

Contact: Donald Scarinci  
Tel: 201-806-3386  
[DonaldScarinci@Yahoo.com](mailto:DonaldScarinci@Yahoo.com)

## The Business of a Law Firm is Business: Four Things Every Law Firm Must Do

This week's Dewey & Leboeuf bankruptcy is more evidence that the law business has changed radically since 2008. Law firms that insist on doing business as usual and continue to raise their rates each year will continue to see declining profits as clients seek out smaller, regional law firms with more competitive fee structures.

To succeed today, [law firms](#), both large and small, need to continue to deliver quality legal services, but they also need to manage their business more efficiently to avoid annual rate increases.

Unfortunately, law school does not teach budding attorneys how to actually run a law firm. While students learn the basic tenants of constitutional law, contracts and other subjects, there are few, if any, courses that teach students how to attract clients or manage business expenses.

Learning the business of law requires learning on the job, hiring the right people to run the business and reading the journals and blogs about law firm management to stay current. The business climate since 2008 is challenging the MBA's and it is rewriting the textbooks. The post 2008 business climate is even more challenging for law firms. Below are several trends that may help law firms succeed in the new legal landscape:

**1) Training lawyers to think like MBAs.** When it comes to managing a law firm, the problem with lawyers is that they think like lawyers when they should really be thinking like MBAs. To boost the business acumen of their attorneys, many firms are enrolling them in executive education business programs. Several business and law schools across the country, including [Harvard University](#), now offer courses specifically aimed at teaching lawyers to how to apply general management skills to law firms.

**2) Devoting time and money to marketing.** While lawyers do not like to admit it, attracting and retaining clients involves being a good salesperson. While most attorneys are skilled in the art of persuasion, these skills often don't translate outside of the courtroom. Therefore, professional development courses on sales and marketing are becoming more commonplace. In addition, it is important that associates and partners are committed to marketing themselves and their law firm. Because marketing often falls by the wayside when attorneys are faced with looming deadlines and important client meetings, law firms of all sizes are increasingly hiring in-house marketing staff or using outside consultants to beef up their efforts.

**3) Embracing new technology.** Law firms have historically been one of the last industries to embrace new technology. For example, many attorneys have been hesitant to use the Internet and social media to interact with clients. However, new [research prepared for LexisNexis](#) by The Research Intelligence Group shows that 76 percent of consumers looking for a lawyer used the Internet at some point during the search process. As such, it is important for law firms to create an online presence, much like a local business. The law firms that will succeed in the new economy will be those who monitor all business trends, not just those embraced by the legal community.

**4) Allowing non-lawyers to run the show.** Law firm consultants have been recommending professional law firm management for the last decade, but the legal industry has been slow to accept the idea. When law firms do hire professional managers, they seldom hire them as a CEO. As a recent [Wall Street Journal article](#) highlights, large firms have a variety of “C-suite titles” from financial managers to chief marketing and technology officers. The benefit is that hiring non-lawyers to manage the everyday business of the firm allows partners to do what they do best—practice law. Scarinci Hollenbeck, LLC has been an industry leader in this area with a non-lawyer CEO since the 1990’s. Philadelphia-based Pepper Hamilton LLP and Denver-based Brownstein Hyatt Farber Schreck LLP recently appointed non-attorney CEOs.

Sometimes it takes a tragedy like Dewey & Leboeuf to get the attention of the legal industry. Learn from it or repeat it: The landscape after 2008 has changed forever and the business of a law firm is business.

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