

The Purpose-Driven Law Firm:

What and who a law firm is for dictates its activities.

By Jordan Furlong

Two sharp observations from the business world have direct application to law firms that want to be around for the long run.

First, *The Economist* magazine recently celebrated the 100th anniversary of the founding of IBM. The magazine noted that the ability of a technology company to survive so long, from the days of punch cards to the age of information services, had nothing to do with tech.

“IBM's secret,” the editors wrote, “is that it is built around an idea that transcends any particular product or technology. Its strategy is to package technology for use by businesses. ... Building a company around an idea, rather than a specific technology, makes it easier to adapt when industry platform shifts occur.”

Secondly, columnist Seth Godin recently asked, “What is your company's ‘use case’ — the best use of your product or service, the situation that you're organized around?”

Put differently, what and who is your business for? The answer dictates your activities. “Many organizations will take any customer, any time, and bend and writhe to accommodate money in whatever form it arrives,” says Godin. “Other, happier organizations understand the benefit of optimizing for a certain kind of interaction, and they have the guts to decline the part of the market that doesn't want to use their tool/organization the way it was intended.”

These are existential questions that go to the heart of strategy, and they resonate for law firms caught in a rising marketplace storm. What is your law firm's idea? What purpose is it trying to serve? “Making money” isn't good enough — that's got everything to do with you and nothing to do with the services you sell and the people to whom you sell

them. Purpose is external, and a business lacking external market purpose shortly ceases to exist.

A story is told about the new Black & Decker CEO who walked into a directors' meeting, held up a drill and asked, "Is this what we sell?" Following nods of assent around the room, he replied, "No. This is what we sell," and held up a board with a hole in it. The drill is only a means to an end, and it will someday be as obsolete as punch cards. The end is what customers need and value.

IBM "packages technology for use by businesses." KPMG "turns our knowledge into value for the benefit of our clients." Both these global giants can tell you why they exist and for whom they exist, and they have optimized their entire operations to achieve specific ends for specific clients. If your law firm can't articulate its "why" and its "who," you need to mobilize for that conversation as quickly as you can.

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