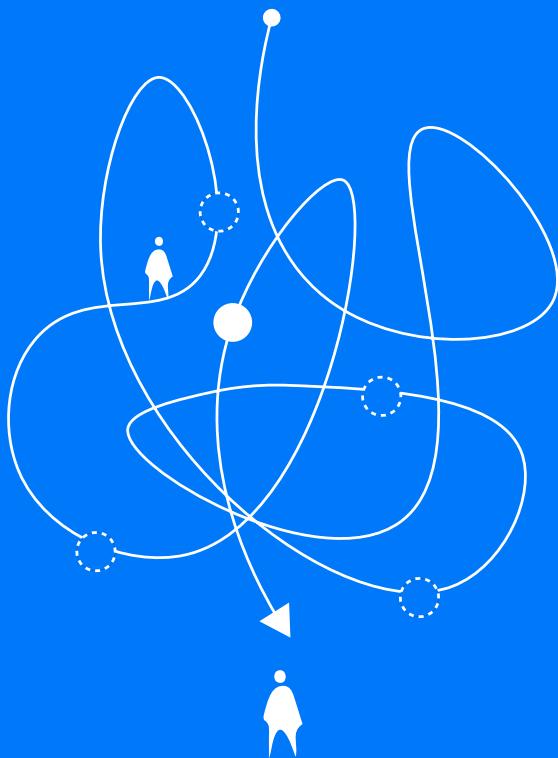


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Designing Your Law Firm's New Normal



**How to Test Your Innovative
Ideas for Law Firm Success**

Written by Mike Whelan, Jr.

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As the situation surrounding COVID-19 continues to evolve, some things haven't changed: Clients need their lawyers, some now more than ever. To help lawyers succeed, Clio, the leader in cloud-based legal technology, has partnered with legal industry expert Mike Whelan to produce an actionable road map to help lawyers through these uncertain times.



FOREWORD

UNFILTERED

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I had an idea.

After working as a family lawyer in a rural Texas county, I realized that people needed more affordable ways to get divorced. To help, I decided to create a pro se divorce package.

The structure was fairly simple: I'd record instructive videos, bundle a certain number of advising hours, draft relevant forms, and host a "mediation-lite" session with the parties. The package had everything potential clients needed to get divorced—cheaper.

With a swarm of sticky notes on our living room wall, I mapped out all the relevant steps. It was crucial that I restrict services to what was absolutely necessary or the cases would get out of hand. I wanted to charge a flat, predictable fee—and that meant controlling costs.

Once I'd defined the steps clients would need to take for a cost-effective, do-it-yourself pro se divorce, I went about creating the media. I set up a mini studio and recorded a series of videos. My website featured pro se divorce options at the top of every page. I used a free online design tool to lay out pretty PDFs. There was brand consistency and clear language. Edit after edit, the product got better.

Finally, I hit "launch" on my website and began promoting the new product in my local area. I put a little bit of money into Facebook ads and shared the Pro Se Assistance Package with all of my referral sources.



During the next two years of actively promoting my firm's new service, fewer than five people signed up for it.

How could this be? With so much talk at conferences and in books about unmet demand in the legal space—driven largely by the skyrocketing costs of personal services—why didn't my more affordable product work?

I had an idea, and it totally flopped.

In his book *The Client-Centered Law Firm*, Clio CEO Jack Newton makes a compelling case for innovation in law practices. Listening to clients, developing deep empathy for their needs, and designing services with a better product-market fit—one that responds to market demand both known and under the surface—is how we'll get ahead of outside sources of competition.

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I thought that a pro se divorce package would have good **product-market fit** for my target clients. But I failed to thread that product-market-fit needle. I set up an elaborate experiment, controlled all of the factors that I could, and tracked the results. And it didn't work.

Like Jack, I believe in the need for change and better product-market fit in the legal industry; the lack of apparent demand frustrated me. I'd committed to improving my practice so that it better served my clients and made my life a bit easier. And despite a clear motivation (my clients definitely said they wanted cheaper divorces) and what I perceived to be a client-centered process, my new idea bombed.

As Jack says in *The Client-Centered Law Firm*, "No matter how perfect a solution appears, and no matter how deeply you believe it will lay the groundwork for a better client experience, there's almost always an unexpected result that you won't discover until you put it into action." Here, he's talking about testing a fully designed idea with a small group before launch, but this applies broadly to every stage of the innovation process.



The risk of moving forward without filtering, clarifying, and testing can simply be too high.

This is the risk faced by entrepreneurial lawyers like me. If the hundreds of thousands of solo lawyers in the US try new ideas, something will surface. That's the market at work. But innovation without proper testing threatens the many lawyers whose ideas will inevitably miss the mark.

I paid the price when my new service failed. I needed a framework to help me experiment in a low-risk way. How do we avoid risking the time and money investment needed to launch a new idea that will cripple a law firm if the idea doesn't work? How can we experiment without jeopardizing what we can't afford to lose?

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The answer is a straightforward testing framework for new ideas. To understand what this might look like, let's explore how one scientist performs his experiments.

On the Caribbean island of Puerto Rico, [astronomer Alexander Wolszczan second-guessed his data](#).

The radio telescope of the Arecibo Observatory was under repair, but Alexander was able to collect data from small sections of visible sky. He focused on tracking the rhythm of a pulsar. When the pulsar's rhythm was a little off, Alexander looked for the *Why*.

Certain pulsars are incredibly useful to astronomers because they send out radiation fields that can be detected on Earth, and those radiation pulses offer impeccable timing. Scientists use the clock-like rhythm to identify objects in space that might distort the path of the radiation. Alexander noticed a particular rhythm anomaly that piqued his interest.

Near the original pulsar—Alexander's "clock"—the telescope found a strange binary made up of a dead mass and another, smaller pulsar. That pairing is very rare, so Alexander paid closer attention. When he did, he made one of the most important discoveries in scientific history.



The smaller pulsar's signal was being interrupted. It was as if something was in the way. In fact, it was as if two somethings were in the way. After crunching numbers for nearly two years, Alexander announced that he'd found two planets rotating around the binary. These were the first planets ever found outside the Earth's solar system.

By patiently crunching data into a model on an island in the Caribbean, Alexander was able to map the impossible in distant space.

There's more to the story of Alexander Wolszczan's incredible discovery, but it reveals why I totally bombed when I created the Pro Se Assistance Package: **I didn't use a model to test it first.**

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Scientists like Alexander don't fly out to pulsars in the middle of space. That would be absurd. Measuring with your five senses is often impossible in our complex, expanding world. So scientists create models to test their ideas.

From foam balls connected by sticks representing molecules to elaborate computer algorithms that measure interruptions in pulsar signals, scientists reduce the real world to an analogy. They can then test their hypotheses for a much lower cost.

I didn't use that simple method and I paid dearly for it in time and money.

I had taken an important step in innovating my law practice: I had an idea. But I did the equivalent of hopping into a spaceship in order to see how many planets revolve around a distant binary. That was a costly, time-consuming mistake.

How can we operate more like scientists to improve law practices? What can models do to help us think through and challenge our best ideas? Is there a way to quickly innovate so that we can better predict whether our ideas will yield a return on investment?

We need a quick-and-dirty filter for our innovative ideas so that we can get to the good stuff quickly. In this guide, I'll teach you a process to do just that.



If you read *The Client-Centered Law Firm*, you'll likely feel persuaded that serving clients according to what they truly want and need makes good business sense. You might even believe that lawyers have a professional responsibility to serve the underserved. If so, you'll have ideas.

And it's great that you have those ideas. They're important to moving the practice of law forward and can help your firm succeed as a business—potentially. Without proper testing, these ideas can ruin your practice.

That's the market reality. Well-intentioned as your new business ideas might be, there are many reasons why these ideas may fall flat with your intended clients. As Jack also points out in his book, new ideas and processes need to be tested before they go live. No matter how well you think you know your clients, or how perfect you think a new service idea is, there's always something you'll miss.

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Solo and small firms don't have sufficient margin to "give things a shot," or to throw idea-spaghetti against the wall and see what sticks, particularly if they're considering big changes like adding a new practice area or a brand-new service offering.

This truth hits hard at the best of times. But, in the wake of all that happened in 2020, including the spread of COVID-19 and the ensuing crisis, it's particularly true. While law firms must innovate, they need to be adaptive, testing ideas in a way that helps them know these ideas are viable. Few firms have the margin to make risky moves in a difficult market, but the moment requires moves.

Being wrong about those moves—and we'll all be wrong—can destroy a firm that over-invests in an idea that bombs. It nearly happened to me.

In this guide, I'll teach you how to avoid my error. I've developed a model that helps lawyers test potential business ideas the way that scientists do. I use a model from the design industry called the Double Diamond to guide the ideation process, and what I call the Legal Innovation Canvas to quickly filter your great ideas to zero in on the ones with business viability.



How quickly? Ideally, you should be able to put an idea through the Legal Innovation Canvas in a two-hour afternoon session with a small team.

Whether you want to test big ideas you've had after reading *The Client-Centered Law Firm* or you want to add new service offerings after the uncertainty of 2020, the Legal Innovation Canvas will help you verify that you've got an idea that sticks before investing in it and putting it out into the world.

In the following chapters, I'll explain the fundamentals of the Double Diamond and the Legal Innovation Canvas. The Legal Innovation Canvas is a visual tool that asks hard questions of your new ideas. It forces you to consider who these new potential services are really for, what value they provide, whether there's product-market fit, and how you'll deliver them in a cost-effective way. These questions will put your ideas to the test to better define market demand, determine workable value propositions, and confirm your firm's ability to deliver on its promises.

The Canvas models feasibility of an innovation before you risk limited resources.

First, I'll share the stories of two lawyers: my friends Justie Nicol and Jon Tobin. Each of them has spent years brainstorming better ways to serve their clients. Peeking into their practices will reveal an ideation process that works, based on the Double Diamond model.

Next, I'll lead you through the Legal Innovation Canvas. We'll talk about *Who* your new idea serves, *What* exactly you'll offer, whether there's a fit between *Who* and *What*, and *How* you'll deliver it effectively.

Then, we'll talk about the financial filters you'll put your new ideas through—a critical step for entrepreneurial law firms. And I'll give you tools to turn this brainstorming and testing into a habit.

Throughout this e-book, you'll see "Activity" boxes that will guide you in filling out your own Legal Innovation Canvas as I explain each stage of the process.



Finally, we'll put Justie and Jon's ideas through the Legal Innovation Canvas in its entirety, so you can see examples of how it works in practice.

As you generate ideas for potential new service offerings, narrow your options with the Double Diamond, and put these potential solutions through the Legal Innovation Canvas, you'll learn to ask the right questions of your innovations to better ensure business viability. **When you do that work—when you model like a scientist—you'll avoid costly mistakes while creating new revenue sources and helping more people.**

If 2020 has taught us anything, it's that we can't predict the future. On the other hand, the best way to predict your future is to create it. With proper testing, it is possible to implement new ideas at your firm while significantly lowering the risk of tanking your practice in the process.

The first step, even before we get to the Legal Innovation Canvas, is brainstorming. So let me begin with the experiences of Justie and Jon.



Part I

Choosing an Innovative Idea

CHAPTER 1

How to Brainstorm Without Burning Out

JUSTIE

Justie had an idea.

After practicing criminal law throughout rural Colorado, attorney Justie Nicol got a call from an old law school buddy. It prompted her to consider adding new services to her firm's offerings. The systems she'd developed in her practice made her confident that she could make it work.

So when her friend Brandi Petterson called about joining forces, Justie was excited about the possibilities.

But Brandi was a family lawyer, and the [Nicol Gersch Law Firm](#) did criminal law. This idea was a big departure. Was it wise to add a completely new practice area?

To better decide whether adding family law services was right for her firm, Justie looked to her *Why*, or the mission that drove her practice.

For more than a year, Justie and her partner, Jenn Gersch, had engaged their team in weekly meetings to define the firm's mission. Justie would pose big-picture questions—what kind of people should they help, how can they foster a better working environment for the team, what kind of legacy do they want to leave—and then document the answers. **Over time, those sessions revealed a clear sense of mission, or the *Why* of Justie's practice.**

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The defined mission is a filter that Justie uses in order to screen new opportunities. If an idea contradicts the established mission, it gets rejected. Brandi expressed alignment with the firm's mission, so the idea of adding family law services to her firm passed the *Why* filter. But that wasn't enough. Justie still had a lot of questions about how adding family law services to her practice would work, well, in practice.

