



# **SCG LEGAL IN TODAY'S LEGAL MARKET: TIME TO ADAPT & INNOVATE**

**2017 International Meeting  
Siam Kempinski Hotel  
Bangkok, Thailand**

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# TURBULENCE & CHANGE

“Uncertainty is the hallmark of the future for law firms. It’s hard to predict what the profession will look like in 10 years because there are so many forces at work. We know it will look very different from what it does now.”

- James Leipold, *Executive Director*  
National Association for Law Placement



# MARKET CHALLENGES

- Globalization & technology making geography less relevant in determining law firm “fit”
- Delayed retirements & attorney oversupply intensifying competition
- In-house hiring shrinking demand for outside legal services
  - *ALM Intelligence 2017 Corporate Counsel Survey* found 43% of in-house legal departments plan to reduce their use of outside counsel
- Industry consolidation – with mergers & lateral hiring at all-time high – undercutting firm loyalty
- “Unbundling” legal matters posing new challenge to law firm profitability



# INDUSTRY TRENDS & THEIR IMPACT ON ASSOCIATIONS

- When attorneys sneeze, their associations get pneumonia.
  - ABA cut its budget last month by \$10.7 million, or 11%
- Firm mergers & lateral acquisitions snowballing
- Non-traditional players (*e.g.*, ALSPs, accountancies) in traditional legal market growing significantly
- Subspecialty legal organizations proliferating
- Attrition rising & attorneys becoming less engaged
- Needs & expectations of attorneys in flux



# WHAT CLIENTS WANT

- 64% Results
- 63% Quality
- 51% Experience
- 51% Value
- 44% Integrity
- 37% Client Service
- 33% Trust
- 30% Reputation
- 28% Attention to detail
- 28% Relationships
- 9% Global capabilities

Source: *One North & Greentarget Global Group (2016)*



# WHAT'S MORE IMPORTANT?

- 41% Individual's reputation or history
- 11% Firm's reputation or history
- 48% Both equally important



# HOW TO WIN THEIR BUSINESS

- 0% Advertisements
- 0% Rankings
- 15% Panel discussions or presentations
- 20% Articles, newsletters & white papers
- 21% Website
- 44% In-person contact



# TOMORROW'S LAW FIRM NETWORK

- Client-centered
  - Actively solicit client feedback
    - *ALM Intelligence 2017 Law Firm Leaders Survey* found 72% of managing partners last year met with fewer than half their top 20 billing clients
- Distinctive
  - Offerings that aren't differentiated easily become commoditized & purchased solely on price
- Personal
  - More than client-centered, client relationships must be ongoing, not episodic



# WHERE TO NEXT?

- “Stay the Course”
  - Retain most elements of current network structure with addition of several new membership requirements
- “Change the Players”
  - Gradually change recruitment strategy to attract firms in other, more in-demand market segments
- “Change the Game”
  - Focus primarily, if not exclusively, on client relations, marketing & leadership development-related programs & services



# "STAY THE COURSE"

## Features

- Government relations (U.S.)
- Transactional expertise (Others)
- Same-day responses
- Alternative fee arrangements
- Ongoing evaluation process
- Commitment to diversity
- Adherence to cybersecurity "best practices"
- Leadership development
- Annual, international & regional networking meetings
- Newsletter, directory, website & other publications

## Benefits

- Builds on organization's historical strengths
- Addresses many concerns of in-house counsel
- Focus remains on networking & referrals among firms
- Keeps integrity of member firms' markets inviolate
- Approach to change more gradual



# "CHANGE THE PLAYERS"

## Features

- Many of those enumerated above
- Standalone entity created as "landing pad" for next network iteration
- New member firms recruited on basis of "fresh" set of criteria
  - Multidisciplinary firms
  - Non-traditional, *e.g.*, ALSPs
  - Regional firms
  - Focus on both collaboration & referrals

## Benefits

- Broadens target market for services member firms provide
- Allows for gradual transition from present member base to newly emerging one
- Creates newly distinctive offering
- Puts organization on glide path to more secure future



# “CHANGE THE GAME”

## Features

- Many of those in first two examples
- Repositions organization to become part of membership’s outside “sales” team
- Publications directed primarily to client audiences, not members
- Meetings held regionally or globally for member firms & their clients
- Feedback solicited from clients regarding performance of member firms
- Client input solicited through organization-supported advisory council

## Benefits

- Focuses organization’s resources on business development
- Provides means of cultivating long-term client relationships
- Features member attorneys as “thought leaders”
- Creates “stickiness” between member firms & their clients
- Provides client exposure to full scope of network’s capabilities
- Promotes regular, sustained face-to-face interaction between member attorneys, firm leaders & their best clients



# CLOSING THOUGHT

“The world hates change, yet it is the only thing that has brought progress.”

- Charles F. Kettering  
*American inventor (1876 – 1958)*

