

# LAW LEADERS LAB

## BREAKOUT LAW FIRMS

Breakout law firms – lawyers with portable books of business who are leaving Big Law to start their own law firms -- represent one of the fastest growing segments of law firms in the United States. It is no wonder. Fragmentation of the Big Law business model, unwieldy overhead cost structures and increased pressure from clients to lower the cost of legal services makes sustaining a profitable and rewarding law practice increasingly difficult for many successful and experienced lawyers with existing books of business. “Breaking out” and starting a small firm practice no longer means hanging out a shingle. Rather, it is an opportunity to launch a New Law business model that provides the opportunity for greater profits, fewer headaches and enhanced value to clients. It’s a win-win for the founding partners, the teams they recruit and the clients.

That said, launching a startup law firm requires careful planning, a clear understanding of where you fit in the market and a growth strategy that aligns marketing, business development and client management. Law Leaders Lab has focused a substantial amount of its practice to the special needs of this segment of law firms. We have developed a proven approach that helps Breakouts assess the market, identify opportunities and grow from time of launch through the critical first five years of business.

### THE LAW LEADERS LAB APPROACH

Law Leaders Lab is built on the premise that the traditional law firm business model is not sustainable over the long term. We work with lawyers to help them rethink the way they create, deliver and communicate that value to clients. Our methodology, the Law Leaders Lab Value Creation Framework (VCF) is based on findings of proprietary research into how clients define value in legal services and direct experience working with dozens of law firms ranging from AmLaw 10 firms to New Law business models redefining what it means to practice law.

The VCF is a strategic growth model that focuses on the three areas clients look at most when making decisions about legal services hiring: Relationships (People – Your Clients and Your Team), Outcomes (Services and Practice Innovation), and Business Impact (Marketing & Sales Alignment). We believe all three of these buckets are necessary for long-term sustainability. We also recognize that every firm is different what matters most is dependent upon a variety of factors.

With our services, clients achieve leadership in the following areas:

- **Market Growth:** A foundational marketing program that builds awareness and credibility with your defined target market(s) through education about your brand, the value you deliver and the problems (often previously unrecognized) you solve better than any other provider.
- **Revenue Acceleration:** Alignment of your sales, marketing and client management programs to drive new business and expand existing relationships.
- **Law Innovation:** Creating a vision for redesigning legal services to better meet the demands of clients and dynamics of the new legal profession through idea incubation, proof-of-concept testing and market delivery.

## BREAKOUT BENCHMARKS



## OPPORTUNITY MAP

The Opportunity Map is the starting point for all Law Leaders Lab client engagements. This is an outside-in approach to strategic planning that focuses on mapping your/your firm's core strengths and experience to market opportunities and competitive threats in order to uncover specific ways you can differentiate yourself in the market.

We designed the opportunity map to avoid one of the biggest challenges breakout law firms make once they launch their firm: engaging in random acts of marketing. By clearly defining your business goals, your target markets and the areas where you get the most satisfaction from your work, we are able to put a launch plan in place that will not only set you up for success but will help you avoid spending money on tactics that will not help you achieve your goals.

The Opportunity Map is designed to:

- Clarify your leadership vision, align your business goals and optimize your economic engine.
- Solidify your market positioning.
- Uncover tangible opportunities to differentiate your firm.

During the Opportunity Mapping process we evaluate your current market positioning and marketing tactics against the ideal target market and your business goals. We look at pricing, channel and business development opportunities, website, marketing materials, support, competition, and revenues.

Based on this data, we make specific recommendations on your core positioning platform and the strategies to achieve your goals. Based on the goals and needs identified during this phase, Law Leaders Lab proposes a dual-focused plan that includes near-term actionable tactics for short-term results and a broader framework for executing a leadership vision that will create sustained growth over the long-term.

Opportunity Maps are designed to meet the specific needs of the organization but include the following components:

- 1) Pre-Meeting Assessments with all stakeholders.
- 2) Market analysis and Ideal Client Profile development.
- 3) Competitive analysis
- 4) Differentiation opportunities
- 5) Leadership vision clarification (MVV meets Hedgehog)
- 6) Positioning recommendations and plan of action

## MARKET LEADERSHIP FOUNDATION

With the core message and initial strategy in place, the first step is to build the foundation for market leadership. There are three components: Operations, Financial and Market. Law Leaders Lab supports you in assessing your needs in each of these three categories with a particular focus on building the marketing foundation that will set you up for a successful launch. This includes formalizing a Message Platform and Optimizing your online presence.

