

## How to Prosper by Specializing

This is an exciting time to be a new partner in a law firm. The legal market has experienced several years of record profits and growth while the global market as a whole continues to become smaller. The profession will undoubtedly continue with its metamorphosis as Generation X infiltrates the law firm partnership ranks.

We have watched our corporate clients undergo sweeping changes in the past decade to accommodate Gen-Xers. Now it is time for the legal profession to do the same, as a new generation of lawyers rises into leadership and management positions at law firms, established companies and other organizations, and at the newly-emerging dot-com companies and other start-ups.

In 1991, Doug Coupland wrote *Generation-X: Tales for An Accelerated Culture*, which labeled the post-baby boomer generation as a group with the formidable task of following in the footsteps of the successful, achievement-oriented baby boomers. Since that time, however, the group known as Generation X has proved wrong the negative slant that surrounded the term's 1991 debut. Today, they achieve success faster and in bigger doses because of their highly entrepreneurial spirit. We see Gen-Xers ask "Why?" and "Why not?," and take a different, sometimes irreverent course to success--as evidenced by the growing number of dot-com millionaires under the age of 35.

However, in stark contrast to their peers in the business world, many new partners have reached this point in their careers by conforming to the "partnership track" rules set forth by their firms. These are the lawyers who were lucky to have jobs in the bleak **employment market** of the early 1990s. But times have changed. New partners grooming for leadership and management responsibility with clients and within the firm need to stop "blending in," realize that historical precedence means very little, and accelerate organizational change so that the firm will survive and prosper. Law firms that will be competitive in the long run need to change the internal operating model that worked so well in years past.

As a new partner, it is time for you to consider several questions:

What do my clients expect from their lawyers and other professional services providers today, and how will this change in the future?

How can I make my firm a better place today?

What can I do to secure for my firm a strong market position in the future?

**`Think Different`**

Like their peers in the corporate world, the new generation of partners must be responsive, decisive, and unafraid to break tradition to take a different road to success. Apple Computer is a great example of a company that has prospered by taking a different road.

As its ads proclaim ("Think Different"), everything about Apple is "different" from other computer manufacturers, from the Apple OS platform to the packaging of its hardware. Due to weak leadership, a diffuse focus and eroding market-share, Apple was headed in a downward spiral two years ago. Since then, the company has experienced a significant turnaround by bringing back strong leadership (Steve Jobs) and paring down its product line from 27 to four--a much more manageable number.

Apple differentiates itself from its competitors by appealing to the U.S. consumer's desire for individuality and uniqueness by offering a product that looks and acts differently from its competitors. The iMac product line differs from other computers in terms of packaging, pricing and services--it is Internet ready and easy to use right out of the box.

Once Apple figured out its unique market position, it could create (or re-create) a "brand" because the

company had a succinct message to promote. In fact, many would argue that Apple does not simply sell computers, it sells a distinct attitude. Many other companies in turnaround situations have followed similar plans, which include narrowing the focus of product line (or service) and then positioning the entire organization around that core specialty.

By looking outside the legal industry, lawyers can learn from companies like Apple that are driving the new economy through innovation. Right now, e-businesses and traditional businesses in almost every industry sector are racing to see which can leverage the Internet to its fullest potential. As the Internet continues to open doors of opportunity, law firms will face similar types of competition, not only from other law firms, but also from those outside the traditional legal community, particularly those professional service firms that embrace technology.

The lawyers who use technology to their advantage and are innovative in their approach to developing new business and managing client concerns will be able to secure an enviable market position for themselves and their firms in this environment. Lawyers willing to chart new courses should look to their clients and across industries for guidance.

We see this already happening with the launch of Web sites such as [cybersettle.com](http://cybersettle.com) and [clicknsettle.com](http://clicknsettle.com), which facilitate settlements via the Internet. Other businesses that have been aided by the Internet include: Legal Club of America, a publicly-traded company which serves as a referral network for attorneys offering commodities level-work at a fixed price; legal research businesses such as Legal Research Network or Legal Research Center; and Econ One, which provides lawyers with economic analysis and forecast for specific practice areas.

The firms that lead the pack today are, not by coincidence, those that are most closely tied into the high-tech world. Those firms are not in the lead because they followed other law firms; they are ahead because they understand what their clients need in order to be successful.

