

A Simple Exercise to Differentiate Your Practice

By Eric A. Seeger

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Ten years ago, it seemed like there was plenty of work for every reasonably good law firm. These days, not so much. In today's competitive, low growth, price sensitive environment, you had better be able to hold on to existing clients and tell potential new clients what you offer that's better than the alternatives, or your practice may be at risk.

Is your law firm, or your practice group, really different and better than your closest competitors? Are you able to articulate why clients and prospects ought to hire you rather than someone else? Do clients perceive your practice in a way that sets it apart from competitors, that positions you as better and more valuable? If your answer to any of those questions is "no," then I suggest that your practice is not effectively differentiated – and that needs to change. This article recommends a short, simple exercise that will help you craft a winning message in a crowded, competitive marketplace.

Define Your Practice

First, decide whether you are talking about the whole firm (easiest if the firm is small and operates in a well-defined niche area) or your practice group. For our purposes here, let's say we are defining a practice group.

Fill in the blanks:

We do _____ [what kind of work]
for _____ [what kind of clients]
in _____ [what geographic service area].

Here you are simply defining the core work of the existing practice: what you mostly do, what you're selling, what you are known for, how a colleague might describe your group. Aim for a short statement that is descriptive of present reality rather than aspirational. You are working for the moment on messaging, not strategic planning or vision casting.

My experience working with practice groups and groups of practice leaders in a variety of law firms is that asking and answering these questions leads to interesting, useful discussions about the range of services that are being offered, which services are most important and why, who their best clients are and why, what kind of work they'd like to do more of, and sometimes what work they shouldn't be doing at all. Sometimes the discussion makes clear that a group is not well defined, is not cohesive or its core services are not well understood. It may lead the group to identify a

specialized sub-practice area with high upside potential or to identify valuable assets it was taking for granted. I have seen a lot of positive outcomes as a result of these conversations.

Articulate Your Strengths

Next consider the group's strengths. Not a full SWOT (an analysis of Strengths, Weaknesses, Opportunities and Threats), just the strengths. Typically when I first ask a group to list its strengths, I hear things like:

- We're highly experienced in this area of law.
- We've been doing this work for a long time.
- We serve some well-known clients.
- We're active in the community.
- We have a good reputation in the community or region.
- Partner so-and-so is very well known in this town.
- We did a really big deal that people know about.
- We are a highly collegial group. We work well together.

... and that's all well and good, but are those strengths differentiating? Do they matter? Are they strengths that you can leverage and actually do something with? Do clients hire you for those reasons? Do those features really distinguish you from capable competitors?

Go ahead and make a list of strengths, as long as it needs to be. For some groups, this will be a long list, while for others, it may be more of a struggle, but I've never met with a group that could not come up with any strengths at all.

Make a Candid Assessment

Then, for each of the strengths listed, ask, in sequence:

1. Is it true?

The question is whether that specific, purported strength is demonstrably true. How do you know? Can you back it up? Usually the answer to this question is yes, but not always.

If yes, it's true, then...

2. Is it different or better than competitors?

Is it special, uncommon or unique to your group, or can most or all of your competitors make the same claim? Is it something that distinguishes your group and sets it apart, or simply something that's required to practice in that area, a minimum standard that applies to most every practice area of your type?

If yes, it's true, and yes, it's different or better than competitors, then...

3. Is it meaningful to clients?

Do clients care about that particular factor? Do they hire law firms on that basis? Is it something they consider important and valuable? Is that what they're paying for?

If yes, yes, and yes, then you have identified a truly differentiating strength and you want that to be part of your messaging to clients, prospects and referral sources (including your partners). You are giving people a clear reason to buy.

Following are a couple of simple examples. First, as illustrated in Figure 1 below, we ask the three questions against a generic list of strengths and find that this mythical practice group does not have any truly differentiating strengths. They are experienced but so are their competitors. They have a good reputation but so do other firms. They've been in the market for a long time but so have some other firms in town, and the group is not sure how much clients care about its history and longevity.

Strengths	True?	Different or Better?	Do Clients Care?
Experience and expertise	✓		✓
Good reputation	✓		✓
Longtime presence in this market	✓	?	?
Honesty and integrity	✓		✓
Size and depth of group			?
We work well together	✓	✓	?

Figure 1.

Dig Deeper to Identify Meaningful Differentiators

The group represented above failed to identify any compelling, differentiating strengths, which is not unusual. They should take another crack at it. It might be helpful to get some input from clients or revisit how an important client was obtained or how the group has sold itself to lateral candidates. Again, we are looking for real, communicable strengths that are true (demonstrable), different and better than competitors (distinguishing) and meaningful (important and valuable) to clients.

In the second example (Figure 2) below, let's say the practice being considered is a 40-lawyer IP boutique situated near the US Patent and Trademark Office. Their self-reported strengths include the following:

Strengths	True?	Different or Better?	Do Clients Care?	
Patent prosecution expertise	✓	✓	✓	★
Efficiency through sophisticated tech	✓	✓	?	
Understanding of Asia-based clients	✓	✓	✓	★
Highly capable attorneys	✓		✓	
Good reputation			?	
Collegial atmosphere	?	?	?	

Figure 2.

The first strength is “patent prosecution expertise.” Again, let’s ask the three questions:

1. Is it true?

Can they credibly boast of substantial patent prosecution expertise? Yes – they have developed a great deal of expertise in the course of filing thousands of patents and are fully dedicated to and specialized in this area of practice.

2. Is it different or better than competitors?

Yes, in terms of annual throughput and the sheer number and variety of patent applications handled over many decades, they have developed expertise that is demonstrably superior to most other law firms. They can back this up with statistics and anecdotes.

3. Is it meaningful to clients?

Most certainly. Their clients want outside counsel who are highly specialized in patent prosecution, understand the underlying science or technology and have substantial experience dealing with examiners at the USPTO.

With regard to special expertise in patent prosecution, this firm has answered yes, yes, and yes to our three questions, thus they have identified a differentiating strength (indicated by the star symbol ★). That’s something, but more would be better.

“Understanding of Asia-based clients” is another differentiating strength – they are unlike their competitors in their understanding of Asia-based companies with US patent needs, can back it up, and those clients obviously care about the firm’s special expertise in that regard. This hypothetical firm has identified at least two ways in which it is set apart from competitors, and they now have

descriptors they can use to distinguish their practice from other law firms and convey their differentiable value to certain clients and prospects.

The examples above are necessarily limited. A group might be able to differentiate based on range of services (breadth), size of the group (capability and depth), geographic locations (proximity or footprint), service quality (responsiveness, communication, etc.), relationships, speed, efficiency, price, industry segment expertise – any number of factors.

The goal of differentiation

The goal of this differentiation exercise is to be able to first articulate and then consistently convey – across the group, across the firm, and to clients, prospects and referral sources – what distinct value you are offering that sets you apart from competitors. Once you have gone through this process in your group, ask: Is this enough? Is it compelling? If not, what's missing? How will we fill critical gaps or build needed capabilities?

The exercise itself may be simple, but for many groups and firms the work you need to do to arrive at one or more meaningful differentiators may not be easy. It will require analytical judgment, rigorous candor and potentially some significant strategic refocusing. But in today's highly competitive legal marketplace, failing to do so may not be an option.

About the author

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