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Wise Counsel

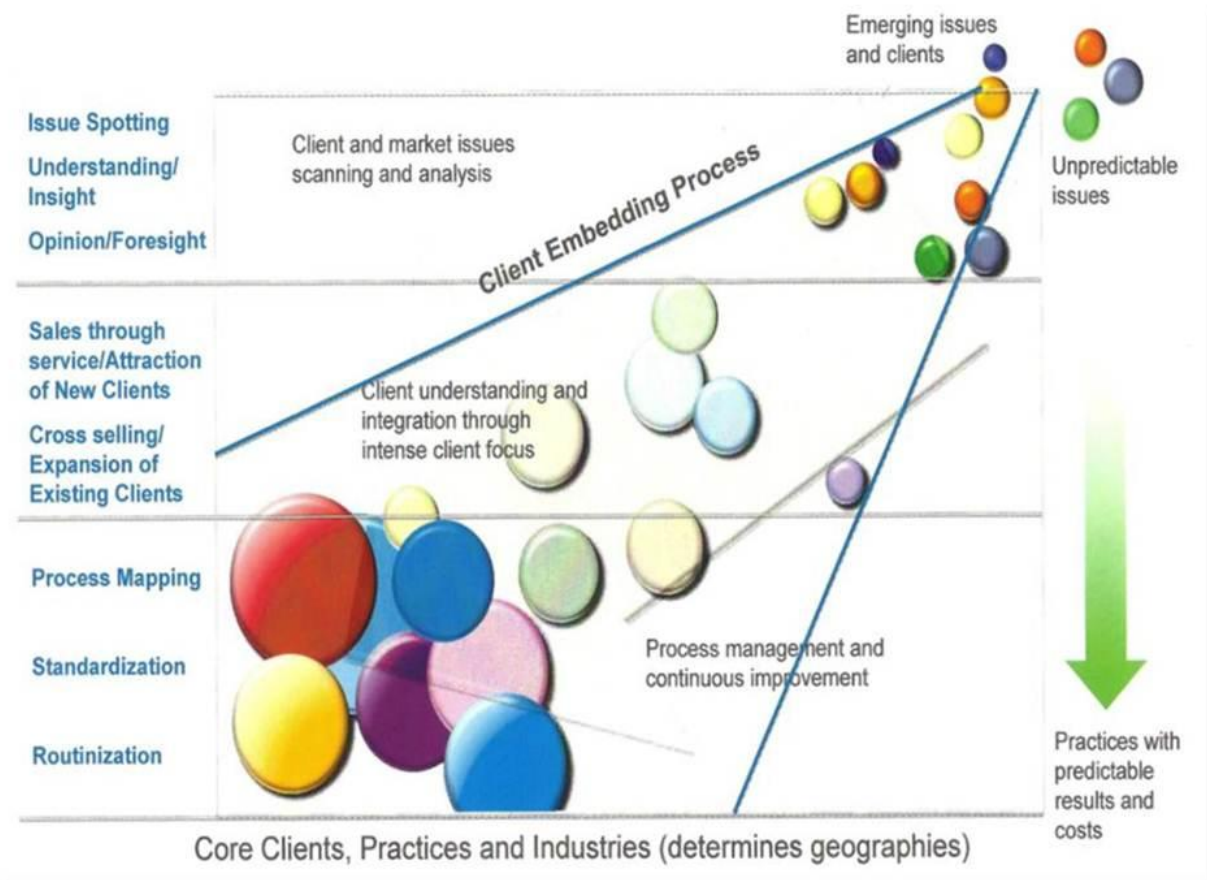
EVALUATING THE MARKET POSITION
OF YOUR PRACTICE



One of the most common mistakes attorneys make in marketing their practice is the failure to adjust their marketing strategies to the changing nature of the marketplace. Increasing price sensitivity, a softening market for your services and other clues point to the need to re-evaluate your practice focus and your marketing strategy. Use the simple tools in this guide to evaluate your practice and determine whether you need to adjust your marketing program or practice focus.

Attorneys should, periodically, re-evaluate their experience and practice to ensure it is positioned for premium rates and high demand. This is best done by evaluating the position the practice holds in the marketplace as determined by the strategic importance of the practice to clients and the ease in which clients can substitute a competitor. Strategically important legal work with few competitors command premium rates. Low importance work with many competitors command low rates. Every practice matures. All practices, whether slowly or quickly, go through a lifecycle that exerts increasing price pressures and price sensitivity on the providers.

Fig. 1



Therefore, it's prudent for attorneys to periodically evaluate where their practice sits on the practice maturity lifecycle and make changes accordingly.

Depending upon the position of the practice on the maturity cycle, different marketing strategies drive success in differentiating the practice. Practices in the premium advisory space require product and service innovation. Practices in the mid maturity space require client intimacy tactics while those that are in the mature space require organizational efficiencies to compete on a differentiated basis. A summary of the three differentiating strategies follows in Figure 2.

Fig. 2.

	1. Product/Service innovation	2. Client Intimacy	3. Organizational Effectiveness
Growth Driver	Early command of emerging issues and specialization enables premium rates and client trial: <i>Achieving speed is key</i>	High cost of acquisition and low switching costs makes it imperative to gain large share of client's legal spend (wallet): <i>Improving scope is key</i>	High fixed costs make large volumes essential; Process improvements protect profit margins and improve predictability: <i>Managing scale is key</i>
Key Cultural /Organizational Challenges	Battle for talent and expertise; low barriers to exit requires coddling of stars	Improved service delivery; improved cross selling; effective comp. sys.	Improving efficiency; improved marketing effectiveness; best strategic investments; M&A and lift outs
Competitive Advantage / Value Proposition	Specialists and Experts	Client Focused	Best Value Option

Attorneys can use the following chart to plot where their practice and subspecialty areas are positioned in the cycle. It is best to ask clients to perform the same chart plots to see the gaps between attorney perceptions and client perceptions. Regardless, the position on the chart determines the need to re-engineer an attorneys practice by either moving toward premium advisory practices or adapting client service or work flow efficiencies in order to maintain profit margins.



PRACTICE POSITION WORKSHEET