We are also seeing technology drive the pace of globalization at increasingly faster speeds. Globalization, the result of the convergence of regional, national and international industries and markets coupled with the opportunities offered by the Internet, will force today's new partners to redefine some of the basic principles related to the business of [practicing law](#). This will include restructuring of compensation systems, development of multi-tier partnership structures that provide rewarding alternatives to partnership, and leveraging of the practice to include non-lawyers and technology.

Contrary to popular belief among many law firms today, "globalizing" one's practice does not mean acquiring a physical office in every major city. For lawyers and their firms, it means developing the ability to deliver a consistent level of seamless service to clients anytime, anywhere. It means understanding that although client needs may be different, the level of service provided across the firm's practice areas and industry groups should not be. It means utilizing the Internet for marketing services and for delivering them. It means using the appropriate knowledge management tools to capture and disseminate information to clients and exploring the benefits of [ancillary businesses](#) that do not solely provide legal services.

Do not be afraid to act or think differently, especially within your firm. The changes that will be required to remain competitive within the legal industry are drastic. The ability to see things differently is not an option, it is a necessity.

## Specialize

Experts predict that Gen-Xers will likely change jobs five times throughout their careers. While it is true that both associates and partners are more likely to leap laterally than ever before, it is even more likely that

today's new partner will alter the focus of his or her practice at least five times.

New partners who have been generalists throughout their careers should seek to differentiate themselves from others in the firm and the marketplace by establishing a clearly defined area of expertise in certain sectors of the legal marketplace. Work with other partners and members of your business development department to develop strategies that will create new markets for **legal services**. Then package and position yourself or the new "team" to create demand for the service.

Once a niche is selected, remain on the cutting edge of research and development and keep abreast of trends that may affect your clients and prospects. Following and analyzing the trends enables you to serve as an industry trend spotter/advisor to your clients and also allows you to monitor the course of your own practice constantly. This research will also help you determine whether the next wave of competition is a force to be reckoned with (e.g., multi-disciplinary practices, the Big Five) or not.

Study what the accountants, investment advisors and other professional service organizations have done successfully to remain competitive and see if any aspects of their approach would work for you. Follow the cue from your clients who understand that it is important to stand apart from the crowd, even if your firm does not require specialization.

## Business Development

Understand that the marketing principles that worked for older generations of partners will not necessarily work today.

Previously, partners were told to work hard and develop relationships with strong senior partners and that work from the firm's institutional client base would come. Today, even the firm's so-called 'institutional clients' are bidding out more work, seeking alternative billing arrangements, and generally looking for the firm(s) that can deliver the most value. It is not enough for lawyers or firms to proclaim that they provide value-added services, simply because it is the client who determines what services are viewed as valuable. Just as clients' needs differ, so too will their definition of what constitutes value-added service.

In the past, senior partners held closely guarded relationships with other senior leaders on the client side. But corporate leaders are getting younger - more often, business contacts on the client side are in their mid to late 30s and early 40s. This trend will continue. The shift in leadership in organizations brings with it a tremendous opportunity for new partners to develop new business. They should look to their existing peer relationships and team up with senior partners in order to bridge generation gaps with existing clients. The Big Five accounting firms recognized the importance of this and have encouraged multi-tiered client relationships for some time now. While it is still important for senior partners to develop plans for transitioning existing client relationships, firms cannot expect that these relationships will be as bountiful as in years past.

New partners can find business development opportunities and prepare for leadership roles within the firm by seeking out leadership opportunities in trade associations and related practice industry organizations. This exposure provides excellent networking opportunities with existing and potential contacts, gives you visibility as a "specialist" or "expert" in your chosen niche, and allows you to exercise your leadership skills.

## Conclusion

The legal profession is on the verge of exciting and unknown change. The Gen-X partners will play a very important role in these changes, and the key to success will be to "think differently" from the pack, creating new markets for legal services, specializing your own practice and differentiating yourself and your firm from a sea of competitors, which will not and are not always other law firms. Remember that change is the norm

and that it will be necessary to spend time in research and development to keep constantly refining your specialization as dictated by the changing marketplace.

***Interested in Learning More About Legal Hiring? Read the Definitive Guide:***

***[How to Hire a Legal Recruiter for Your Law Firm: How Law Firms Recruit Attorneys Using Legal Recruiters](#)***