- Could a criminal law firm successfully add family law services, or would it dilute the brand?
- Were the systems they had in place transferrable? If not, would the firm waste time chasing revenue misaligned with its strategic advantages?
- What new processes would need to be created to keep those advantages?
- How would pricing work?
- Would the same people buy family law services that had been buying criminal law help?
- Would the firm create a different way to deliver the new services, risking Brandi feeling like a revenue-generating island unto herself?

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Question after question, one thing became perfectly clear to Justie: **She'd need another decision-making filter.** Her *Why* just wouldn't cut it.

Justie did eventually decide to add family law services. We'll talk about how she came to that decision and how structured questions helped her do that.

But adding family law services wasn't Justie's only idea. As she revealed to me in an interview, Justie has countless ideas.

For example, she'd thought for months about adding pro se-driven legal coaching services. In criminal cases, defendants often go through several legal processes before being assigned a public defender. The state would



offer plea deals before the defendant even had a chance to get legal counsel. Justie knew she could help with that.

For months, Justie outlined a great process. She could give a one-hour consulting session with an attorney, followed by a customizable document with advice on getting started with a criminal case. The firm had resources already created, and they were already doing free consults.

Maybe they could reshuffle the existing assets to create something new.

Come to think of it, maybe those same processes would be useful in taking animal law cases.

Justie grew up with horses and knew more than just about anyone in Colorado about the legal issues around livestock and domestic animals.

Maybe the firm should add animal law services.

As the brainstorming continued, Justie became an idea machine. It was awesome, but also quickly overwhelming. There were really no market restrictions to her ideas. Everything she came up with could bring revenue. Was that enough?

As a legal entrepreneur, how could she decide which ideas deserved an investment of her resources? What should she do with the overwhelming flow of opportunities? Should she just stop having ideas?!

Put simply, no. Rather than succumbing to overwhelm, Justie embraced the energy of idea generation. As we'll see, it's all part of the process.

IDEATION

To give you an idea of how to develop a brainstorming habit that doesn't burn you out, I want to tell you about the design industry's **Double Diamond model**, created by the [British Design Council](#) in 2005.

Justie often finds herself in what designers call **the Discover phase** of the Double Diamond model. She's noticing things—seeing challenges and opportunities where others don't.



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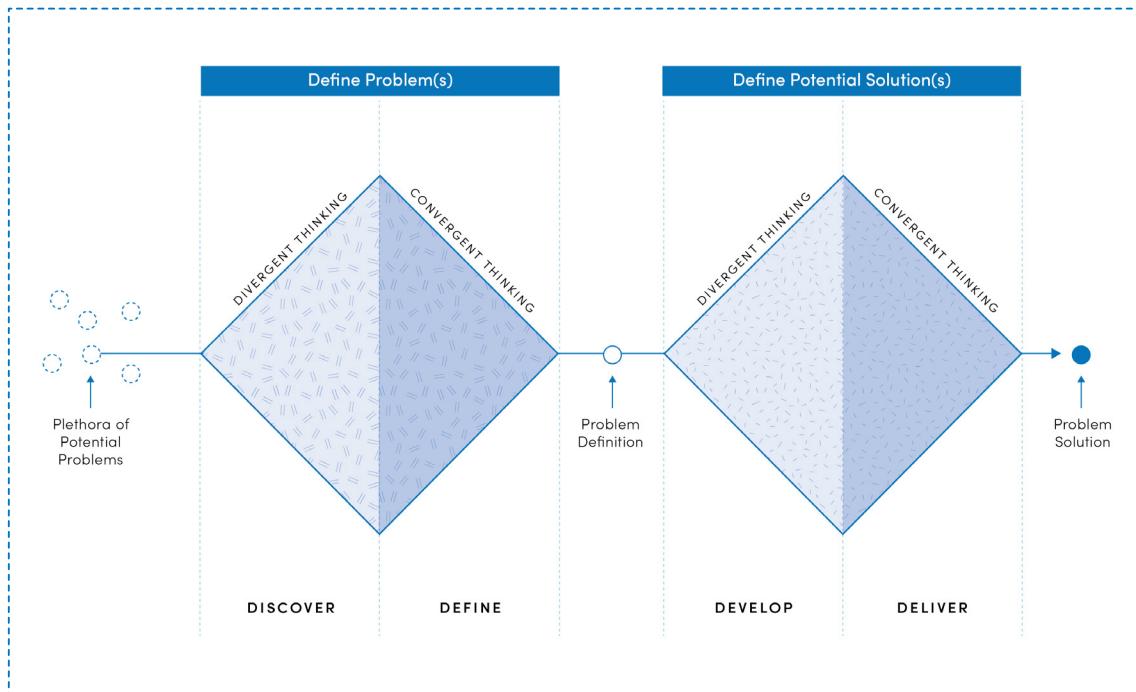
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It's a great habit for an industry that needs innovating, but the Discover phase can be overwhelming.

Here's what the Double Diamond model looks like ...



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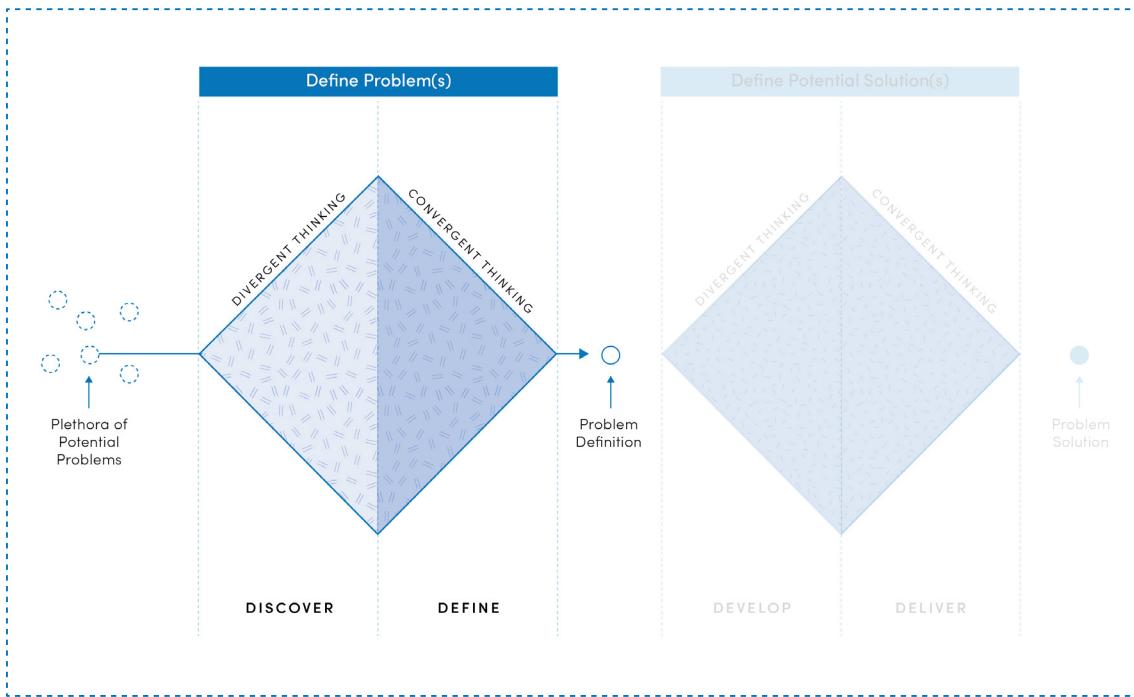
The Double Diamond is a visual representation of a truth: Sometimes you have to brainstorm without self-editing, and sometimes you have to focus your efforts. The great danger is in doing both at the same time. This model helps by guiding you in alternating between divergent thinking (i.e., thinking broadly), and convergent thinking (i.e., narrowing things down). That way you're using the *right* mindset at the *right* time.

First, the Double Diamond demands divergent thinking about potential problems to solve (Discover phase), before using convergent thinking to narrow down to a few options (Define phase). Then, the model once again encourages divergent thinking, this time about the characteristics of a potential *solution* (Develop phase) before switching back to convergent thinking, narrowing it down to what's actually most useful (Deliver phase).



For our purposes, the goal should be to narrow it down to one idea to put through the Legal Innovation Canvas.

Let's look at the first diamond to help Justie tailor her many ideas.



In the first diamond, you see the Discover and Define stages. The narrow starting point broadens to the peak of the diamond during the Discover phase. That visual shows you that Discovery requires expansive, analytic thinking. You're researching and brain-dumping. You'll make decisions about what to focus on later, but you can't impose that standard early. You need an expansive Discover phase first.

The goal is to define which problems you want to solve. To do this, you'll engage in both primary and secondary research.

According to *The Client-Centered Law Firm*, your new ideas should be centered on client needs. That means you have to understand what problems they need help with. Ideally, you gather information by actually



talking to and observing your clients. **Take care to focus on what sort of experience clients actually want, which may be different from what they say they need.**

We'll talk more during Chapter 3 about developing full profiles of potential client needs, but at this point your job is to gather data. What problems do you see coming up over and over again? What gaps are you hearing about in your area of practice that you might be able to fill? As you engage with current clients, read articles about the access to justice gap, or review resources like Clio's *Legal Trends Report*, you'll find problems to solve. Don't filter them yet. Write them all down.

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ACTIVITY 1

Brainstorming Challenges and Opportunities

Brainstorm potential problems to solve for one type of client you serve. Get laser focused on what it is they actually want. Feeling stuck? Set a timer for 15 minutes and just start writing. The ideas will come.

As Justie does in her practice, you need to embrace that idea-generating chaos. Every idea is worth exploring once you learn the modeling habits that make experimentation possible. **So no judging, write it down.**

In the second half of the first diamond, you see a narrowing. This is called **the Define phase**.

During the Define phase, you'll narrow the potential problems to solve that you brainstormed during the Discover phase. This requires more focused, synthetic thinking. You're looking for patterns.



Designers find it helpful to verbalize this narrowing using “How Might We” questions.

For example, if you found that criminal clients often ask about family law services, you might ask, “How might we provide divorce services for our criminal clients?” That identifies your *Who* and their need. It also starts you on the path toward solutions.

But notice that you didn’t start with *What*. As lawyers, we jump quickly to solutions. But if you don’t have a clear idea of the problem first, how can you get to the right solution? This process helps you focus on problems to solve first, rather than solutions.

The first diamond is for defining client needs and desires. Don’t judge yourself for thinking chaotically about that, and don’t focus too quickly. We all know clients will unload a list of problems on lawyers. Rather than grow frustrated by the many possible service paths, write it all down.

Then use the second half of the Double Diamond to filter your ideas and define the problem you want to solve.

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ACTIVITY 2 Defining Your Problem to Solve

Take a look at the ideas you’ve brainstormed. Circle the top one. Be honest about which idea will be most valuable to your clients.

Once you’ve defined your problem, you’ll need to brainstorm potential solutions and then filter those ideas down so you’ve got one to focus on.

To envision how this next part of the process might work, let me tell you about Jon’s experience.



CHAPTER 2

How to Focus on Your Best Idea

jon

Jon had an idea.

Along with his partner, he runs a firm called [Counsel for Creators](#) that serves small creative businesses in California. They hired an associate and sought to encourage his professional growth by incorporating his interests into the firm's business model. When he asked his associate what kind of work he'd like to focus on, Jon was taken aback by the response.

His associate wanted to learn estate planning. With a firm focused on a particular practice area and audience, that felt like a huge shift. How would this new idea work?

IDEATION REVISITED

Similar to Justie, Jon went back to the Discover phase to ideate on problems his firm might solve. "Estate planning" is a broad category. Jon began by brainstorming what wealth-related problems would resonate with his audience.

As Jon modeled the idea on paper in the Discover and Define phases, he realized that his young, tech-savvy clients rarely worried about estate planning. The sense of immortality that comes with youth didn't lead to

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a lot of demand. But he did believe that they might respond to financial advice that protected the businesses they were building. When couched under the larger category of “asset protection,” he thought he could make a compelling value proposition to his market.

