

Myopia, Innovation and Evolution: The Role of CI and Think Tanks in Tomorrow's Law Firm

By [LawVision](#) on September 23, 2015

The term navel-gazing is one that surfaces frequently as law firm leaders speak (at times with nostalgia) about the days of yore. For the most part, leaders offer this descriptive phrase to contrast against their current philosophy. Today, they say, they are tuned into the trends in the marketplace, aware of their clients' changing needs and actively engaging in steps to enhance service delivery or offer greater value. Today, they say, things are different – they have built sophisticated marketing and business development platforms, invested in competitive intelligence and established key client programs. Today, they say, they are building the foundation for the law firm of tomorrow. With a few exceptions, they are wrong.

The vision for tomorrow's law firm will not be found simply in shifting focus to create an understanding of clients' current needs. Nor will it come from more efficient service delivery, better pricing models or well thought out succession plans. While all of these steps are critical and can enhance competitive advantage, none of them steps outside of existing constructs to truly define a new path forward. These changes will result in incremental movement. Innovation and leadership will be the hallmarks of tomorrow's trailblazers.

Innovation is defined by many as solving a problem that others didn't know existed. Innovation can come in many forms, from service delivery to talent strategy to pricing models; but perhaps one of the most interesting, and overlooked, ways of innovating for law firms is in the actual creation of products or services.

First off, hat tip to the plaintiffs' lawyers. Many of them have used creativity and innovation in this way for decades. For the rest of us, however, let's face it. We have typically been more reactive than proactive; and almost certainly looking at the current or immediately pending state of affairs rather than imagining how the world might evolve.

In our discussions with law firm leaders today, we often hear about generational changes, increased globalization, diversity or the remote workforce. Leaders speculate about how these shifts might impact their law firm in the future and contemplate changes they may make to accommodate new preferences or demographics. Very few of these conversations, though, extend beyond the future of the law firm per se. In other words, very few leaders are discussing what is going on in their clients' industries – and how to leverage disruption there to create opportunity.

Consider an example that is already coming to a head. In the healthcare sector, law firms have historically opted to work exclusively for either the hospital systems or the insurers. A bold line separated the two constituencies and created often times opposing interests. The passage of the Affordable Care Act blurred this line and has since spurred many health care delivery companies to consolidate with insurance providers or become one themselves. This shift in the marketplace leaves clients scrambling to find a lawyer or law firm who can combine the expertise and talent across aisles. Few, if any, anticipated this need; and, at least from the client perspective, not enough are responding to the call.

The antidote to law firms' myopia can be found, in part, in better competitive intelligence (CI) functions. These new CI teams will have a longer term view and a more strategic role than they have had traditionally, and may work in tandem with R&D teams or other innovation-oriented groups. The concept is to analyze and assess the drivers influencing not just

the legal industry, but those of your clients. Some, like generational demographics, will be similar. Many, however, are unique to individual segments of the market. The more specific the target sector, the more tailored the potential solution or discovery can be. Think tanks – or dedicated teams of individuals whose sole job is to grapple with the influences of macro-forces, similar to the ones housed in major consulting firms such as McKinsey – exist in a handful of firms and may be on the horizon in others.

Innovative ideas, by themselves, however, will not guide transformation. As referenced earlier, leadership will stand alongside innovation as a distinguishing characteristic of true pioneers. Outspoken thinkers such as Stephen Poor, Chairman of Seyfarth Shaw and Jeff Carr, former GC and newest member of Valorem Law, will be joined by others in the coming years. We will explore the crisis of leadership in more detail in a future post. In the meantime, we are happy to offer some brain fodder to get the creative juices pumping, and encouragement to make an investment in your future.

Creating Tomorrow's Legal Services

Artificial intelligence, machine learning and virtual reality – *the considerations are endless and extend from issues of privacy and IP to regulatory lobbying, health and safety and beyond*

Remote workforce – *Employment lawyers are all over this, but what about everyone else? How will this impact real estate demand, construction, technology? Are there new intersections and relationships to be forged?*

Generation D (for Depressed) – *is technology use creating a disconnected, less happy generation; will this lead to greater mental health issues and what does this mean for employers, employees, healthcare providers, pharmaceuticals, technology companies?*