

Understanding Your Law Firm's Value Proposition



Think about what makes your firm stand out. Quality of service or a long-standing reputation may come to mind. However, there are thousands of law firms and lawyers that do the same work you do. To increase law firm growth, it's important to hone in on what sets your practice apart in the competitive legal field.

With a [strong value proposition](#), you can give your firm the competitive edge that draws clients in and sustains long-term growth. Continue reading to learn how.

What is a value proposition?

A value proposition is a promise you make to clients about the services you will provide. It's a persuasive, results-driven argument that gives clients a compelling reason to work exclusively with your firm. Your value proposition should be tied back to your firm's mission and values.

A strong value proposition is carefully crafted and very compelling. It's comprised of four specific ingredients from your client's perspective:

- Appeal: What attracts clients to your firm
- Exclusivity: I can't get this from any other law firm anywhere else
- Credibility: I believe your firm's claims
- Clarity: I understand your firm's claims

A strong value proposition is more than “we're committed to serving you,” but a clear statement of the value your firm can add to your clients' lives with defined results.

People shaking hands

Double law firm growth with a strong value proposition

True uniqueness, in the form of a strong value proposition, shapes client perceptions. It helps clients filter and sort through the hundreds or thousands of firms competing for their attention and their dollars.

Warren Buffett, the legendary investor, coined the term “[economic moat](#).” He defines an economic moat as the competitive advantage one firm has over its competitors. An economic moat accomplishes two things (1) It enables your firm to dominate the marketplace and (2) It keeps competitors at bay

Let's dive into the different types of moats:

- **Brand moat.** Service clients are willing to pay more because they trust your brand or believe in your reputation. Research consistently shows clients are eager to spend more on brands. Think Coca-Cola, Mercedes-Benz, Skadden, Arps, Slate, Meagher & Flom.
- **Secret moat.** This typically refers to a process or intellectual property that makes direct competition with your firm difficult. This could be your client lists, a unique approach, a proprietary database, or a unique training methodology. It's created or developed organically and gives firms a competitive advantage in the marketplace.
- **Toll moat.** These are firms with exclusive or dominant control of a market or niche. This control means you're typically the only game in town. Clients must come to you if they want “it.” Google, Comcast, and your internet and utility company are all examples of toll moats.
- **Switching moat.** This refers to a firm that's entangled in its client's business. There are varying degrees of enmeshment. It can be as simple as

being indispensable to your clients or as complex as equity stakes and co-ownership. The idea here is simple. Clients can switch at any time, per their agreement, but doing so is far more hassle than it's worth.

- **Price moat.** You're able to compete via a significant price (low or high) advantage. You're able to provide clients with a price they're unlikely to get anywhere else.
- **Performance moat.** With this moat, you're able to produce results or outcomes your competitors can't, and you're able to do it consistently. You bring your experience, expertise, and knowledge to bear in a way that's difficult for other competitors to match.

What kind of value proposition do you actually need? To maximize value and increase law firm growth, you need to create impact at two specific levels:

- **The firm level:** You need to give clients a specific yet compelling reason to work with your law firm. As mentioned previously, your value proposition is a promise. You'll need to provide clients with a compelling reason to work with your firm.
- **The service level:** Your firm may be amazing, but what about your associates? Do they produce great work? How do clients know, in quantifiable terms, what they're getting? A value proposition at the service level answers this question decisively.

For example:

- Developing a unique service process (e.g., hiring all-star associates, litigating, drafting documents, etc.)
- Making a compelling promise, one you're legally able to make
- Creating a strong, trustworthy brand via consistent advertising, a powerful review profile, and branding
- Creating helpful software, and sharing it with clients free of charge
- Offering add-on services, tools, and resources to create the "golden handcuffs"
- Creating innovative-yet-legal alternative fee arrangements (e.g., fixed fee, subscription, or insurance models)

However, seeing is not the same thing as doing. How do you go about creating a compelling value proposition for your law firm?

Person on laptop with Bill4Time time and expense feature screens

Acting on your firm's value proposition

A strong value proposition doesn't come from our past, it comes from our future.

Choose the one thing you'd like your law firm to be known for. Whatever you stand for, make sure it's one thing. Adding in too many services or promises can be difficult to manage and negatively impact quality.

Once you've come up with a strong value proposition, test it. A large component of sharing your value proposition is through [marketing](#). There are a variety of simple and low-cost methods you can use to test the strength of your value proposition, including:

- Creating blog content to showcase your thought leadership and expertise
- Posting on social media to connect with your audience and network
- Using targeted advertisements to promote and attract your audience

Once you've deployed these methods, you'll want to have a process in place to track and [report](#) on their performance. Based on the results or [return on investment](#), you can determine how clients are responding to your value proposition and pivot accordingly.

While it's important to define your value proposition and effectively promote it, having the resources to perform your services is essential. Client demands have shifted and the need for digital services is paramount. [Bill4Time](#) modernizes law firms by automating core business functions and administrative tasks that traditionally consume their days. With automated [legal billing](#), built-in [online payments](#), [invoice templates](#), and more — firms can streamline repetitive processes so they can focus on areas of their business.

Outlook on value propositions

A strong value proposition is rooted in your firm's mission, values, and expertise. Above all, it's about delivering on your value proposition. It's easy to say what your firm can do, but clients want tangible results. With a strong value proposition and the right resources — your firm will be well-positioned in the legal market.