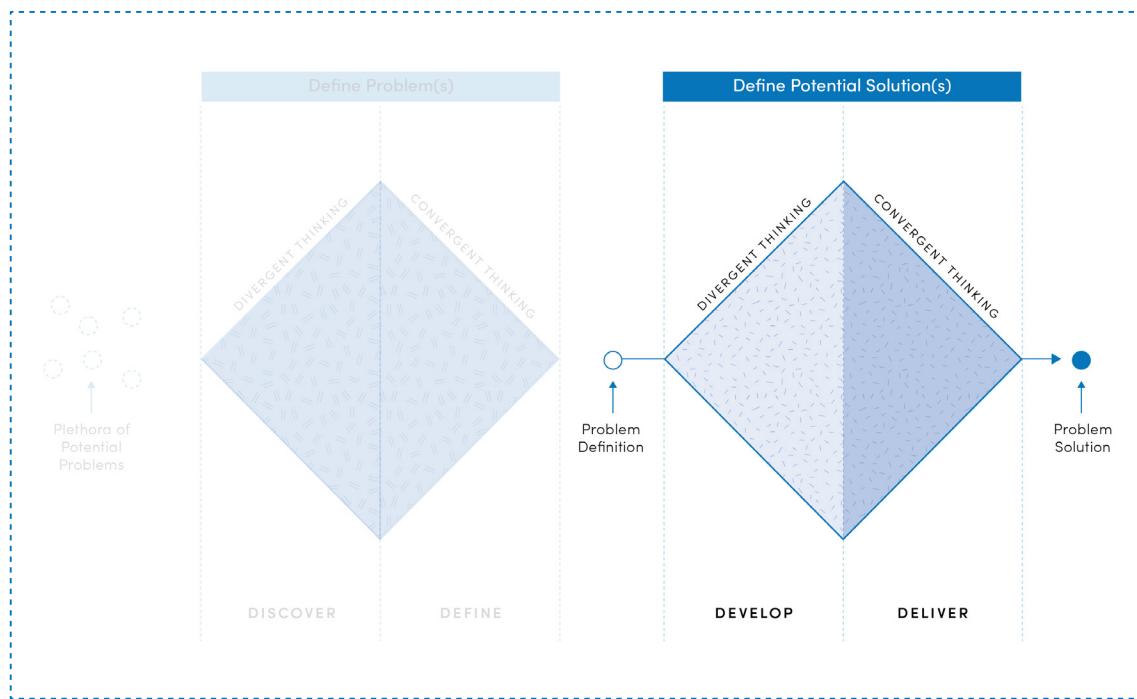
At this point, Jon had a “How Might We” question: How might we offer asset protection services to creative business owners?

Then, he began a process for brainstorming ways to address his question.

Here’s an overview of that process, found in the second half of the Double Diamond model ...

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The second diamond consists of two phases: **Develop** and **Deliver**.

The Develop phase, like the Discover phase, requires divergent thinking. Jon imagined features of his potential new service without judgment.

As he unloaded related ideas, Jon didn’t limit himself to classical estate planning activities like drafting wills and powers of attorney. He came



up with several services that might be incorporated into his existing subscription program or sold as one-off services. The process was expansive and driven by his experience with clients.

Once he'd thought through options in the Develop phase, he began to focus on his best ideas in the Deliver phase. This used more synthetic thinking, matching his expansive ideas with what he knew about the demands of his clientele and the resources at his disposal. Once he was finished with this stage, Jon had an idea he was ready to test.



ACTIVITY 3

Coming up with Potential Solutions, and Choosing One

Now, you'll complete the second half of the Double Diamond. Think broadly about the characteristics of a potential solution to your chosen problem. Anything that comes to mind. Set a timer again if you need to.

Then, look carefully at what elements of the solution make the most sense and best connect with client needs. Describe your potential new service in a sentence or in a few words. This is the idea you'll test with the Legal Design Canvas.

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I want you to notice how Jon's thinking process saved him time and money.

Unlike my experiment with a Pro Se Assistance program, Jon used a smart brainstorming process. His associate's interest in estate planning services prompted an exploration. Jon went back to basics, looking for relevant problems to solve. Once he'd identified the right problem, he expansively brained out some solutions. Eventually he came up with an offering to test. Jon walked through the Double Diamond before testing anything and it made a huge difference.



Ultimately, Jon did not add estate or wealth planning services. How he came to that decision is central to this guide, so we'll explore the Legal Innovation Canvas and then share how Jon used a similar methodology to put his idea to the test and make his choice.

Jon experimented on paper before spending extensive resources to see how his market liked his new idea. He experimented with models.

In that, Jon thought like a scientist. He tested without flying to a distant star. Using the Legal Innovation Canvas, you'll do the same.

CANVAS FOUNDATIONS

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As you probably often do, Jon and Justie had ideas. They, like many lawyers, saw the value in building more client-centered law firms, both in terms of meeting the needs of their clients and in driving business success. Without a way to quickly assess their ideas before investing too many resources, they might have felt overwhelmed. And that overwhelm might have pressured them to either ignore their ideas or feel stress over what they couldn't accomplish. Does that resonate?

They—and you—need a quick way to test ideas. Because while some ideas might seem great at first glance, they may not actually make good business sense.

Imagine, for example, you see a change in immigration law that frustrates you. If you want to know quickly whether your firm can serve the need arising from that change, you can't simply take on a case and see what happens. The learning curve and switching costs are too great to get a fair measure of feasibility after taking a single case.

Similarly, what if a friend says, "You should do bankruptcy" when the economy takes a turn? I heard that a lot when the coronavirus pandemic hit, but that simplistic advice requires turning a battleship around before you can really know if it works. It takes years to learn a new practice area. And other approaches—such as adding a bankruptcy lawyer to your firm,



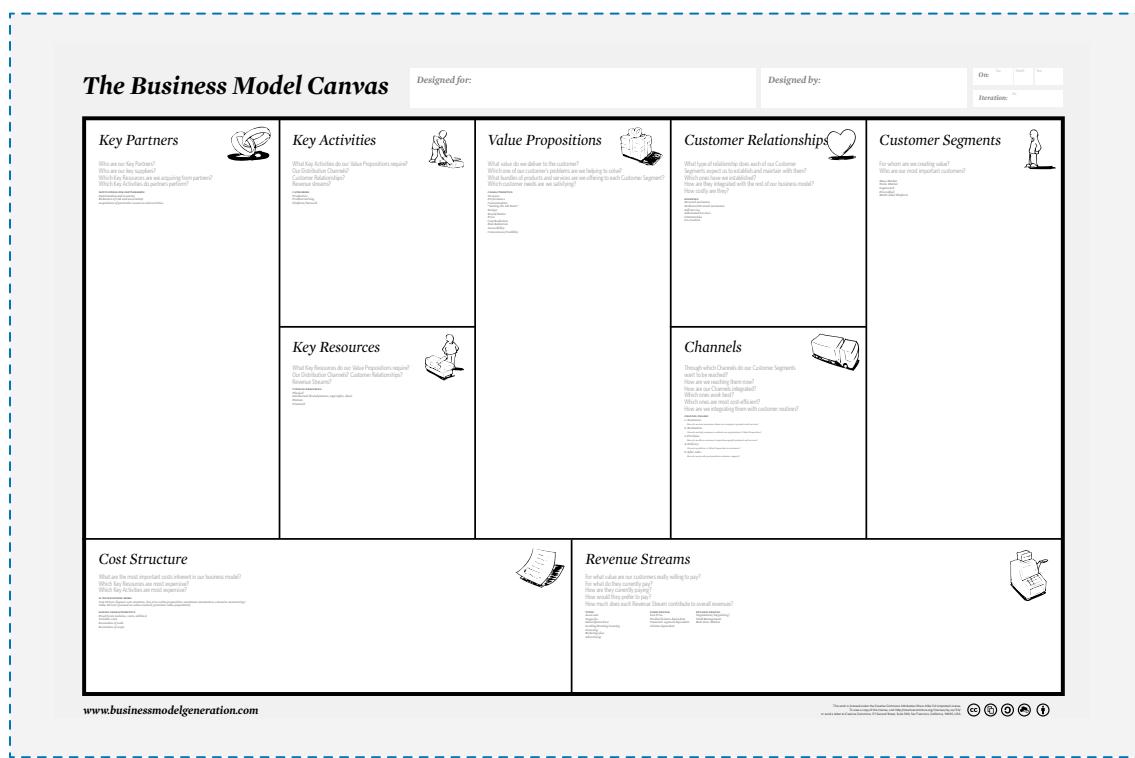
or acquiring/merging with a bankruptcy firm—are huge, long-term business decisions, not reactions to economic upheaval. Without a fast way to test an idea, you could spend precious time and resources on an ill-fitting experiment. You need a shortcut—a filter.

The Double Diamond is a great way to arrive at a testable hypothesis.

Like scientists, we'll need to test that hypothesis. And, like scientists, we'll do it by modeling on paper first.

Jon and Justie both have experience with modeling through a tool called the Business Model Canvas. It was created by Swiss business theorist Alex Osterwalder of the firm Strategyzer, and has spawned a number of iterations adapted to different industries. Let me show you what Osterwalder's canvas looks like, and then explain why we're adapting it for law firm innovation.

Here's the original Business Model Canvas:



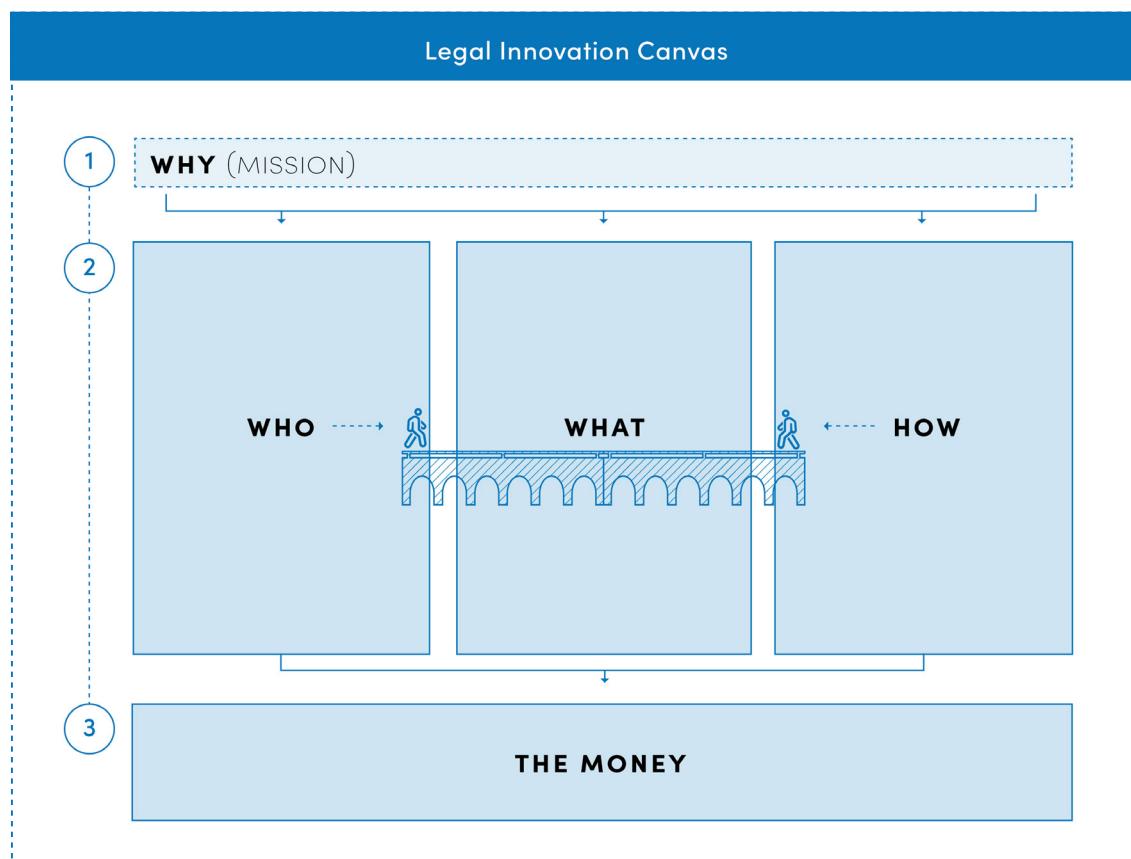
Credit: Alex Osterwalder of Strategyzer, strategyzer.com



In simplest terms, the Business Model Canvas is a visual way to ask crucial questions of a business idea. It's a structured means of seeing the big picture.

