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The Business of Law Part 1: In the Age of the Consumer

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Who doesn't love a little history refresher? You like it too?! Perfect.

So, fifty-one years ago, the first ARPAnet (later to be known as the internet) was created. Fast forward to 1989 and you have a proposal from a man named Tim Berners-Lee for a program called "Mesh" (also later to be known as the World Wide Web). The advent of both the network infrastructure (the Internet) and the software infrastructure layered on top of it (the Web) paved the way for a growing dichotomy between the centralization and decentralization of resources and knowledge, and one-way versus two-way consumer consumption patterns. Now, fast forward again to 2020 and we see the proliferation of content that simply did not exist even a mere few years ago.

An astounding [59% of the global population](#) is connected to the internet. Do you know what that means? It means that consumers now have access to so much information that the power that brands and corporations once held has completely shifted. The asymmetric balance that sellers held only a few years ago is now virtually non-existent.

We are now living in a [digital world](#). Leading companies know that in order to keep their competitive advantage, they must align with their customers. They don't view this alignment as a chore on their laundry list of duties that they'll get to eventually, they're actively pursuing it. They are reimagining every aspect of their business and how the consumer experience and journey are affected every step of the way. In 2020, this alignment is the bedrock upon which successful businesses are built on.

Law Profession vs. The Industry

How does any of this news relate to you and your firm? To start, it should be noted that the legal space drags behind other industries. The primary cause of this polarity is a result of a divergence between the profession and the industry as a whole. Put simply, it is the divide between lawyers and the myriad of technology and business management expertise that make up the entire industry. There is a notable difference between the two, where we have the profession, or lawyers, who are

shackled to paradigm and resistant to change, matched against the industry that is compelled by the new principles of customer demand.

For a very long time, the profession has clung to structural and economic models, and self-regulation has been a critical part of the formula to remove any and all competition. In the past, firms have been able to minimize the impact of cultural, economic, and sociological trends that have disrupted many industries, but in this new digital age, things have changed. Since the turn of the millennium, we've seen a shift between legal practice and the fundamental business behind delivering those services. This shift is due to the fact that law is no longer just about the lawyer. Over the years, we have seen a significant volume of work has drifted from law firms to corporate legal departments. The 2017 Georgetown [Report](#) cites, 'erosion of the traditional law firm franchise,' a euphemism for 'clients no longer need large law firms to handle many legal tasks.'

When you look at how a lawyer becomes a lawyer you will see a few things: risk avoidance, trained perfection, proactiveness, and the delivery of creative solutions. Throughout a lawyer's education and professional training, critical thinking is reinforced, but the business side of their professional services is not. Because of this, we have seen a rise in legal service providers who aim to provide law firms with more data, process management, technological advancements, training, cybersecurity, the list goes on and on. Their mission is to provide solutions to business problems that will hopefully create efficiencies and stimulate customer engagement and alignment. However, digitally advanced companies have taken to solving these problems on their own. They're redefining their target markets, tracking competition, committing to a capital shift from buyer to seller, and they're monitoring customer satisfaction. Highly informed decision making is now defining the gap between competitive and non-competitive firms.

With today's access to the internet, consumers can now decide for themselves when, where, and at what price point a licensed attorney is required. The law industry is being disrupted and systemic changes and customer-centric models are forcing the balance of power to shift from the firm to the consumer.

Reimagining Legal Delivery

The marketplace of all industries, including legal, is now composed of consumers who expect a customized delivery, one that entails the involvement of project managers, design engineers, data analysts, and the like. When you look at the practice of law, specifically, trained experience, specialized skill, expertise, and judgment, you'll come to find that it has been intricately woven into the broader picture of the legal service industry. The practice of law, as traditionally defined, is being eclipsed by the business of law and everything else required to deliver legal services. In order to remain dominant in the legal space, firms must differentiate, scale, and align with customers.

The question remains, how do law firms do this? How do law firms differentiate themselves, scale, and align with customers? As we ponder this, it is important to note that operating in a consumer-centric world does not mean the law profession will be eviscerated. The unique characteristics and intricacies of attorney-client relationships are pillars of legal practice that will remain standing for the foreseeable future.

Rethinking Customer Relationships

Consumers-not lawyers- determine what is ‘legal,’ whose skill is required, when it is required, how it is delivered, and at what price point they’re willing to pay. With the internet only a click away, building trust with your customer is paramount. Change won’t happen overnight, but building a strategy around your goals, investing in technology, and viewing your client's journey with your firm as a customized experience, all encompass the steps you should be taking in order to build a successful consumer-centered business. [Optimize your firm](#), be receptive to [change](#), and invest in technology that will not only maximize your client experience but drive your revenue too.

In 2020, law is not only about selling legal knowledge. Practice area expertise must be leveraged by technology in order to provide consumers ‘faster, better, cheaper’ and quantifiable results on a transparent, real-time, and customer-centric basis.

Still intrigued? Check out part 2 to this blog, [The Business of Law Part 2: Running a Client-Centered Law Firm](#).

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