



“Standing still is the fastest way of moving backwards in a changing world”

*Lauren Bacall*

### And your competition never stands still ...

As Tom Peters put it “Good quality is a stupid idea. The only thing that counts is whether *your quality is getting better at a more rapid rate than your principal competitors*. It is really simple. If we’re not getting more, better, faster than *they* are getting more, better, faster, then we’re getting less better and more worse”.

Before reading any further into this bulletin, spend just a few minutes thinking about how your firm operates and the things it does well and the things it does less well, by considering [the statements in this survey](#).

So, law firms need to keep reshaping themselves faster than their competitors if they are to survive and to stay ahead in this rapidly changing world and fiercely competitive legal marketplace. COVID 19 has only accelerated the need to innovate. Unfortunately, many law firms often mistake technology for innovation, but as Veta T. Richardson, the President and Chief Executive of the Association of Corporate Counsel recently wrote in Raconteur on 14 December 2020, “Innovation isn’t measured in tools, but in problems solved”

Law firms therefore need to look at the interface between technology and how people use that technology, because firms will not get better and improve unless their people do.

They need people who are prepared to adjust and adapt fast to their firms’ needs rather than resisting and holding back their firms. A culture change is likely to be needed to achieve this. So, what do law firms need to do to build and encourage in their people a culture of adapting fast to change and innovating, to ensure their survival? One law firm we spoke to described their law firm as “Istanbul in the 1920s” (we looked puzzled) “A lot of magnificent old edifices with Young Turks running round trying to modernise things”.

Start with a firm’s leaders. They need to have an in-depth understanding of what the firm’s clients will need and embrace change and innovation fast to provide the clients with whatever it takes to drive client satisfaction and client loyalty, which will be paramount to build a firm’s competitive edge. Unless a firm’s leaders recognise how the world is changing

around them and have a relentless determination to adapt accordingly, no firm will survive for long.

Those law firm leaders who do recognise and embrace the need to innovate will provide themselves with the means to do so, beginning by ensuring the structures of the firm are agile, lean and quick to respond to opportunities and threats. Reward structures are an example of law firm edifices which firms are now being forced to change in the face of increasing threats from competitors. A 'magic circle' firm has just announced changes to accelerate the progression of high-performing junior partners up its lockstep, undoubtedly, to gain a competitive edge over rivals in the recruitment market and to ward off poachers with very deep pockets.

And it will be down to firms' leaders at times like these to instill in their people a sense of understanding and urgency that excess baggage will need to be removed, outdated working practices must be replaced by streamlined operations, and instead of selling on price alone, 'value for money solutions' should become the new pricing mantra. These are the ways that will enable firms to provide clients with what they want, and firms will need to do so better than their competitors. In addition to this, leaders must win the support of key people for change. It was noticeable that law firms in the 2020 lockdown adapted very fast to change; will your firm be able to keep up that rate of change? And if your change is now solidifying, is it setting into the shape you want your firm to be?

To do this, law firm leaders may themselves need to learn new skills to take their people with them on the journey. In particular they must understand how to drive their firms to achieve the outcomes that matter and must not allow resistance to well-thought out changes which will make a difference, to prevail. Otherwise, their firms will suffer.

How is your firm planning to innovate so that (in the words of Tom Peters quoted above) "your quality is getting better at a more rapid rate than your principal competitors"? Your favourite clients are unlikely to stay with you in the long term unless they are offered "more for less". (Susskind 2019).

Law firms and their leaders cannot stop the world from changing. But as Price Pritchett said "The best organisations can do is to adapt. The smart ones change before they have to. The lucky ones manage to scramble and adjust when push comes to shove. The rest are losers, and they become history".

If your firm needs help in adapting to change then please call us to find out how we can assist.