

Leading in Times of Change: 4 Lessons Law Firms Can Learn from Jeff Bezos

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Amazon released the Kindle – a dedicated e-reader – on November 19, 2007. It sold out in 5 hours. By late 2010, e-book sales surpassed paperback sales at the online bookstore-come-internet marketplace. Today, Morgan Stanley estimates Amazon will make over \$5 billion on Kindle devices in 2014. Who does Amazon’s creative force, Jeff Bezos, have to thank for this boon? Apple.



While incumbent Sony was the leading e-reader company at the time of the Kindle launch, it was Apple’s increasingly popular handheld devices – and e-reader capabilities – which signaled the advent of opportunity and the pending doom headed for Amazon’s mainstay revenue source – physical books.

Today’s legal market is at a similar turning point. The demand for traditional legal services is being squeezed as clients increasingly turn to firms that feature new work processes, technological advances and non-traditional business models. Look around – who is the Apple in your backyard?

Unexpected entrants such as Valorem and IPNav are gaining traction; new players such as Axiom and Riverview are capturing market share; and corporate clients are [shifting work in-house](#). Alternative markets such as Legal Process Outsourcing are expanding at [rates of 30%+](#). In a few short years, these trends could eliminate at least \$6 billion from the coffers of standard law firms. The time to act is now.

Fortunately, the legal industry has some sophisticated predecessors who properly read their markets and responded boldly to look to for tips and strategies to help transform in the face of market disruption and rapid change.

4 Lessons Law Firms Can Learn from Jeff Bezos

1. **Recognize pending obsolescence.** Will all old-school law firms go the way of Howrey and Dewey? Unlikely. Yet the signs are there – the legal industry is undergoing a transformative shift and at least some law firms will be left eating dust. Acknowledging what works and what doesn’t, embracing new approaches and – here’s the hardest part – jettisoning what doesn’t will separate the leaders from the rest of the pack.
2. **Spot opportunity.** This skill is part art, part science and a dose of creativity. In addition to tracking industry trends, one of the best sources for uncovering opportunity is within the existing client base. How are clients’ industries changing, what are the drivers behind their strategic decisions and how can law firms position themselves to help

lead the charge?

3. **Leverage core strengths.** Books were Amazon's business. Books – and a sophisticated, recommendation engine which relied on electronic data. Transforming a full-service law firm into an IP Litigation boutique is not only unrealistic, it is downright foolish (we don't use the word stupid in my house). Yet embedded within the minds of partners, clients and the broader community there is a definition of a law firm's core strengths – what they are now, or maybe what they could be. Self-assessment and client feedback can deliver these insights and the key to discovering a firm's unique market position.
4. **Act on it – take a (measured) risk.** Amazon was not first to market with an e-reader. Sony had already paved the way, creating the initial technology and, at the time of the Kindle's entry to the market, held the dominant market position. (My, how times change.) A firm needn't be the first to adopt Six Sigma or create a high-powered technology to streamline matter management – yet dabbling in tweaks and minor changes isn't going to make a splash. Critical investments – of time, energy and resources – are needed to navigate through the dynamic changes in today's legal marketplace and to truly reap the rewards of swift, decisive action.

Amazon, maintaining a keen eye on trends (technology was replacing traditional media) and building on core strengths (an existing e-friendly customer base of active readers), made a decisive and bold entry. The trends are clear – what's your next move?