With the Legal Innovation Canvas, we've adapted the Business Model Canvas to the service-heavy context of law firms. We've kept the focus on crucial questions that connect client needs with a firm's resources. But we've also simplified Osterwalder's version so that it better serves as a filter for new ideas rather than total business model rethinks, which is an often overwhelming venture. By honing in on specific service additions rather than broad business models, we've made the tool more practical for attorneys like you. Our version allows you to take baby steps toward a functioning business model. As you add innovative services, you'll build the future-focused service firm that clients need.

Here is the simplified Legal Innovation Canvas:



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As you compare the Legal Innovation Canvas with the Business Model Canvas, you can see that we've incorporated your *Why* as a related filter. We've also simplified section names, focused on the emotional outcomes for clients, and separated the financial aspect of your new idea as a distinct but important filter.

Here's a quick introduction to the concepts that make up the canvas before we dive in:

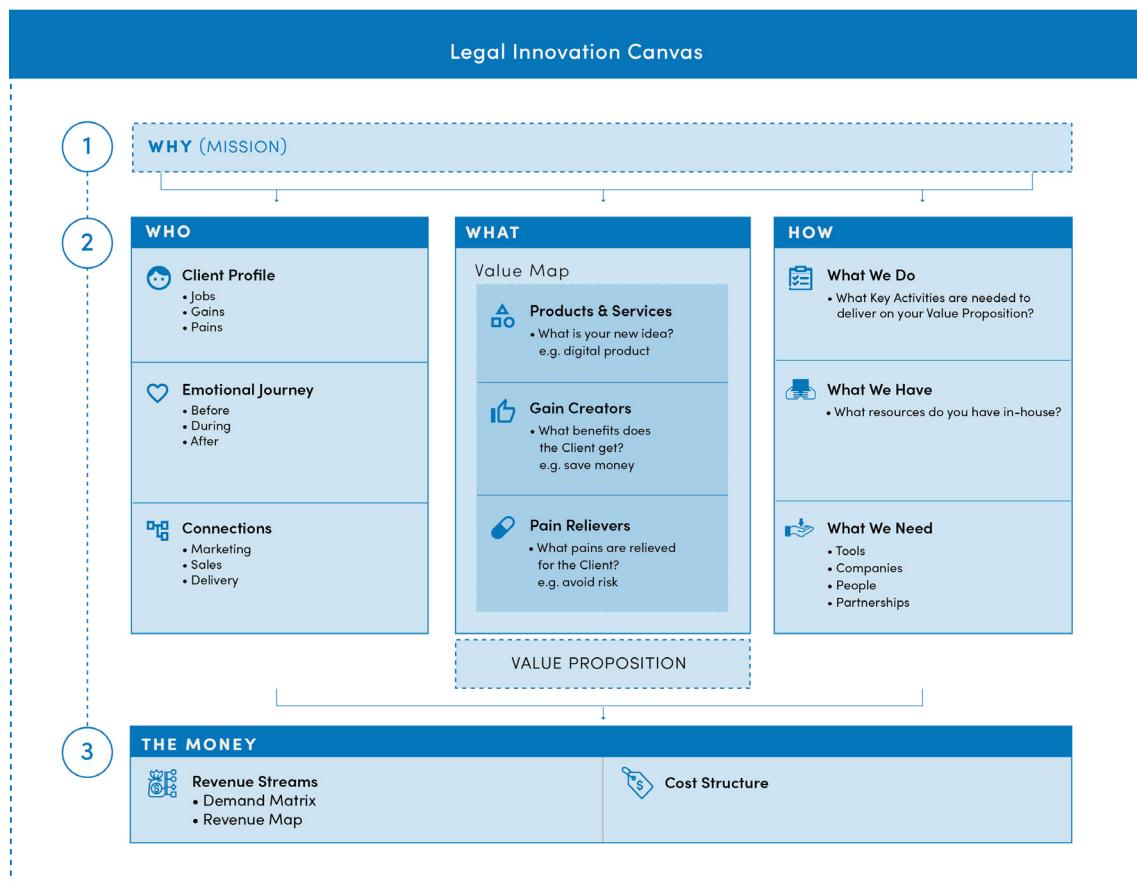
- 1. Start with Why:** Before you plug any idea into the Legal Innovation Canvas, you need to filter it through your company's defined mission. Because she did the work to develop her mission up front, Justie can easily kick out ideas that undermine it. This guide won't walk you through defining a *Why*, because that's a whole book unto itself, but you'll need to do that work before you test any new idea. (If you don't know what your firm's mission or *Why* is yet, you can [follow the steps in this blog post](#) to uncover and define it before using the Legal Innovation Canvas.)
- 2. Who:** In this section, we'll define a Client Profile. You'll uncover the outcomes clients want, including the gains they seek and the pains they wish to avoid. You'll specify the ways in which you'll connect with these clients as well as their Emotional Journeys.
- 3. What:** In this section, we'll define your Value Proposition based on the product you'll offer, and the potential Gain Creators and Pain Relievers it will provide for your client. This is the bridge between supply and demand—the needs of your *Who* and the *How* of your firm's offering. If you can't build this bridge, you'll hear crickets when you launch your new idea.
- 4. How:** This is the supply side of your proposed service offering—*How* exactly you're going to deliver your *What*. You'll define which activities are necessary to deliver on your Value Proposition's promises, as well as the in-house and outside resources needed to fulfill the service.

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5. The Money: Revenues and Cost Structures determine whether your new idea is feasible. **You may have a great business idea that meets client needs, but if you can't profit from it, then you shouldn't do it.** As with your *Why*, *The Money* could be a whole book on its own—so we will only touch on the subject. But it's an important filter for any new offering.



The Legal Innovation Canvas is how you'll force yourself to question your latest idea. After the Double Diamond brainstorm process, you've got a good one, but you can't be married to it. Turn off your lawyer brain that wants to zealously defend your potential new service idea. Instead, put it through its paces.

Let's get started by getting clear on *Who* this potential new service aims to serve.



Part II

Designing Your New Service

CHAPTER 3

Who is Your Idea For?

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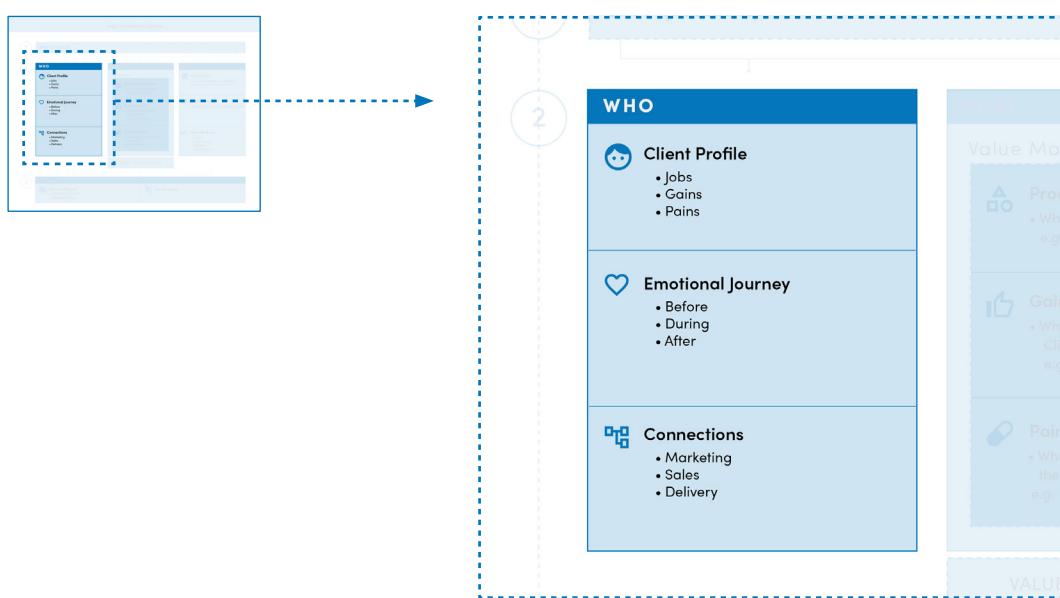
YOUR WHO

To use the Legal Innovation Canvas in a way that's consistent with a client-centered law firm, begin with your *Who*.

This is a great place to start because, while clients' needs may change, they always have needs. Your ability to stay attuned to those changing needs and pivot what you know into products and services more responsive to your *Who* will give you a continual advantage.

Let's look at the *Who* section on your Canvas.

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As you can see, the *Who* section is found on the right side of the Canvas. It is made up of three subsections:

1. **Client Profile:** You'll develop a new Client Profile for each idea. Although you could create multiple profiles for one new service, **I recommend starting a new Canvas for every target Client Profile.**
2. **Emotional Journey:** In designing your service, it's important to map the emotional shifts you expect for each Client Profile as they pass through the client experience. This includes the emotional state before, during, and after a client receives your new service.
3. **Connections:** You will engage with your clients in several ways as you deliver your new service. In this subsection, you'll identify which platforms you'll use to market, sell, and deliver your service to your Client Profile.

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By completing this side of the Legal Innovation Canvas, you'll learn to systematize empathy. You can't serve a client without imagining what it's like to walk a mile in her shoes. Still, as Jack points out in *The Client-Centered Law Firm*, empathy isn't sympathy. Empathizing with your client is useless if you don't figure out a way to act on it.

You could dig into this side of the Canvas with elaborate surveys and questionnaires. That's certainly part of a longer-term process, but remember that the Legal Innovation Canvas is meant to be a quick-and-dirty filter. **It's okay to list what you believe to be true right now and adjust later—after you've verified that the service works on paper.** More broadly, as a client-centered law firm, you should be collecting feedback from your clients regularly anyway. This approach of constantly listening to, observing, and learning about client needs will ensure you have the perspective you need to complete the *Who* section of the Canvas quickly whenever you want to test a new idea.



To get an idea of client needs in relation to our potential new service, let's adapt Strategyzer's Customer Profile tool to our purposes.

This is the **Client Profile** section of the Legal Innovation Canvas. It comes from Strategyzer's book *Value Proposition Design*, a sequel to the book *Business Model Generation*.

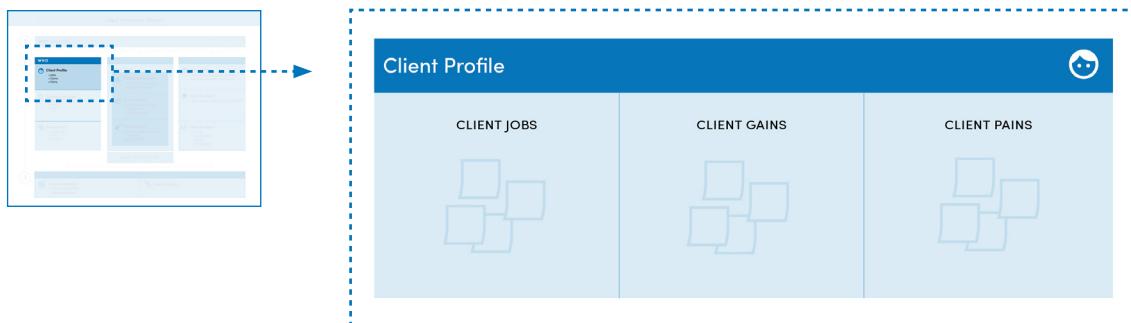
The Client Profile (within your *Who* section) is divided into three sections:

- 1. Client Jobs:** This section plays on Clayton Christensen's "Jobs to be Done" theory, referenced by Jack Newton in *The Client-Centered Law Firm*. In short, you need to identify what a client is really after: The most common analogy to explain "Jobs to be Done" is to point out that customers aren't looking to buy a four-inch drill, they're looking to buy a four-inch hole. So what does your client want? Do they want to be divorced? Are they seeking a status indicator? Or an emotional win? Use this section to brainstorm what clients want from your new service.
- 2. Client Gains:** Here you'll define what positive benefits clients seek. What is the bare minimum to consider your service worth investing in? What would a client say is a best-case outcome? And what would a client love from your service but never think to ask? **These positives go beyond quality representation, or even a win.** That may be your client's bare minimum—as those only reflect your legal deliverable, not their entire legal experience and outcome for them as a person. Identify every gain you can imagine for your client.
- 3. Client Pains:** Finally, list out the painful outcomes that your client seeks to avoid. These could be functional (e.g., the service doesn't work or the client loses a case), emotional (e.g., the service makes a client feel disrespected), or ancillary (e.g., the client doesn't like the service experience).

