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'Our Strength Is Also Our Weakness': Is It Better to Be a Specialist Firm or a Full-Service One?

The question between choosing a full-service firm versus choosing a niche firm can be challenging for both clients and attorneys. The answer may depend on what kinds of clients those firms are seeking to serve.

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Law Firms - Mid Size

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What You Need to Know

- Many law firms boast their reputation as a full-service shop, but for other firms the opposite strategy is their winning formula.
- While being full service offers clients the ability to handle all matters, being a specialist offers special attention.
- For clients, prospective hires and even marketers, the difference between full service and specialist can be worlds apart.

With consolidation in the legal industry on the rise, diversification of legal services seems to be an attractive move for many. But while some firms are choosing the route of becoming more well-rounded, others are sticking to their specialty. Is one strategy better than the other?

The answer might depend on how a firm wants to be perceived. While being a firm that offers a multitude of practices tends to attract clients who want their different legal needs handled in-house, being a specialist can boost its reputation of being the best within a practice area. That distinction can be the difference in how a firm is perceived by both clients and lawyers it wishes to attract.

For Utah-based Maschoff Brennan, that identity revolves around being known as the experts in the field of intellectual property. Focusing on that narrow field of expertise has led to success on the client side, where [co-founder Eric Maschoff](#) said the firm is competing with Big Law.

“We have clients that will use us for IP, and they’ll go to Big Law for their deal work,” Maschoff said. “At any given time, they could shift all that work over to patent departments of Big Law, but I think they recognize the value that they get with us. They see the kind of work that we do and the billing rates that we provide it at, and then they compare it to Big Law rates. ... And sometimes that’s a huge advantage for us.”

In addition to helping the firm's reputation and having the ability to sell itself as a value proposition, the firm also has a lot of cohesion. Because everyone at the firm is concentrating on the same thing, that environment creates plenty of teamwork and collaboration, which can lead to good results for the client, Maschoff said.

Diversifying a Niche Firm

But with every benefit comes a downside. One of the biggest risks of specialization is how a firm with its eggs in one basket can be heavily affected by trends in that field.

For that reason, Maschoff needs to keep a close eye on how the IP area as a whole is affected by shifting trends. One example is how economic downturns can force clients to cut down on their budgets for cracking down on IP violations.

During COVID-19, Maschoff was concerned that would be the case. To hedge against that risk, Maschoff has put in efforts to diversify the firm so that it encompasses a broader range of work within the IP field. One of those moves was [merging with another IP firm](#) at the beginning of the year.

That narrow scope also has an effect on a firm's ability to add lawyers, especially for a firm focused on IP, which requires a background in both law and science, Maschoff said. And when a firm is competing to get talent that is being offered Big Law salaries, that challenge only multiplies in difficulty.

Effect on Marketing a Firm

The specialty firm can also be tricky to sell for those clients that prefer having a one-stop shop.

"Our strength is also our weakness. So our strength is we have laser-focused expertise on, in our case, IP-related materials," Maschoff said. "Our weakness is sort of the opposite end of that. We're limited in the range of legal services that we can offer."

But that specific issue may depend on what kind of client a firm is dealing with. On the marketing end, being a specialist firm can be a big plus for clients looking for the best in a field, according to [legal marketing executive Michelle Calcote King](#).

"Law firms have nothing more in common than shared air conditioning," she said. "That's why when you go to a law firm website, it's full of the same platitudes and content because the problem is that there really isn't anything unique about that law firm."

For that reason, marketing a specialty firm can be much easier to sell on both ends of the spectrum, according to Calcote King.

Because it can be easier to sell a specialty, Calcote King says she's also seeing full-service firms attempting to do the same kind of marketing with specific practices.

"There's a lot of big, full-service firms out there understanding that this is where the marketplace is going. Do they wholesale change their firm structure? Obviously, no. But what I am seeing is that more and more bigger firms are launching industry groups. So they'll peel off an industry group and they'll focus their marketing on that industry group," she said.

The Case for Full Service

For New York-based Warshaw Burstein, being full service offers clients a firm that can fill all their needs. But because it also has some of those niche practices that it's trying to differentiate, it can be tricky to market them, according to

[managing partner Frederick Cummings](#).

“You try to basically do a balance when you’re marketing the firm because you want to feature your niche areas, but you also want to make sure that people understand that your brand is the whole firm and not just the niche areas,” he said.

For that reason, the 60-lawyer firm has set up microsites to help it market those niche practices more effectively while still being under the same umbrella. But while differentiating can be good for marketing, it’s essential to not let those niche practices become silos, according to Cummings. To avoid that, he’s put in efforts to encourage collaboration throughout the firm.

On the client side, being full service can offer those clients a continued long-term relationship, where the client can continue building trust with the firm after years of referring all their needs to them, Cummings said.

But size does matter when a firm is trying to build out its capacity to offer a wide menu of services, according to Cummings.

“You need to have a certain critical mass of attorneys in order to offer full service and that’s because of quality control,” Cummings said. “You want to make sure that you have the right people and that those services being offered are quality services. And I think that’s very hard to do.”

But even for Miami-based boutique Perlman, Bajandas, Yevoli & Albright, being full service is a benefit that allows for more client work. The 17-lawyer firm offers expertise in nine different areas of law.

The firm recently hired [litigation partner Ricardo Arce](#), who joined because he needed help specifically on tax issues.

“There were certain instances where we had to rely on other firms to service some of our clients’ needs,” Arce said of his previous firm, Zumpano Castro. “We have that now, so it does address a lot of the clients’ needs.”

For Connecticut-based Wiggin and Dana, the appeal of joining a more well-rounded firm also helped it [secure a merger deal](#) with a trusts and estates boutique in Florida.

So to the question of whether being a full-service firm or a specialty firm is better, the answer depends on what kind of client base a firm is trying to create, according to interviews with firm leaders.

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