In today's digital environment, more than 50 percent of decision making in complex business-to-business sales is made before the first face-to-face meeting, so marketing content must balance brand building (messages about who you are) with education (content about why you are needed) to support your sales and business development efforts.

Market Growth Leadership sets the foundation for marketing and sales alignment through the development of the core messages and content needed for effective brand building, market education and sales effectiveness. During this phase, we draw upon the findings of the Opportunity Map to create a custom portfolio of content that will support both your marketing and business development efforts.

## LAUNCH

The launch plan takes you through the first six months of your firm. During the initial launch, the primary focus is on client transition and operational efficiency. From a marketing perspective, the goal is simple: Get known. Your clients, your referral sources and your prospects need to know you exist and where to find you. The biggest mistake new firms make from a marketing perspective is to launch with a single announcement and nothing else. It will take five to seven communications before your message starts to resonate, so you need to think about your launch as a series of repeated announcements.

The public launch will typically start 30-60 days after you open your doors. This gives you time to have the personal conversations you need to have with clients and ensure you handle your departure from the firm in an ethical and professional manner. The initial launch includes:

- Client communication
- Media release and outreach
- Online announcements
- Face-to-face events/meetings.

This is followed by monthly outreach during the first six months to ensure your brand is fully embedded in the market and to build awareness and credibility of your new firm.

## MARKET GROWTH LEADERSHIP

Market Growth Leadership sets the foundation for marketing and sales alignment through the development of the core messages and content needed for effective brand building, market education and sales effectiveness. During this phase, we draw upon the findings of the Opportunity Map to create a custom portfolio of content that will support both your marketing and business development efforts.

For Breakout Law Firms, this phase is critical to differentiating your services and going to market with a compelling and memorable story that will get you noticed. The core pieces of the content portfolio include a:

- **Revised Message Platform** that outlines the problems you solve, your approach to solving the problem and the benefits of your approach. This messaging document serves as the foundation for all brand identity materials, including your website, online platforms and printed materials.
- **Business Case** that educates your clients on the unrealized impact of the legal issues they face your differentiated approach to addressing these issues. The business case serves as the foundation for business development training and can be adapted to fit the communication styles of those delivering it.
- **Law Insights Agenda** that serves as the framework of an overall content-marketing strategy tied to your business case and around which all lead-generation campaigns can be created. This content agenda ties your marketing and sales efforts with a theme and topics around which you will build credibility in the market and educate prospective clients about the need for your services..
- **Law Insight Strategy:** Alignment of your business development message with the marketing content around a theme designed to educate the market about the problems you solve.
- **Creation of a 30-30-30 Market Leadership Delivery System** to push out your marketing message in a consistent and ongoing way.

## REVENUE ACCELERATION LEADERSHIP

With the first year underway now is typically the time to step back and assess where the firm is and to formalize a revenue generation plan that will support the firm's long-term goals.

- **Positioning Realignment:** Most Breakout firms cut their rates by 35-50% at launch. Clients love the "Big Law but Cheaper" value proposition. At the same time, long-term emphasis on this value statement risks a dilution of your brand and can unnecessarily result in a race to the bottom for pricing. Typically, year two focuses on shifting the value proposition from "Big Law but cheaper" to "Big Law but Better." This shift requires deeper exploration into the value you bring to the table and adjusting your initial marketing platform to reflect this.

- **Revenue Acceleration Plan:** Development of financial and nonfinancial objectives for achieving your 2016 revenue goals. Assessment of practice/service productivity and overall account and opportunity planning. Targeting and pursuit plan assessments.
- **Sales Effectiveness System:** Creation of a pipeline management system that combines discipline, process and technology to strengthen your economic engine and enhance your sales effectiveness.

## LAW INNOVATION LEADERSHIP VISION

At this stage, the firm has solidified its market positioning, created a sales pipeline and has the stage set for innovation. Law Innovation Leadership is designed to support the leadership team in building a solid foundation to achieve its vision, as well as to set the stage for innovation. Based on the approach, initial meetings will focus on measuring, managing and adapting the new programs being developed.

- **Innovation Leadership Vision:** During this process, we evaluate the firm's firm behaviors, motivators and core competencies for innovation and conduct a growth gap analysis to define innovation goals and create a foundation for innovation to occur.
- **Innovation Map:** Identification of Innovation Opportunities based on stakeholder interviews, client perception interviews and a market assessment with a specific focus on uncovering tangible opportunities for differentiation.
- **Innovation incubation and market strategy:** Development of one or more minimally viable service offerings to test and take to market.