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By identifying the Client Jobs, Client Pains, and Client Gains related to your idea, you lay the groundwork for a service fit. It's important that you're thorough here. In each of the above sections, use sticky notes on a wall to brainstorm as many relevant jobs, pains, and gains as you can. Once done, organize the sticky notes in terms of priority. Put the most significant of each section near the top so that you can visualize priorities.

Not every service will deliver on every one of your Client Jobs, Client Pains, and Client Gains sticky notes. It may not even deliver on the topmost notes. That's okay. **At this point, your job is to identify related needs, not to fulfill them. We'll get to that question later.**

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ACTIVITY 4

Creating Your Client Profile

List out your potential Client Jobs, Client Gains, and Client Pains related to your potential new service offering. Don't just write down the first things that come to mind: Dig a bit deeper and be honest about what your clients actually want and need. Consider their entire legal experience.



JOURNEYS AND CONNECTIONS

Defining your *Who* requires more than creating a customer avatar for use in any situation. Such customer avatar processes are often recommended by consultants—complete with a picture of an imaginary client, likes and dislikes, demographic data, etc. But in the case of the Legal Innovation Canvas, we are focused on testing a new service idea. You can't identify a would-be client without tracking how they will engage with your new idea, so your Client Profile needs to be created specifically in relation to your potential new service offering.

To build out your Client Profile in relation to this idea you're testing, take a look at the other two subsections of the *Who* side of the Canvas.

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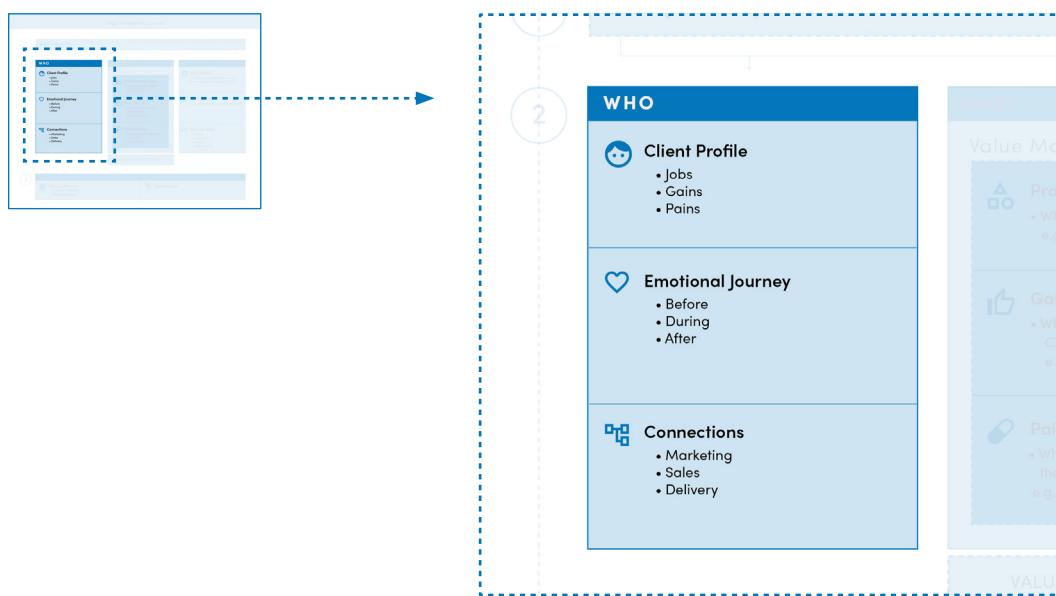
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Next we need to identify the **Emotional Journey** of someone who purchases this new service.

Emotions are imprecise and therefore hard for lawyers to map, but getting this right will give your firm a huge strategic advantage.



A survey from the [Capgemini Research Institute](#) has shown that **70% of emotionally engaged consumers spend up to two times more on brands**. This means that a service that satisfies a client's emotional needs as much as their functional needs are valued more by clients.

Capgemini also found that 62% of customers with high emotional engagement will advocate for your firm, while only 7% of customers with low emotional engagement will. In an industry where recommendations and referrals are crucial, the importance of emotions is a stat lawyers want to pay attention to.

As obvious as that data may seem, companies rarely think through the Emotional Journey of a client, which is a shame, because you don't even need detailed Emotional Journey tracking to get detailed insights. You just need a model. For your quick-and-dirty modeling as part of the Legal Innovation Canvas, you'll need to get into the habit of creating an informed map of a client's Emotional Journey. You'll base this on everything you know from listening to and observing your clients.

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There are three points at which we want to model client emotions. They are:

- **Before:** What is the emotion driving a consumer to your particular service?
- **During:** How will the client feel while engaging with your service?
- **After:** When they walk away from your service, how will a former client feel?



Document the feelings you hope the client feels at each stage of the service experience, as well as what you expect they actually feel. (These may be different, but it's helpful to see both scenarios, and to dig into why what you hope for might be different from what you can realistically expect.) These things often follow a path similar to the stages of grief—denial, anger, bargaining, depression, then acceptance—especially when dealing with a legal issue. Track those feelings as best you can.



ACTIVITY 5

Looking at Your Client's Emotional Journey

Write down how you believe your client would feel before, during, and after receiving your potential new service offering. If a lot of potentially negative feelings come up in the during and after phases, this may be a sign that your idea doesn't add up. Or it may be a sign that you can differentiate your firm well by recognizing and addressing those feelings. Still, before you guess at how that journey might benefit your firm, write it down.

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The last subsection in your *Who* side of the Canvas is the **Connections** area. The Strategyzer team refers to this area as "Channels." It is a chance to define exactly how clients will connect with you at each broad stage of the client journey.



To complete the Connections area, ask how clients will connect with you and your law firm at these three major intersections:

- **Marketing**
- **Sales**
- **Delivery**



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The question to answer here is how your clients will connect with your firm. Will your outreach to prospective clients be primarily through online marketing or in-person seminars? How will they sign up for your service and sign an agreement—in your office or through a vendor platform? What delivery medium will you use? Are you handing out physical pieces of paper or using a secure client portal like the one offered by Clio?

Defining these three crucial touchpoints will help you deliver an appropriate level of service.

Obviously you could identify more steps on a client journey to evaluate. In *The Client-Centered Law Firm*, there are sample client journeys with eight or nine stages, for example. For a more in-depth client journey map, you might want to know how you'll maintain contact with former clients, or break down the Delivery step into smaller chunks. Mapping the full client journey is an invaluable process that will bring you useful insights into firm operations and the client experience. But for the purposes of the Legal Innovation Canvas, we need a pared-down process.



With this section of the Legal Innovation Canvas, you're not mapping a complete client journey: You are quickly evaluating the feasibility of an idea by using smart modeling.



ACTIVITY 6

Thinking Through How Clients Will Connect with Your Service

Write down how clients will connect with you at each stage of the process (marketing, sales, delivery) for your potential new service. Think of people, tools, physical spaces, and online properties, such as your firm's website. List everything you can think of, but also put a limit on the time you spend on this activity. The purpose is to quickly model a potential client and how they might receive your new service idea.

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Once you've done the work of crafting a Client Profile, mapping the broad steps of her Emotional Journey, and defining how your client will make Connections with your firm, you'll have a good sense of the demand side of your service, or *Who* you aim to serve.

Although lawyers are quick to jump to the supply side—*How* they will serve clients, or *What* the deliverables are—we first need to make a bridge with Value Proposition design.

In the next chapter, we'll define *What* you do for the *Who* you've just defined. We'll do this the client-centered way, i.e., in a way that makes sense from your potential client's point of view. This will help confirm if you've got a market for your new service offering.



CHAPTER 4

What are You Offering?

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YOUR WHAT

In the previous chapter, we defined your *Who*. Now we're going to look at your *What*. But first, let me make an important public service announcement:

Once again, do not reuse this *Who* for every service idea you want to test. You don't want to use the Client Profile as some vague everyman whose needs you'll forever fulfill.

Your *Who* and your *What* are intimately connected, so don't work on one without also grappling with the other.

Let me give you an example of how you could miss the connection between your *Who* and your *What*. Let's say you own a family law firm but you want to add estate planning.

It'd be pretty sloppy to just add estate planning because you took a CLE and think it'd be a cool new revenue stream. How do you know anyone even wants it? How do you know what features to add to the service if you don't know what prospective clients care about? (Not to mention, you likely won't have learned enough about estate planning from that one CLE to start practicing it yourself, which makes logistics a bit tricky.)

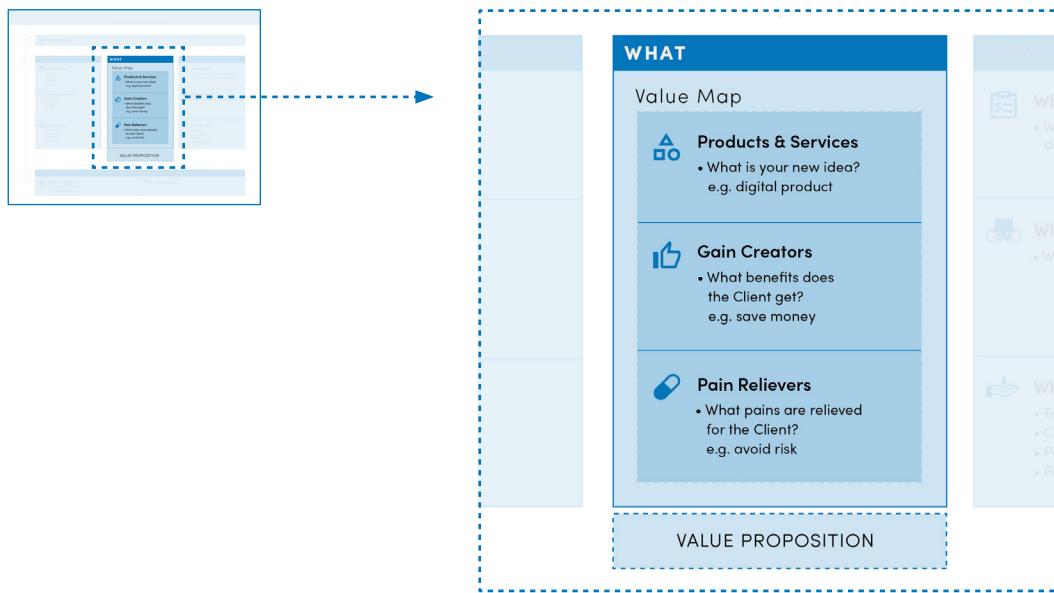
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Don't rush ahead like that. Instead, tie your value offering to a particular type of person.

To begin, look again at your Client Profile. Review what jobs your client is trying to accomplish, her pains to solve, gains she's seeking, and so on. Once done, you can define a service that meets your particular client's needs.

This is critical as we look at the *What* part of the Legal Innovation Canvas: **The Value Proposition section.**



The Value Proposition section of the Canvas uses a graphic that looks similar to the Client Profile in the *Who* part of the Canvas. In fact, it's a mirror image. This is called the Value Map and its similarity to the Client Profile is purposeful. We'll talk more about their relationship later.

