

The Changing Nature of the Law Firm Consulting Industry

By [Michael D. Short](#) on March 17, 2015

We regularly write in this space on all of the changes that are occurring within the legal industry. Of course the law firm world does not have a monopoly on change, as many industries have experienced significant and fundamental re-writes of their basic business models over the past few years. This list includes our world – the world of law firm consultants and the requisite skill sets needed for success and excellent client service.

As you use consultants and consultancies to assist you with some of the most important decisions and projects that you may ever undertake, it is more important than ever to get a glimpse into *our* changing world to improve your chances of having a valuable experience. You need to be able to identify the few who really know what we are doing (and this is not limited to LawVision consultants) from the amateurs who illegitimately occupy our space.

I started in 1988. At that time and through the mid-90's, all we needed to do to be "valuable" was answer the basic question, "What are the other firms doing?" The industry was extremely homogenous back then and industry knowledge was the key to success for a consultant. This work was relatively easy in those years.

From the mid-90's through the years just prior to the recession, law firms became much more strategic and focused on developing brands/images and differentiating from the competition. A successful consultant needed to supplement industry expertise with real strategic thinking and a deep understanding of how to be different. While there was some good strategy work done during those years there was also a bunch of weak "planning", but it all felt valuable to clients because they were growing and profitability was increasing. They felt strategic but the hidden truth was that the demand for legal services exceeded the supply, the industry as a whole was moving forward, and the weak participants (law firms and consultants) were protected.

The weak consultants also commoditized the excellent services provided from the relatively small subset of talented and experienced professionals. For example, many firms used the lowest cost-provider to select a consultant for a task as vitally important as strategy development. In return, they got something simple that sounds great but has no real strategic value whatsoever. In fact, if you wish to pursue this route today then we can give you your final plan right now and save you all of your money because my Partners and I have seen it many times –

We will continue to be a highly collegial and respectful law firm that is recognized for its excellence and we will be preferred by clients in our chosen areas of focus that value our sophistication and will pay a fair rate for our services to increase our profitability.

These are beautiful and oft-purchased words that are guaranteed to be supported unanimously because they represent the status quo in the lawyers' minds. Strategy does not mean keep doing what you are doing, but now justified with a nice sounding, un-actionable statement developed with an "expert."

Subsequent to the most recent recession, the basic supply-demand relationship shifted and the supply of lawyers exceeded the new world of client demand. This industry-changing event and today's competitive environment of [winners and losers](#) has created an situation wherein real strategies are a) vitally important for long term success and stability, b) becoming much more complex and data/information-based, and c) require actually implementing the strategy for a

successful outcome...a radical concept only a few years ago. An effective consultant today needs to supplement the aforementioned industry expertise and strategic thinking with the ability to develop a detailed implementation plan and lead the process of changing associated behaviors and attitudes that are often based on decades of precedents and old habits. Absent this skillset, planning is a complete waste of time and money.

This last part is what now separates the talented professionals from the amateurs who are not up to the challenges at hand and simply move on to the next easy project. I have multiple war stories of consultants either not assisting with implementation of their own work or, even worse, abandoning clients when the going gets really tough. Every time this happens, the entire industry suffers reputationally.

When you hire a law firm consultant (LawVision or elsewhere), please make sure you are getting the proper combination of industry knowledge, strategy development skills supported by hard data and research capabilities, and change management talents to foster a proper implementation of your plan. Those with the proper blend of these three capabilities will help you develop something truly valuable to your long-term future and will not shy away from any situation.