

Episode 124: Summary

Episode name: Growth Spurts: Navigating the Complexities of Mature Markets

Guest(s): Kate Marshall

What area(s) of law does this episode consider?

Achieving business growth in mature markets.

Why is this topic relevant?

Mature industries present unique challenges, with larger, well-established incumbents, discerning buyers, and greater competition. These factors create a landscape where increasing revenue and market share becomes increasingly arduous.

Navigating mature markets, such as the legal services industry, requires a nuanced approach. Established businesses often have loyal customer bases, making it difficult for new entrants to gain traction. Additionally, buyers wield significant power in mature markets, leading to downward price pressure and thinner margins for businesses. In such an environment, having a strategic plan is crucial for organisations seeking to implement measures that can lead to scalable growth and healthy margins.

What are the main points?

- The legal market in Australia is both mature and highly competitive. With numerous incumbents and global competitors, traditional legal service providers have had to adapt to maintain their place in the market.
- This heightened competition poses challenges for established players and emphasises the need to adapt and innovate to maintain a competitive edge in the evolving market landscape.
- Technology has helped streamline tasks and improve efficiency, making work more enjoyable for legal practitioners.
- Firms are beginning to leverage contract management systems to analyse past agreements and identify problematic clauses. They are using data to inform decisions on renewing agreements based on actual contract performance. This data-driven approach is becoming increasingly common, although it has not been widely adopted in the legal field until now.

What are the practical takeaways?

- Harnessing the power of data is a game changer in the legal field that can provide a firm with a competitive advantage. Staying ahead in this rapidly evolving tech landscape is a challenge, but crucial for meeting client expectations.
- Law firms may need to reevaluate the traditional structures in the legal industry, as a more flexible approach to assembling teams and utilising technology could improve service delivery. Considering alternative models in legal and professional services may enhance efficiency and effectiveness.
- Focusing solely on the number of hours worked as a measure of success may not lead to the desired outcomes. Success is better achieved through working smartly, having a clear strategy, identifying points of value, and supporting clients effectively.
- Stronger engagement among employees is crucial for the growth of a legal services business, as it is a people-oriented industry. Doing jobs that align with

one's interests is imperative in driving success in the professional services sector.

- It is important to use a variety of technologies to inform legal decisions. Incorporating objective data alongside personal insights can enhance the advice given to clients.
- Maintaining a clear understanding of where one can add value and being transparent about limitations is crucial in building a respectful client relationship.
- Collaboration with other law firms and service providers allows for a comprehensive approach to complex projects, ensuring that clients receive high-quality legal advice that aligns with critical regulatory guidance.
- It is important to focus on people within a business. Recognising the need for meaningful engagement, connection, and purpose for employees as an employer can be vital to your firm's overall success.