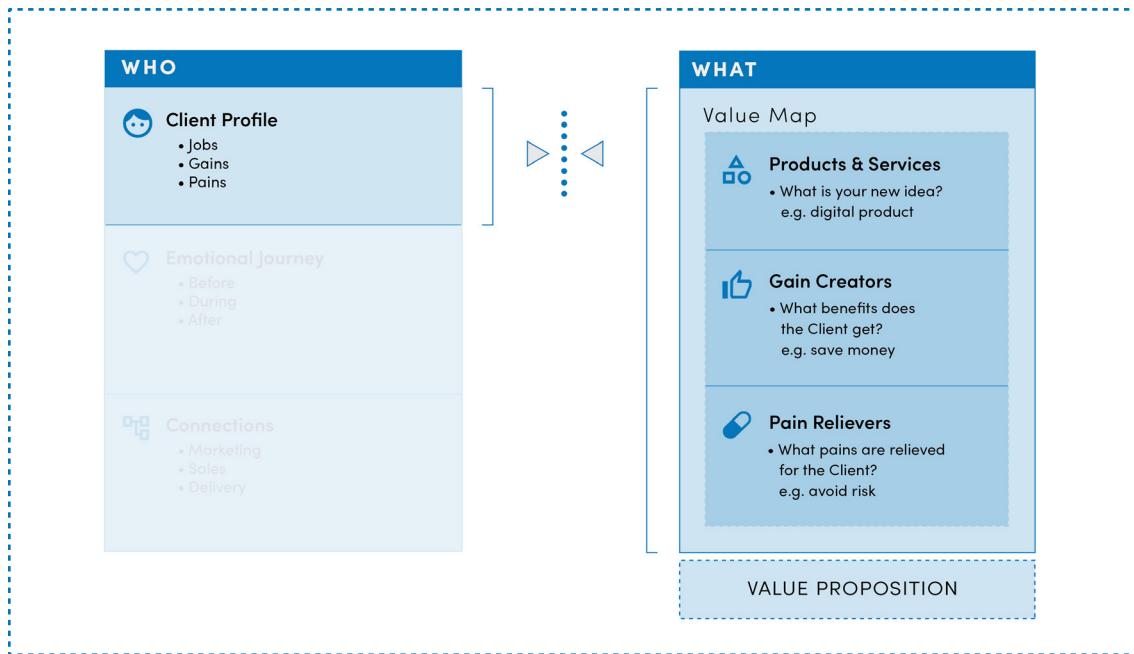
Right now, let's take a look at the Value Map in the Value Proposition section of the Canvas.

As you can see, the Value Map has three sections that correspond with the three sections of the Client Profile.



They are:

- 1. Products and Services,**
- 2. Gain Creators, and**
- 3. Pain Relievers.**



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Let's explore each section in turn.

- 1. Products and Services.** This is a visual representation of the service you are evaluating with the Legal Innovation Canvas. Your new idea for your law firm may be a physical good (like a booklet on how to handle a pro se divorce), intangibles (like a new legal service, or a subscription legal services offering), or digital products (like an [app that helps clients appeal parking tickets](#)). If your new idea is a combination of assets—think of my experiment with a Pro Se Assistance Package, which included personal services, content



assets, and more—create a new sticky note to represent each element of the package. Visually rank them in terms of their relevance to the Client Jobs, Client Pains, and Client Gains at the top of the Client Profile by putting the most impactful elements at the top.



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2. **Gain Creators.** This is a representation of all the ways that your Products and Services could benefit your Client Profile. How do your offerings save clients money, surprise them, or increase their standing with friends and family? Again, rank their relevance to the elements of your particular Client Profile. **IMPORTANT:** Don't force a connection here—this could lead you to a false positive with the Canvas, which means you could end up investing in an idea that flops. Be honest about the gains your potential new service offering will actually create.



3. Pain Relievers. Finally, this section focuses on how your Products and Services relieve specific pains for your Client Profile. Do you help them avoid risk, or sleeplessness, or looking like a fool in front of their boss, coworkers, friends, or family? The pains avoided should be specific to the person you aim to serve.



You'll use the combination of these three sections, aimed at a particular Client Profile, to define your **Value Proposition**. It is the *What* that your firm delivers—not just your service, but the true value clients get from it. It's the reason why anyone would want to pay for your service.

In that sense, “estate planning” is not your Value Proposition; it is a service that's justified by a Value Proposition. A relevant Proposition would be more expressive of the client's needs and how your idea responds to them. **You need to articulate why a particular Client Profile would want to pay for a particular service.**

For that to make more sense, let's talk about Fit.

FIT AND VALUE PROPOSITION DESIGN

Fit is the connection between Client Profile needs and Value Map solutions. It's otherwise known as product-market fit, which Jack talks about in *The Client-Centered Law Firm*. Specifically, he points out that “in the tech industry, if you don't have it, you don't survive, period,” and the same is true for legal.

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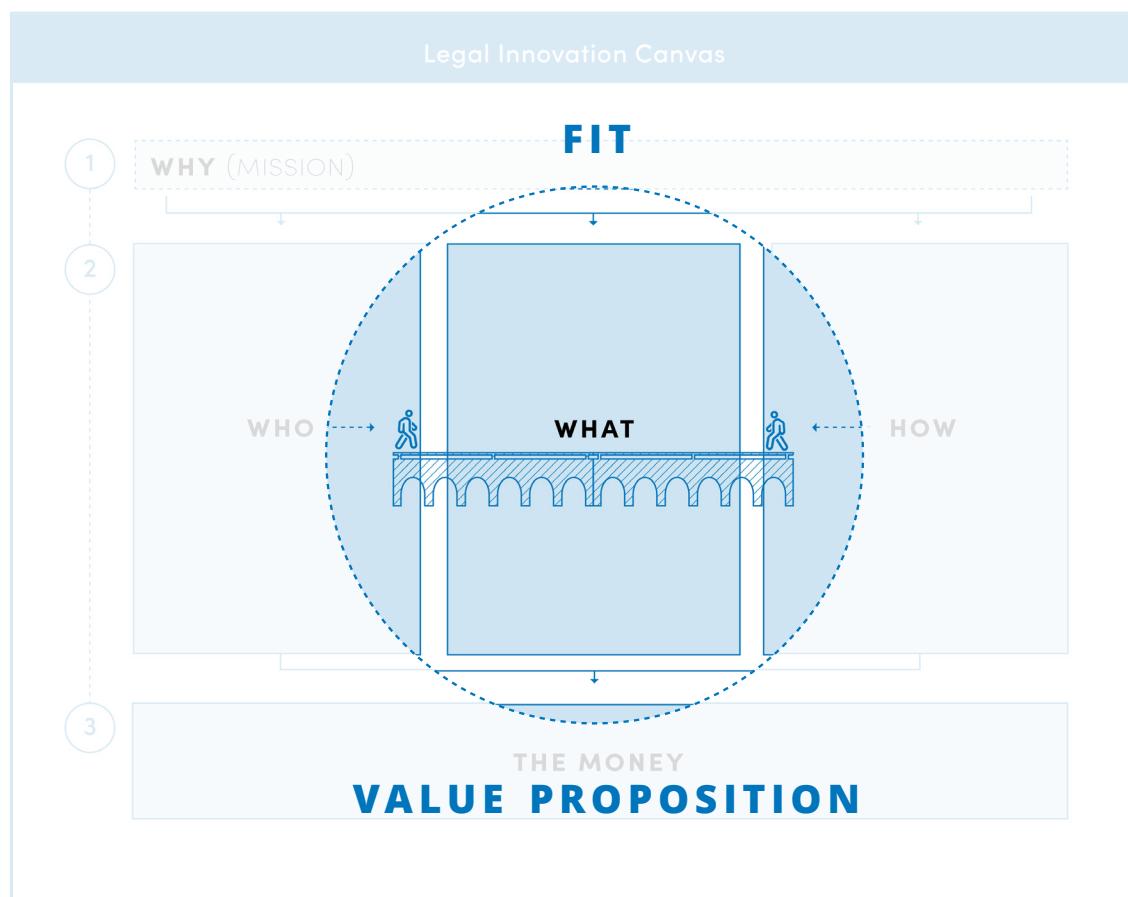


Lack of Fit is a big part of the reason why many lawyers' untested ideas fail. Does your offering address the Pains that matter to your particular market? Does it provide the Gains that are important? Does it get the target job done? If there is no obvious connection between those two exercises, you don't have a viable Value Proposition. You must find and articulate the connection—and if you can't, it may be time to go back to the Double Diamond to choose another idea to test.

In other words, filling out the Client Profile and Value Map sections of the Legal Innovation Canvas helps you see whether you've got product-market fit, and helps you come up with a solid Value Proposition to articulate that Fit. This is critical for making sure your idea is a viable one that won't bankrupt your law firm, because it's a way of de-risking whether there's actual demand for your new service.

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Let's look at how one might design a Value Proposition with these pieces of the Legal Innovation Canvas, using this well-laid-out example from [CrashCourse Business - Entrepreneurship](#).

Stitch Fix is a personal styling company. Its primary service involves sending clothes and accessories to people via web-based ordering and fulfillment by mail.

If you imagine a Client Profile of busy, tech-savvy professionals in the United States, you can imagine some of the pains they wish to avoid and the gains they wish to acquire. In the broadest sense, their Job to be Done is to have stylish clothes that make them feel good.

What pains might they have? Maybe they have:

- A lack of time,
- No access to good clothing stores nearby,
- A limited budget, or
- No idea how to shop for their body type.

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To address these pains, Stitch Fix might focus on their mobile app to make ordering clothing more efficient and considerate of time; they could offer monthly packages based on different budgets; and they could give personalized fashion advice via a newsletter targeted to audience segments.

And what gains might Stitch Fix's customers wish for? Perhaps they want to:

- Look good,
- Feel confident, or
- Gain status in the workplace.

Stitch Fix might then prioritize activities like personalized packages based on body type, packaging and content that encourages self-acceptance, and fashion that focuses on office wear.



One form of their Value Proposition might then be:

"We save our clients time by doing the shopping for them."

Or, more targeted to the pains and gains listed, maybe this:

"Stitch Fix leverages technology to save working people time by using personalized measurements, preferences, and stylists to choose clothes, which are delivered straight to their doors."

That's a Value Proposition that matches the particular offering with the particular client type. It is not a vague statement meant to serve everyone. It shows a *Fit*.

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ACTIVITY 7

Defining Your Value Proposition, and Looking for Fit

Write down all of the elements of your potential new service offering, as well as all the Gain Creators and Pain Relievers for your client. Then, looking at all these elements, write down a one-sentence Value Proposition for your new service offering.

Look back at your Client Profile: Do all the elements match? If so, congratulations! There's likely a Fit between your target clients and your potential new service. If not, you'll need to go back to the drawing board.

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As you complete the Value Map exercise with your team, be honest and don't force a match. **Don't use this activity to simply match your proposed offerings with the Client Profile activity in the previous chapter.** That undermines the purpose. You're testing a new idea, not trying to justify it.



Ask what your potential new service offers that could be useful to the Client Profile. Add those elements, and only afterwards prioritize them for the particular client. If you don't see a clean, strong match, you might have identified a reason your firm would struggle to deliver on its promises to clients who purchase the new service.

Your Value Proposition is more than a list of services and products. It is a bridge between demand and supply—a reflection of what clients want and a launching point for your firm's deliverable.

In the next chapter, we'll break down how your firm will provide that deliverable to clients in a way that features your "secret sauce" and leaves clients engaged and satisfied.

Let's talk about your *How*.

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CHAPTER 5

How Will You Deliver Your Service?

