

Marketing Differentiation

On their web pages, in their brochures and, most critically, in the eyes of potential clients, most law firms look alike. To successfully distinguish themselves from their competitors, law firms should heed the dictates of legal marketing experts.

During frequent plane travel, I try to read business books and professional journals that affect my career or my clients and, during one recent trip, I read several articles that led me to believe that law firms need to more effectively market themselves.

“The successful marketing program differentiates a company from the competition.” John Graham, of Graham Communications wrote in an October 1998 article. And in a review, Bruce W. Marcus wrote, “Certainly any program that doesn’t differentiate itself from its competitors is going to be sledding uphill. That is what *positioning* is about...Differentiation in a profession is difficult, and may be coming at the problem from the wrong angle. I wonder if the differentiation, ultimately, doesn’t come from demonstrating the ability to understand a client’s problem, and to demonstrate that you have an innovative and imaginative solution, rather than trying to persuade somebody you can do better audits or write better briefs.” Mr. Marcus’ comment is consistent with one from David Maister, who states: “The basis of all practice development is having a better understanding of this client’s real needs than the competitors.”

These points caused me to wonder if any law firm’s marketing program differentiates that firm from its competition. When I look at law firm web pages, the large firms all seem to look alike. They all seem to be full-service firms that provide extraordinary service to large and small companies throughout the country.

How, then, does a firm differentiate itself in a way that will resonate with clients? One key way would be to learn more about their clients’ industries. In almost all corporate counsel surveys, the inside lawyers complain that their outside counsel does not understand their industry, their business or them. A law firm could gain a huge advantage by being more “industry focused” than its competitors. The more a firm’s lawyers understand their clients’ businesses, the better they can appreciate – and meet – their clients’ needs. Firms may instruct young lawyers to get training in industry-specific subjects, and they might also consider having their lawyers from non-industry practice groups become “specialists” in the industry; (e.g. construction labor law, construction environmental law, construction project financing). Likewise, those lawyers in industry practice groups need to be “specialists”; (e.g. health care construction, real estate development, construction). Finally, firms should have lawyers who write articles in the industry publications and attend industry meetings and conventions. If the firm is industry focused, its paraprofessionals should likewise be industry focused.

How else can a firm differentiate itself? A firm might position itself by investing heavily in “human capital” and technology. Suppose the firm gained a reputation among its clients, lawyers and law students for providing the best training and development program in the

country. That clearly would be a differentiator. Likewise, a firm that invests in technology to better serve its clients and to make its lawyers more efficient will differentiate itself.

In this new world of the 21st century, firms should consider “partnering” with its clients and developing strategic alliances with others who supply services to its clients. Many large companies are following some form of the DuPont model which is based on “partnering” and alliances. Firms who are chosen to work for those companies have differentiated themselves by becoming part of a team of law firms and other professionals all in a partnership relationship with the client.

There is a great opportunity for firms to differentiate themselves based on the needs of clients. Firm leaders need to understand client needs and then search for the opportunities to respond to those needs in a way that differentiates the firm from its competitors.