

Bigger. Better. Both?



Why innovation is the source of all competitive advantage

George Beaton (<http://www.beatoncapital.com/author/grbeaton/>) . Law (<http://www.beatoncapital.com/category/law/>) . Other professional services (<http://www.beatoncapital.com/category/other-professional-services/>) . Strategy (<http://www.beatoncapital.com/category/strategy/>)

All firms strive to differentiate themselves in the sure knowledge that being undifferentiated is a recipe for achieving, at best, average profitability. And no firm will fess up to, let alone aim for, being no worse than any other firm. Trouble is most contemporary thinking suggests there's little or no sustainable, i.e. defensible, basis of differentiation for the great majority of professional services firms (PSFs).

A fundamental question is 'Can the current business model used by conventional PSFs be morphed (perhaps transmogrified?) into a defensible strategy?' When we look around the world we see innovations which suggest the answer may well, in the opinion of some, be 'No'.

For example, DLA is an investor in UK Riverview Law (<http://www.ft.com/cms/s/0/03976e12-5999-11e1-8d36-00144feabdc0.html#axzz1vB4OotI2>) a new business model. It's noteworthy that DLA's founder and CEO, Sir Nigel Knowles, is Riverview's non-executive chairman. Or Berwin Leighton Paisner's intrapreneuring example of Lawyers on Demand (<http://www.blplaw.com/index.cfm/services-lawyers-on-demand/1472>) , a clever way of offering clients greater choice and teaching BLP about monetising a different business model. At another end of this spectrum is the antipodean Bespoke Law (<http://www.bespokelaw.com/About-Us/About-Bespoke-Law>) a rapidly growing example of a disaggregated virtual law firm. And there dozens more, from 'A'-Axiom (<http://www.axiowlaw.com/index.php/overview>) , Balance (<http://www.balancelegal.com.au/lawyers-consultants/>) , Clearspire (<http://clearspire.com/>) all the way to 'Z'-or nearly.

Beaton Capital welcomes readers views in a debate about the options of re-inventing existing business models, intrapreneuring and starting-up new-to-the-world business models.

About the author

george.beaton@beatoncapital.com | +61 3 9829 0011