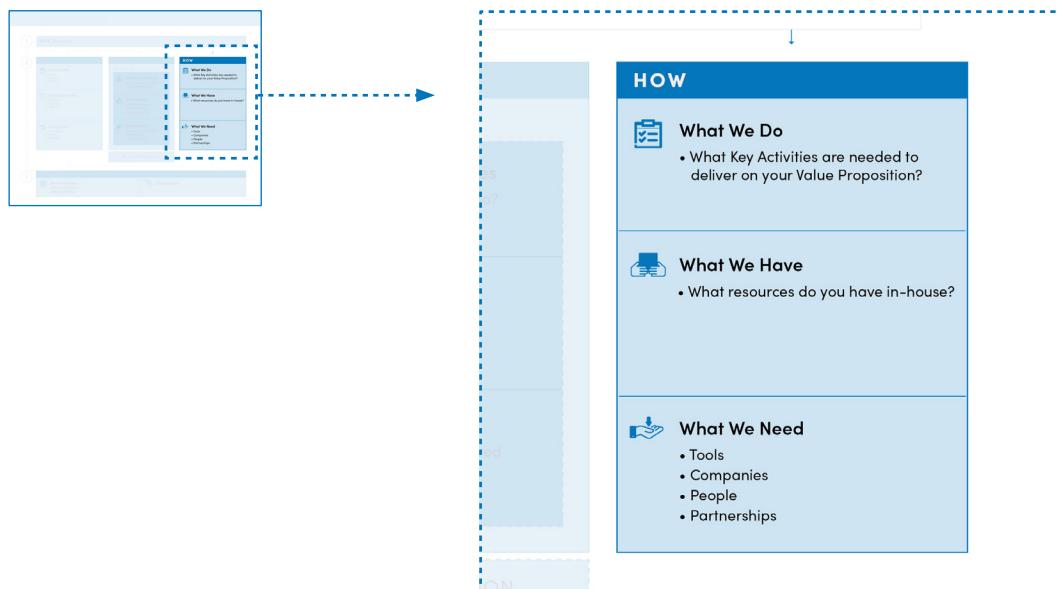
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INTERNAL STRENGTHS

Now that you have a method for generating and filtering ideas that address client needs, let's talk about *How* you deliver on your solutions. Expanding the subsections of the *How* area, you'll see three concepts to develop:

- **What We Do,**
- **What We Have, and**
- **What We Need.**

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We'll talk first about internal resources—What We Do and What We Have—then address What We Need in the next section.

What We Do

Every new service idea includes some activities that are more impactful than others. As you look across the Value Proposition and Client Profile, you'll see that you've prioritized certain client needs and services that respond to those needs by moving relevant sticky notes to the top of each section.

In the What We Do section, you'll list the most important supporting activities that will sustainably deliver on the promise of your new service. (This section is referred to as Key Activities in the Business Model Canvas.)



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For example, let's say you're proposing a service similar to one of Justie's ideas—a service that helps criminal litigants with counsel and content before they've been assigned a public defender. What would be the Key Activities in that service?

In order to offer quality counsel, Justie's firm would have to stay current on the early stages of criminal cases. So a Key Activity might be consuming and teaching relevant CLEs to stay up-to-date.

And delivering accessible content would require plain language, visual tools, and easy interfaces. So a Key Activity might be gaining copywriting, or visual design, or technology skills.



Most law firms deal in problem-solving, which means they might focus on things like knowledge management and continual training. If your new service focuses on speed, then better project management might be the principal focus.

Define here what activities will most contribute to improving your potential service so that it best fulfills client needs. You shouldn't identify every step of your future service map in this section. The purpose is to quickly identify supporting activities that make your offering both compelling and sustainable.

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ACTIVITY 8

Thinking Through Supporting Activities

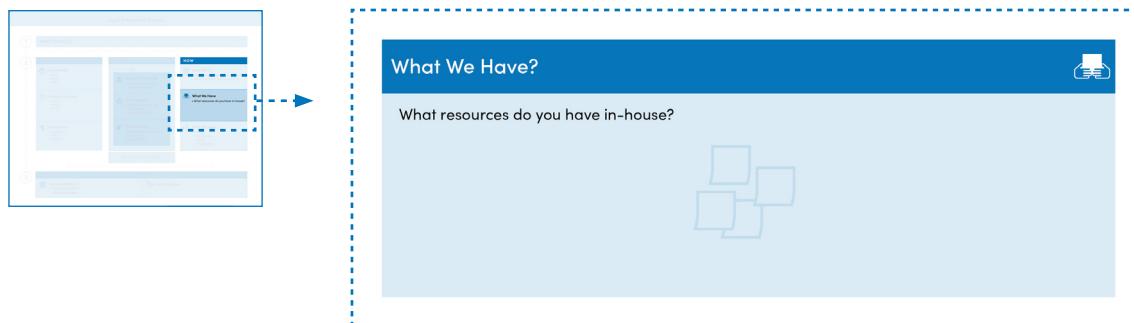
Write down all the activities needed to support your potential new service offering. Activities to get you and your staff the skills you need, for example, should be included. What do you need to do to ensure you'll be offering a quality service? This forces you to take a close look at whether all of these activities are feasible.

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What We Have

Delivering on your new Value Proposition requires certain resources. You need to define which of those resources you will maintain in-house, as opposed to resources you'll find via contractors or industry partnerships. You'll do this in the What We Have section, (called the Key Resources section in the Business Model Canvas). It asks which activities in the What We Do section your firm would best handle internally.





For example, for Stitch Fix to deliver on its promises, it needs technology development and maintenance, fashion designers, content creators, warehousing for physical goods, and supply chain expertise.

Stitch Fix might already have warehouses and supply chain experts. It might also be planning to implement new technology to deliver this service. If it wants to maintain that in-house, that would go under the **What We Have** section, too.

However, the company might want to fulfill its need for fashion designers and content creators via contracting, so those resources would not go under this section.

To keep things simple, only list resources you currently have in-house. You may later wish to move some work done by outside contractors in-house, but that's for later, once the concept is proved. Investing a bunch of resources on developing more internal resources right away is just too much risk.

Add sticky notes to the Canvas to identify your current resources that will best deliver on client expectations. Do you have people in your firm that would be perfect for meeting the client's need for personal interaction? What about intellectual resources, such as content you've already developed and can repurpose? How about capital resources or physical space?

Map out what resources you have that you can leverage now. It's okay that you don't have every resource needed to deliver on your new service ideas. The next section will help you to fill in those holes, but right now you need to brainstorm what you can deliver immediately.

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ACTIVITY 9

Looking at What Resources You Have

List out all the current resources you'll need to execute on what's listed in the Key Activities section. The goal is to look at what you have available now. Your new service might capitalize on some particular expertise in your firm, or your firm's case management skills. Being better at some aspects of a service than others is actually a good sign: It tells you where you'll need to connect with others, so don't be afraid to prioritize your best internal resources in this exercise.

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These two areas are crucial for defining your “secret sauce”—the kind of work that makes your firm special. By focusing on What We Do and What We Have, you'll know which aspects of your new service can and should be handled internally, and where you might need help.

In the next section, we'll address how your firm can leverage contractors, work with people or tools outside of the firm, and build a team to best deliver on your new service's promises.

What We Need

It's easy to feel alone when taking on service design work. But it doesn't have to be that way. With the Legal Innovation Canvas, we want to inspire you to connect with your larger community. Contrary to popular belief, no one does it alone. **The best way to become a thriving, client-centered law firm is to leverage your connections and work with other experts to succeed.** We'll do that by filling in the final area of the *How* section with the right stakeholders and partnerships.





The What We Need area is an opportunity to identify what you're missing. When you listed the Key Activities required to deliver your service, then identified your internal resources, you may have noticed a few holes. That's okay. This is what partnerships are for.

In the What We Need area, post sticky notes with the names of tools, companies, and people who can fill in for what you lack. Each added partner should correlate to a particular Key Activity. This makes sure you pick the *right* people and tools for the *right* job. Don't force a square peg into a round hole here just because you like the idea of working with someone.

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ACTIVITY 10

Filling in Gaps with Partnerships and Tools

This is where we start to get a bit more specific. You'll want to list out specific names, tools, and companies that can fulfill your resourcing needs, whether that requires outsourcing or partnering up. Think about which partners and tools will help you deliver the best possible experience for your clients with your new service idea.



No need to think about the costs of adding outside help yet. We'll cover that in the final section of the Legal Innovation Canvas. As the book *Business Model Generation* puts it, what you need now is to identify "the network of suppliers and partners that make the business model work."

Implicit in that definition is an argument that you shouldn't do it all on your own. That might sound odd to the solo lawyer, but as I wrote in the book *Lawyer Forward*, going it alone is unhealthy and—in the rest of the business world—unusual.

Key Partnerships allow you to assign the right work to the best providers. That will not always be you.

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Here are a few advantages to teaming up with others:

- **Acquisition of particular resources and activities:** Looking back at the Key Activities necessary for your Value Proposition, do you see things you shouldn't be doing yourself because you aren't the best person for the job? Or are there jobs you simply don't want to do? You can add capabilities by partnering with others or hiring contractors or service providers (the main purpose of this section of the Canvas).
- **Reduction of risk and uncertainty:** If you're looking to add new services, it can be scary. How do you know you have good data about client preferences? Or the finances to float a trial run? By teaming with other professional firms in creative ways, you can spread the risk.
- **Optimization and economy of scale:** The most common justification for relying on Key Partnerships is a desire to grow quickly. While your firm can't hire a huge staff tomorrow, you can quickly build multidisciplinary teams with other firms and organizations to do more work more effectively.



Obviously, coordinating with outsiders is a challenge. In order to facilitate these connections, you might eventually need to find someone with a project management background and knowledge of sourcing work. That person—who I call the Legal Supply Chain Manager, also called the “resources” person—will coordinate your Key Partnerships effectively.

There are several marketplaces in the legal space where you can get help with your services, such as [LAWCLERK](#) and [Hire an Esquire](#).

Once you've identified what you must do to deliver this new service, the resources you have internally to deliver it well, and what kind of external support you'll need, you've got a *How* that's intimately connected with your *Who*. With your Value Proposition (*What*) as a strong bridge between that supply and demand, your potential new service idea has held up so far. But there's one more filter your idea needs to pass through.

It's time to talk about the money.

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CHAPTER 6

The Money Question

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REVENUE AND EXPENSES

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If you're like me, you've probably thought about money the whole time you've been reading this guide. And, if you grew up seeing money as a heavy constraint, it's hard to have the expansive mindset of the entrepreneur. I'm sympathetic to that.

And that's why the Legal Innovation Canvas separates the financial filter from the *Who/What/How* filters. **If you get ahead of yourself and think about money first, you'll undermine the process.**

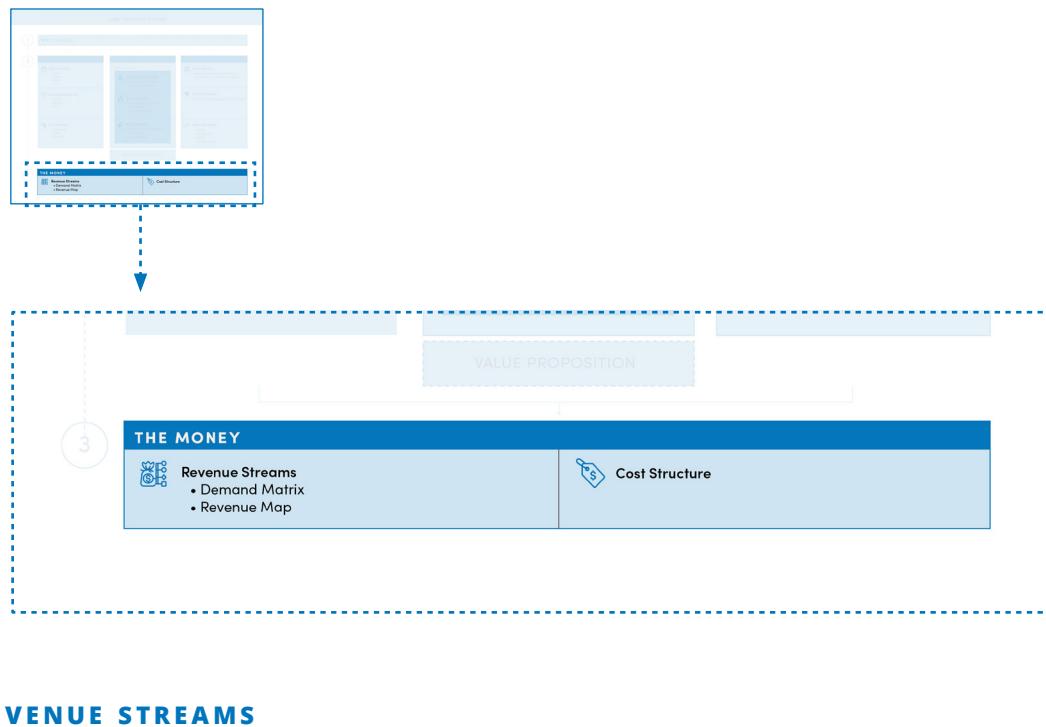
Remember: The Legal Innovation Canvas is a quick tool for testing the viability of a new service idea. You can never model your new service if you immediately focus on constraints. **So please don't address this chapter until you've put your idea through the paces of the previous chapters.**

Did you skip ahead? Do you need to go back and address your *Who, What, and How?* Then go do that. We'll be here when you get back.

