

As Companies Push Back on BigLaw Rates, Midsize and Small Firms Have an Opportunity: Here's How to Attract That Business

They wouldn't be in the Am Law 100 if they didn't have the lion's share of the market and, therefore, some of the most sought-after corporate clients, but as legal bills have rocketed to historic heights throughout 2024, the market is changing.

In response to an almost 9% increase in rates over the first half of 2024 (according to data from Wells Fargo's Legal Specialty Group), many companies are <u>re-evaluating their reliance on BigLaw firms</u>. This indicates a growing appetite for flexible, cost-effective alternatives that midsize and small firms are uniquely positioned to provide.

While you know that your firm offers a compelling value proposition, are you doing everything you can to signal that to prospective clients?



# Double down on California

If your firm focuses on niche practice areas, consider the unique advantages of that experience. Unlike national or international firms, smaller California-based firms live and breathe local law. That means your attorneys have deeper knowledge of state-specific regulations, court systems, case law, market dynamics and local data lives, including computer networks, external devices, storage systems, archives and data processing applications.

CEB was designed for California attorneys, with hyper-local analysis of <u>statutes</u>, <u>court rules</u> and <u>case law</u> written and reviewed by practicing lawyers and judges. Here are several ways to use those resources and other approaches to demonstrate your California advantage to potential clients:

- Lean into local knowledge: If your firm is intimately familiar with state-specific regulations, local <u>court procedures</u> and nuanced California <u>case law</u>, don't assume prospective clients already know that about you — emphasize it. Clients with complex needs value attorneys who understand these intricacies and can offer strategic, tailored guidance. <u>CEB's Practitioner</u> <u>litigation guidance</u> includes how-to guides for complying with complex rules and procedures for the 20 most populous counties in California.
- Highlight your niche practice areas: Position your firm as a go-to for practice areas where California law is distinct, such as <u>employment</u> law, <u>environmental law</u>, <u>real estate law</u>, <u>litigation</u> or <u>trusts and estates</u>. Demonstrating your experience in these areas with news alerts, case studies and other insights will help you appeal to clients seeking targeted insight.

- Showcase market-specific insights: Clients are more likely to retain firms that understand how their industry intersects with local regulations.
   Illustrate your knowledge of California's business and market dynamics, particularly in key sectors like tech, entertainment and real estate.
- Leverage relationships with local stakeholders: There's no need to name-drop (in fact, don't do that!), but clients do appreciate the value of established relationships with local agencies, government officials and court systems because it denotes a level of trust and familiarity that can lead to a more efficient process.
- Commit to your community: Many California companies value social responsibility and community involvement. One way to deepen your firm's roots in the state is by handling local pro bono work and getting involved in the community.







# 2 Prioritize efficiency

Sure, smaller firms tend to offer lower rates, but standing out among clients accustomed to BigLaw means doing more than just saving on costs. Firms that capture this business demonstrate the kind of efficiency and high standards that can be expected from larger firms, but with added agility and focus.

# Here are several ways smaller firms can provide that value and showcase it to clients:

- **Streamline your processes:** Use project management tools and <u>efficient workflows</u> to improve turnaround times and reduce redundancies. And don't be shy about showing clients how these approaches keep things organized, minimize delays and make their experience smoother.
- Invest in legal research and tech: The right tools can make a big difference. By incorporating legal research platforms and other tools for e-discovery and document management, your team can work more efficiently and spot issues that might otherwise slip through the cracks. Using technology in this way also shows clients that your firm values quality and is committed to getting things done right.
- Offer flexible fee structures: Consider providing alternative fee arrangements, such as flat fees, subscription models or blended rates, to give clients more certainty and control over their legal costs. Be clear about your pricing and show data that highlights your firm's efficiency.





## Provide personalized service

If your client is not one of hundreds at a global law firm, make sure they feel that. The benefit of working with a smaller firm is personalized service, close attention to detail and quick responses – qualities that many clients look for and value.

#### Here are a few ways smaller firms can offer a superior client experience:

- Track the trends affecting your clients: The more you're in touch with the issues impacting your clients' industries, the more relevant and insightful your advice will be. Use resources such as CEB's <u>DailyNews</u> to proactively reach out to your client about industry news and legal developments relevant to their business. This positions you to provide an ongoing service by adding value in addition to specific lawsuits or matters.
- **Build personal relationships:** Allow your clients to work directly with the attorneys handling their cases and avoid shifting team members around. This will help you build trust, continuity and tailored support.
- Be responsive: Smaller firms are better positioned to provide immediate, hands-on service. Keep clients
  informed at every stage of their case, be available to answer questions and give regular updates even
  when there's no major news.

## Attract — and keep — talent

Building and maintaining a strong team is essential for serving a sophisticated client base, and smaller firms have unique advantages. If you're looking to hire senior associates or partners from BigLaw firms, consider how you'll highlight what sets your firm apart in the eyes of experienced attorneys seeking more than just a paycheck.

#### Here are several ways to attract and retain top talent:

- **Support professional development:** Offer <u>continuing legal education</u>, <u>legal research platforms</u>, and other educational resources, as well as sponsorships for industry conferences or leadership training to give your attorneys what they need to perform at a high level and succeed in their careers.
- **Offer flexibility:** Many attorneys put a high value on manageable workloads and a healthy work-life balance advantages that smaller firms are uniquely positioned to offer.
- **Cultivate meaningful client engagement:** Give attorneys the chance to work directly with clients, allowing them to learn their needs and priorities firsthand and build stronger relationships.
- **Create leadership opportunities:** Empower attorneys to lead cases, contribute to firm strategy or mentor junior team members, as these are responsibilities they might not have in larger firms.





## Invest in marketing

It's not enough to be a cost-effective, high-value alternative to BigLaw if prospective clients aren't getting that impression from the outside. Smaller firms that strategically market their strengths will stand out as a go-to resource when legal needs arise.

#### These marketing strategies can help smaller firms compete:

- **Sharpen your online presence:** Ensure it's easy for prospective clients to understand what you do and why it's valuable. Highlight your niche focuses, emphasizing what sets your practice apart and how that addresses client needs.
- Share thought leadership content: Publish articles, blog posts and white papers on issues affecting your clients' industries. This not only demonstrates your capabilities but also keeps your firm visible and relevant.
- **Engage on social media:** Use platforms like LinkedIn to share insights, connect with clients and promote your firm's accomplishments and community involvement.
- **Host webinars or events:** Offering educational webinars or networking events on relevant topics builds credibility and positions your firm as a go-to resource for niche issues.
- **Leverage successes and client feedback:** Use testimonials and feedback to understand what clients value most and feature these insights in your marketing materials.

### Seize the opportunity for sustainable growth

California's legal market is shifting and client expectations are evolving, allowing midsize and small firms an opportunity to step up. By focusing on what sets your attorneys apart — regional focus, cost efficiency, personalized service, strong teams and strategic thought leadership — your firm can position itself as the go-to alternative for clients seeking value without sacrificing quality.

## Try leveraging CEB to support your firm's strategic growth by scheduling a demo or requesting a free trial.



Contact us at 1-800-232-3444 or visit us online to learn more.

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