Book Notes: Law Firm Strategy: Competitive Advantage and Valuation, by Stephen Mayson

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THE INCREASINGLY GLOBAL nature of business requires that law firms compete on a global scale. In addition to the pressures of globalization, deregulation—such as the recent legal services review conducted by Sir David Clementi and the resulting Legal Services Bill—will undoubtedly herald even more competition, consolidation, and changes in business organization, such as public ownership and multidisciplinary ownership of law firms. In Law Firm Strategy: Competitive Advantage and Valuation, Stephen Mayson urges law firms, small and large, to view themselves as businesses within this competitive environment. Mayson, a former tax lawyer who has acted as a law firm strategy consultant to firms around the world for the last two decades, contends that in order to compete in this business environment, law firms must learn to effectively evaluate their strategic strengths and weaknesses, as well as those of their competitors.

In the first section of his book, Mayson discusses the changing landscape of the legal services industry, including globalization, changing perceptions of what it means to be a lawyer across generations, and alternative law firm management and ownership structures. After outlining the realities of the current legal services landscape, Mayson proceeds in the second section to review the concept of competitive advantage and how it applies to law firms. He discusses the potential for differentiating firms based on market sector focus, geographic focus, and various comprehensive global strategy alternatives. To formulate an effective strategy, it is important to understand the sources of

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value creation, and to this end, Mayson shares methods in the third section for valuing law firm revenue, productivity, and sustainability. The fourth section ties all the information together and discusses practical concerns related to implementing complex strategies, including management structure and style, organizational commitment, performance assessment, and dealing with under-performance. The current outlook for the legal services industry is merely a snapshot in time of a constantly evolving competitive landscape; the book concludes with a discussion of future possibilities.

While such complexities of law firm strategy and valuation are not generally part of the law school curriculum, they are in Mayson's view becoming part of the reality of the profession. Legal services firms are increasingly subject to the pressures affecting all areas of business, and as a result, must evolve to contend with the increasingly global nature of the economy and rapid rate of change in the business environment.