



Obstacles to Innovation in Law Firms and What is Required to Embrace It

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Law firms are not known for innovation or even for being progressive. One only has to look at the typical traits of many lawyers to understand why this is so. Lawyers, for the most part:

- · Are risk averse and do not like change
- Rely on past precedents and proof to demonstrate their skill and expertise
- · Are good at finding reasons why not to do something
- Wait for their peers to do something first before even considering it
- Get rewarded for billable hours not for non-billable investment time
- Are not inventive in an entrepreneurial sense
- Are late adopters of most new technologies and business models

The legal profession built and retains a rigid self-regulatory framework that inhibits or prevents new innovations in legal services and products. This poses a major threat to the profession since things are changing at a rapid pace and the pendulum will not swing back even after we emerge from the current recession. Major and irreversible advances are occurring in technology, social media and communications and there will continue to be a reduced demand for traditional lawyers and firms and much greater demand for alternative service providers, flex arrangements and value pricing. Law firms will have to adapt or die, and those who will be most successful will embrace an opportunity to explore innovation and introduce what today may still seem like radical changes in most traditional law firms.

Does Your Law Firm Have What it Takes to Embrace Innovation?

Given an historical aversion to change and innovation, law firms will not find it easy to create an innovation culture. Yet innovation will be critical to survival as it will be the only way firms can continue to differentiate and get ahead of the competition, which will not be limited to the competitors of the past. There are a number of critical factors that will facilitate innovation success in the law firm:

- Top-down, visionary leadership that inspires and demonstrates innovation, and inculcates it into every partner and staff person's job.
- Well-documented knowledge of the competitive landscape and innovation leaders through syndicated research and primary, qualitative research with clients, prospects and vendors.
- Well-defined vision of where the firm, its practice and the industry are headed supported by good market research and a concrete strategy.
- Articulated innovation goals and action items in every strategic, practice group, key client and administrative department plan.
- A developed, programmatic and articulated system for seeding, supporting, measuring and rewarding innovation.
- Communication about and celebration of innovation efforts, as well as successes.
- Advancement of lawyers and staff who embrace both continuous improvement and innovation.

If you are a law firm leader who wants to develop innovation at your firm, here are <u>TenTips</u>. You must put in place the type of policies, systems and support that will make imbed innovation as a core firm value and will reward and penalize those who do or don't participate.

Tags: Communication, Innovation Culture, Measuring and Rewarding, Visionary Leadership

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