

CREATE YOUR COMPETITIVE ADVANTAGE BY IDENTIFYING CORE COMPETENCIES

“The only way to win is to learn faster than everyone else”

- Eric Ries



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In today's highly competitive environment, it is essential not only to lead the league but also to develop an identity that is being distinguished from others. Indian legal Industry consists of an ocean of Legal Practitioners and Law Firms, which are primarily offering similar types of services or solutions to their clients. It has therefore become all the more important to develop Competitive Advantage (CA) in order to be recognized for one's uniqueness while creating better perception in client's mind space.

Before explaining the competitive advantage, it is pertinent to understand its determinants, which are as follows:-

- a. **Benefit** - Map benefits of your services so that your client can recognize and value them.
- b. **Target Market** – Identify your target clients and understand how your services are impacting them.
- c. **Competition** – Recognize and Identify your true Competition to determine the CA. Competition is a circumstance, wherein client has a choice to opt for the services being rendered by another law firm.

These determinants will define the benefit you provide to your target market, which is better than the competition and would be reckoned as your competitive advantage.

In management terms, CA is a condition gained by a firm either by providing same set of services like its competitors, at a lower price; or providing a value added differentiated set of services at a higher price. To establish a mark and enhance its visibility, every law firm wishes to adopt and develop sustainable business strategies. However, the same is like a battle to conquer, unless the firm knows its strengths & capabilities and is able to convert them into its core-competencies. CA can be achieved by evaluating the eco-system of the firm and identifying the core-competencies therein.

Upon recognizing the core competencies, it is imperative for the firm to devise a strategy to enhance them optimally and develop an expertise. Any competency which is uncommon in the industry, tough to substitute and difficult to replicate by competitors, can be considered as core-competency of the Firm. To be successful, firms must have the appropriate resources. However, possessing valuable, rare and inimitable resources is necessary but still not enough to achieve a CA. Those valuable resources must also be managed effectively (bundled and leveraged) to achieve a CA.

In a Law Firm set-up, the following indicative heads are generally and can be considered as its core-competencies:

- Legal Knowledge (Execution & Delivery),
- Culture & Values
- Human Resource
- Technology
- Management & Governance
- Pricing and Practice Promotion

It is critical to evaluate the internal and external environment very strategically and thoroughly to identify the key

competencies. Numerous Law Firms in India are perceived to be known for their competencies like, Legal Research, Promotion, Client Relationship, and Human Resource. This is generally achieved over the years with lot of investment - both in terms of time and money, thereby, creating uniqueness which is difficult to imitate, lending the firm a clear CA over its Peers. Providing Excellent Partner advice with minimal pricing is an example of a core-competency. A techno-driven system creating a transparent system of billing, execution and matter management can also be considered as one of the core-competencies. We have recently seen a trend in the legal industry wherein more human beneficial methodologies are being developed to enhance the human capital. Law Firms have recently started adopting systems to facilitate and enhance their client relationships.

The process of identification and acknowledgment of competencies is very important. Through this process a firm can transfer its strategic thoughts and intentions into organizational competitiveness. These competencies once identified should be cultivated and developed very carefully. Firms' future directions and strategic decisions will depend upon the strengths and weaknesses of the competencies. The CA can be built, if the firm works and develops its unique, flexible and incomparable capabilities.

It is highly imperative that the Firm's well trained and skilled human resources understand that these core products and services should be strengthened against the competitors in the peer group.

The past few years have witnessed unpredictable changes in the Indian legal landscape. As new firms are entering the legal industry with their new innovative services packaged attractively, the older firms are pushed to improve themselves. In the environment of intense market competitiveness in the industry the services and the relationship with the clients are the important factors. Indian legal industry is more of a service market which is yet to be productized. Hence, the cost is calculated on the basis of quality services offered by the lawyers. There is no fixed cost involved and final cost of the service rendered is at the discretion of the service provider. Typically, in service market any cost reduction would lead to price war situation, which is never conducive for the growth of the industry. This scenario was witnessed in FY 2013-14 and 2014-15. In such situations, it is significant to win the confidence of the clients on the basis of delivery and also to make them feel that the firm is on a better platform as compared to others in the market.

In a way core competencies help in developing new services and assist in deciding the future of the Firm. Core competency is not a onetime static process. It requires constant development and improvement resulting in innovation and creativity. As the business environment is ever evolving, today's core competencies may become tomorrow's risk unless sustainability, innovation and creativity is not infused in the firm and the culture.