TYLER WILSON

THINKING OUTSIDE THE BOX

A VIEWPOINT ON LAW FIRM BRAND VALUES

> “Many firms are currently war-gaming the consequences of an expected slowdown. Break-glass procedures that were trialled and then mothballed for Covid are being dusted off. The biggest dilemmas are always how to stoke the engines of growth and what ballast should be jettisoned to maintain high-altitude profits.
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> **In this Viewpoint, we consider how firms can steer a course through turbulent air.**”

Some distance has been travelled since the last recession, now languishing in the memory behind a contrail of growth that seemed to be bending towards infinity. But the engines are losing thrust; energy reserves are depleted; and that profit curve is logarithmic, not exponential. Pilots of the fleet are pondering how to get more from less, just as their clients are doing the same.

If the rise of US firms has taught the market anything, it's that brand, not bigger, is best. This recognition has prompted many firms to promulgate a series of self-statements, for both internal and external consumption, as an exercise in brand building. In many cases, these aspirations are easier to meet in a tailwind than a headwind.

Internal Messaging

In a perfect world, brand values propose themselves unbidden as decision rules directing how firms should behave when difficult choices need to be made. Firms who claim that 'people are our biggest asset' will be expected to put their partners' money where their mouth is, not to swing the axe. Those promoting themselves as 'lifestyle' brands or 'nice places to work' will be trusted to put wellbeing and livelihoods ahead of PEP.

Likewise, firms promoting themselves as ESG and D&I activists will be expected to hold fast to their ideals, notwithstanding the cost premiums that these initiatives can entail. But no good deed goes unpunished: it might not be long before associate cheerleaders move on from being placated with reduced carbon footprints and the like to demanding that firms stop acting for 'toxic' clients – those from oppressive regimes, using child-labour or operating in pariah industries such as fossil fuels and tobacco. Brand and profitability may collide.

Whatever a firm's brand values suggest, all firms operate with an unspoken idea of what constitutes bedrock PEP, below which they will not willingly go. This will be tested as the revenue tide goes out, forcing them to show their hand on issues such as cost-of-living bonuses, redundancies and partner promotions.

If job efficiencies are required, leaders will wonder whether whole cost centres can be dispensed with, in preference to a thousand tiny cuts. For instance, the traditional role of the PA has all but disappeared, yet a core group remain because they are held to be competent and blameless in the demise of their function. In a similar vein, there is unspoken suspicion about a gap between the many outputs and the few outcomes in a number of business services and knowledge management roles that warrants close inspection. There are back-office functions that exist only to operate the technology that was meant to replace them. Will the brand values that preserved these inefficiencies now permit their removal?

In their ongoing search for savings, leaders are also unlikely to overlook the deserted flightdecks and engine rooms of their firms' offices. It is clear now that home-working suits some people very nicely and others not at all. Hybrid working is arguably a fudge that satisfies no one, as demonstrated by low levels of compliance with the 'recommended' mix. The unknown quantity of this great work experiment, however, is its long-term effect upon employee loyalty to their firms' brands. The values that drive employee retention should be what dictate to leaders whether it is right to cut back on premium square footage, call everyone back in, or hold tight.

External Messaging

Brand values are also employed when seeking to fire the engines of growth. This begs the question: 'where does work come from?' Law firms need to remember that they sell a personal service, instead of expending time, effort and money promoting a product which is identical to their competitors' product and which they do not own or control, namely the Law itself. Marketing which explains the Law, in effect describing its features and technical specifications, brings no obvious advantage because firms cannot guarantee that the Law will support clients' commercial objectives or leave them free from damage or injury.

Worse still, this product is largely invisible to its prospective buyers because it exists mostly outside the horizons of normal commercial activity. Law is the "box" that businesses operate inside. Promoting the box for the wonders of its structural engineering is irrelevant to, and doesn't engage, the audience. On some level, firms know this, because they do this promotion mostly without evaluating what work it brings in.

The first rule of marketing is that there is no such thing as a neutral act. Marketing which promotes the box reinforces the firms' limitations in understanding their own brands, and doesn't explain why clients should instruct them ahead of their competitors. Whilst one response to a recession might be to reduce headcount by the number of people engaged in marketing the box, a better one would be to focus on articulating and distinguishing the benefits of the service that the firm provides. As anyone who has switched firms knows, each one is properly different and those differences merit some careful unpacking.

Like it or not, a firm's brand is what its customers and employees really think of it. As law firm leaders buckle up in readiness for turbulence ahead, it's a good idea to maximise support for all the sources of competitive advantage at their disposal and, in doing so, to articulate as a brand a firm that knows the value of thinking outside the box.

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