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Making Partnerships More Profitable

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Also This Month

Upcoming Events

For more information and to register for an upcoming event, simply click on one of the following links.

03/05/2011 - [Would You Invest in Your Business? Examining Alternative Business Structures](#) - Birmingham, 3 CPD Hours

05/05/2011 - [Would You Invest in Your Business? Examining Alternative Business Structures](#) - Manchester, 3 CPD Hours

10/05/2011 - [Would You Invest in Your Business? Examining Alternative Business Structures](#) - London, 3 CPD Hours

17/05/2011 - [Would You Invest in Your Business? Examining Alternative Business Structures](#) - Newcastle, 3 CPD Hours

19/05/2011 - [Would You Invest in Your Business? Examining Alternative Business Structures](#) - Cardiff, 3 CPD Hours

The Profitable Partnerships Programme

This law firm business development programme helps partners and key solicitors to measurably and

Thursday March 31, 2011

Successful Partnerships

Dear Associate,



Following our [video analysis](#) of the challenges facing law firms, this month Barry Wilkinson analyses the threat from low cost competition, while Simon White underlines the value of relationships and the benefits of carving out a niche practice. We would also like your views for a white paper on The Future for Independent Law Firms.

Any comments are gratefully received.

The WRP Team.

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White Paper - The Future for Independent Law Firms

We are currently carrying out research into the future for independent law firms. If you can spare 10-15 minutes for a brief telephone interview, please email anthony.wilkinson@wilkinsonread.co.uk.

Alternatively, please complete our brief online survey [here](#).

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The Threat of Low Cost Competition

Many successful businesses in other markets have been undone by the entrance of low-cost rivals. The danger is often that low-cost competitors at first compete in undeveloped market segments, only gradually encroaching on the space occupied by incumbents.

This stage in the market's evolution allows new entrants to establish themselves with strong brand identities. When barriers to entry are low – and the post-ABS legal market will be a prime example – the lower end of the market quickly becomes saturated, even as it grows.

sustainably improve business development performance and profitability. We deliver tracking of performance across a range of key indicators, from new clients and instructions to monthly billing rates. [More information.](#)

In-House Training

Our CPD accredited training can be a cost-effective way to ensure you achieve results throughout your firm that will impact on bottom and top lines. [More information.](#)

Cash Management for Law Firms – Ark Group Sector Report

Recognising our expertise in the area, Wilkinson Read & Partners have written a definitive sector report on Cash Management for Law Firms. The report, available [here](#) from publishers the Ark Group, addresses in detail the cash flow challenges facing legal firms of all sizes, and details specific strategies for improving cash management and achieving rapid yet sustainable results.

Blog

Get involved in the debate - read our posts on the issues and challenges confronting your industry, and provide your own opinions on our [Blog](#).

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Moving Upstream

Firms with a low cost base and the necessary economies of scale inevitably start to move upstream. By this time they are likely to have established both brands and services that mimic those of their incumbent rivals, thus making differentiation on non-price grounds difficult.

Clients, seeking lower prices, and suppliers, attracted by greater volume and frequency of sales, will be encouraging the development of low-cost outfits.

These processes are catalysed by technology, including outsourcing and offshoring, making price and speed of delivery the battleground for competition. Incumbent firms will struggle to compete because of their cost bases.

Defence on Your Terms

Seeking to take on low-cost competitors on their own terms will be extremely difficult, and could only realistically be achieved through consolidation.

One option for mid-sized firms thinking strategically is to prepare for consolidation – through acquisition of, or merger with, competitors, or by ensuring that they are attractive targets for takeover – the imperative of course being to achieve the best terms possible.

The other option is to eschew price competition and focus on quality of service and relationships (see below).

Please email barry.wilkinson@wilkinsonread.co.uk.

[View full article.](#)

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A Relationship Business in a Niche

Developing a leading reputation in a niche brings the opportunity to cultivate deeper relationships and to create an effective system to keep in touch. This fundamentally different approach to business development will be crucial in a post-ABS world, and reduce the stress of prospecting.

The Ideal Client

The first step is to identify your ideal client. This may sound obvious, but the number of professionals who cannot accurately identify their ideal client is astonishing. If others do not know how to recognise your ideal client, they will be unable to recommend business to you.

It is hard enough to drum up business through referrals and introductions. Clearly defining your ideal client, and making sure your contacts in your niche could identify an ideal client for you, will make this process far easier – and far more profitable. This means more than just 'private clients' or 'business owners looking to buy or sell'.

Examples would include 'farmers in the South West seeking advice on EU regulatory issues', or 'GPs considering buying, selling or incorporating a practice'.

[Keeping in Touch](#)

In a relationship business, developing strategic alliances and keeping in touch with a range of contacts – from allies and introducers, to clients and prospects – is a vital strategy. However, maintaining contact with such a wide range of people can be a challenge to say the least.

Therefore, we encourage both systematic, regular contact with a broad base of general contacts, and a personal approach to relationship management with the crucial introducers, referrers, clients and prospects.

[Operating from the Hub of the Client World](#)

This all amounts to a different approach – one in which the individual or team is positioned at the hub of the client world. Operating in a niche, developing strategic alliances and managing the keep-in-touch process mean a consistent focus on value for the client. This new approach has been shown to lead to consistently higher returns from fewer hours' input – 'working smart' as opposed to simply 'working hard'.

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