

Changing trends in the legal marketplace

Law firms need to operate like other successful businesses



By Irene Demetriou

In today's volatile markets, businesses are having to rethink existing corporate strategies and internal business development in order to become competitive and grow. Law firms have traditionally opted out from such practices since the legal profession has always depended upon a straightforward client-service relationship: clients give them work and they do it. However, such a simplified perception of legal services no longer suffices for success and law firms must offer something more in order to survive.

While offering more should be the firm's objective, by offering too much it might run the risk of losing focus and demonstrating a lack of expertise. Law firms in Cyprus need to reconsider their target group and position themselves as true business entities with a development plan, introduce new products and services and focus on staff education and training. A heavy reliance on company formation and incorporation as well as administration and management activities has saved many from going downhill but in view of the economic crisis and challenges in the investment sector, such activities no longer offer an easy way out. The direct challenges faced by our services industry by jurisdictions such as Malta and Luxembourg, as well as competition from non-lawyers and corporate entities, demonstrate that law firms must really go that extra mile to attract high-calibre clients and big cases by creating a business opportunity or by making an introduction to another client.

Research and innovation must gain centre stage in law firms' activities. Participation in national and European-funded programmes should be pursued with vigour while focus must also be placed on new products and services. With sweeping technological solutions presented on a daily basis, law firms can take action to integrate billing methods, to design and promote mobile applications and become actively involved in publishing research and studies on their areas of expertise. Education and training of staff is also a fundamental aspect of research and innovation; providing vocational training to staff reinforces em-

ployee loyalty and develops highly-skilled personnel.

Internal organisation is a prerequisite for re-aligning a law firm as a true business entity. A law firm should be able to make a distinction between an area of practice and a sector of expertise, even though the distinction is at times blurred (as in the case of energy); by default, small firms of up to 10 employees lack the capacity for participating in every area of legal practice available and should best concentrate on niche markets.

Marketing is instrumental for law firm success and should take centre stage in firms' activities. Usually snubbed by local law firms, media such as websites, brochures, newsletters and events can make or break a deal; you just have to take a look at the websites of giants in the legal profession such as Latham & Watkins, Allen & Overy, Clifford Chance, Slaughter & May to see how much effort (and money) is devoted to marketing. Social media marketing is perhaps the most effective form of marketing in business today. Law firms have traditionally restricted marketing to ads in legal magazines and periodicals which are mainly received by respective legal firms and colleagues but not clients. According to internal research performed at Andreas Neocleous & Co LLC, media such as Twitter and LinkedIn are extensively used by law firms abroad to market a new capability, notify clients of legal developments, cross-sell their firm's services and expand their existing client and network base.

Experience databases and Knowledge Management are also two fundamental aspects of the exchange of best practice and training of new staff. An efficient KM system removes workload from supervisors while increasing work independence and the research skills of trainees and newly hired employees.

The law profession itself has changed considerably, as it tries to incorporate wider notions of business consultancy, financial planning and social skills. Law firms with honest intentions and long-term goals must become more socially engaged and pursue dynamic policy re-orientations if they wish to be considered regional leaders in their field.

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