United States and Canada. He also authors the award-winning blog *Law21: Dispatches from a Legal Profession on the Brink* (<http://law21.ca>). Contact him at jordan@edge-international.com to discuss client service in the new legal marketplace.

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