If you've done the work of connecting supply and demand for your potential new service idea using a client-centered Value Proposition, then it's time to gauge the economic viability of your new idea. That means sorting out the possible **Revenue Streams** and **Cost Structure** that come with fulfilling this new service.



To get started, let's address Revenue Streams.



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REVENUE STREAMS

Mapping out a hypothetical revenue model will not require elaborate projections or even pricing specifics at this point. Potential pricing structures could include hourly billing, flat fees, subscription services, contingency, and hybrid models. However, pricing is a science that requires constant testing and feedback loops, so here we're going to keep this fairly high-level. This is not an elaborate business plan like the ones entrepreneurs hand off to investors.

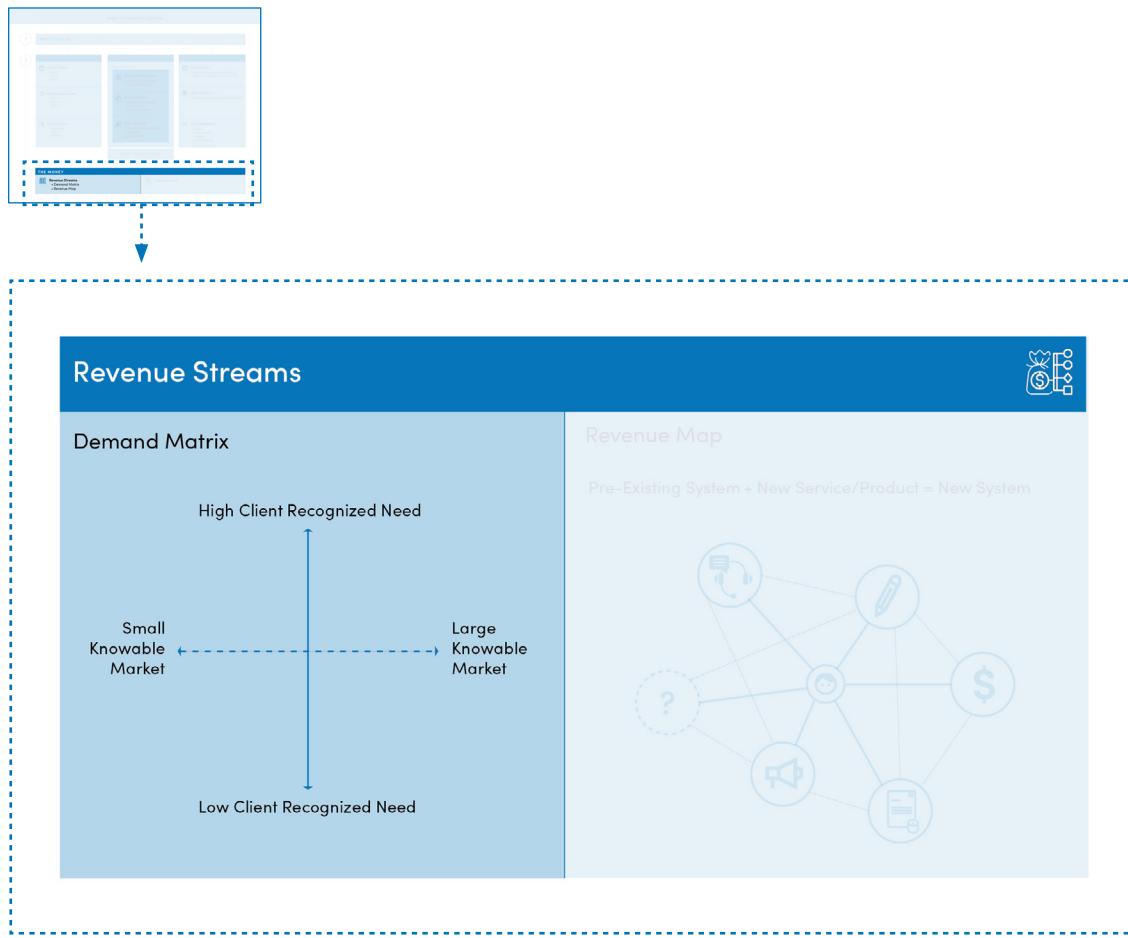
To get started, you'll need to complete two charts:

- **The Demand Matrix, and**
- **The Revenue Map.**

Let's take them one at a time.



The Demand Matrix



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This tool is the **Demand Matrix**. It is a test that approximates the *value* that you can take in and the *resources* needed to deliver value in return.

The Demand Matrix creates four possible states by overlapping the extremes of two questions:

- How clearly does your client recognize a need for your service?
- How large is your knowable market?



Recognized need illustrates how poignant a pain or desire is for your particular Client Profile. For example, if a person's neck is bleeding, their need is very poignant; if they're not super hungry but could really go for a cheeseburger, that need may not feel so poignant.

Notice that we aren't estimating *actual* need, but recognized need—not by you, but by your client. Your imagined service is probably helpful. At this point, we're questioning how much a client *realizes* she needs your solution.

When your potential client feels a pain or desire very acutely, then she will be willing to pay more to resolve it (if she is able). This also reduces the need for a long and costly sales process.

So, does your new service respond to a high or low recognized need?

Once you've approximated your Client Profile's recognized need for your service as relatively high or low, consider the size of your knowable market.

A **knowable market** is a market you can find. It's not simply a question of *who* could benefit from your service, but *who you could realistically persuade*. Your potential clients' jobs, pains, and gains must match the Client Profile you outlined in Chapter 3, and they must be *aware* of that.

If you can't realistically reach someone because the jobs/pains/gains of your hypothetical client for your new service are too vague—i.e. "This service is for anyone who wants to live a better life"—then you can't estimate a knowable market. Similarly, if the criteria yield a target market that's too small—"This estate planning service is for people born between 1960 and 1962 and takes advantage of an obscure tax law only applicable if they have savings of over \$1 billion"—that won't work either. You're looking for a market size that's just right. For example, "This service is for family law clients whose needs intersect with a special education case."

So, consider how large a market there is that you could reasonably reach and successfully market your service to. Is it small or large? No firm numbers are needed here: just a rough estimate.

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ACTIVITY 11

Assessing the Potential Market for Your Idea

Put your potential new service offering idea where you think it belongs in the Demand Matrix. How well does your potential client (taken from your Client Profile for this particular Legal Innovation Canvas) recognize the need for your service? How important is it to them?

Then, ask: How big is the estimated target market you could feasibly reach and sell this service to?

There are a number of next steps to take depending on where your idea falls, but if there's a low recognized need and a low knowable market, you'll definitely want to think twice before moving ahead with this idea.

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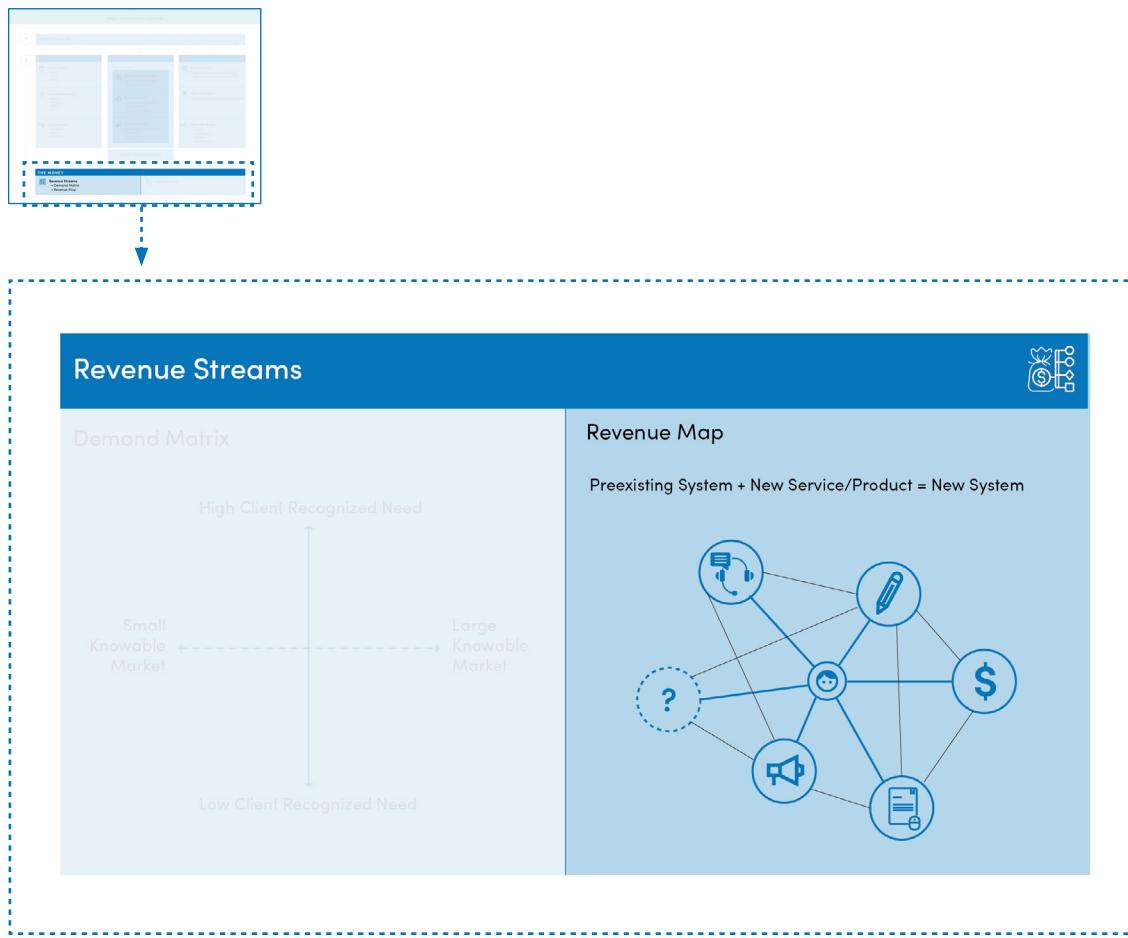
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When you track estimated market size against a client's recognized need, you'll have a sense of how many people you can realistically sell to and how high demand is for your service. This will give you valuable information about the levels of revenue to expect.

If you have a high recognized need and small knowable market, you can expect to price high per transaction but not have many transactions; if you have a low recognized need and large knowable market, you may bring in a lot of revenue overall but your revenue per transaction will be low, and so on.



The Revenue Map



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The Revenue Map helps you define relationships between your different service offerings. It is flexible. Every firm has a different bundle of service offerings, so this tool must adapt to be useful.

The Revenue Map, then, is more about relationships between different service offerings at your law firm than it is a simple snapshot of revenues for your particular offering. It shows you how your new service fits into the big picture. This is important because your law firm is a preexisting system and your potential new service must work within that system.



To create your Revenue Map, you should use a few simple visuals¹:



ACTIVITY 12

Looking at How Your New Idea Fits in with Your Firm

Write down how all of your current service offerings connect with each other, and how your new potential service idea would fit in, using the following framework:

- Service: Put a sticky note on the wall to represent each current service.
- Connection: Use arrows and simple icons to describe how your potential new service connects to existing services at your law firm. Does one feed money to the other? Or content and other IP? Or market demand? How does this new service contribute to your existing services?

For example, if your service is a chatbot that gives legal information to help clients represent themselves for a flat fee, but that also gives the option to contact the firm for full representation if needed, your new service could help drive clients into the regular service offering of the firm, driving more revenue.

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¹ These are adapted from Donella Meadows' definition of a system, which she says is "an interconnected set of elements that is coherently organized in a way that achieves something."



A great example of a Revenue Map is Walt Disney's visual business plan from 1957, which this *Business Insider* article displays.

Disney identified an exchange of resources between the different elements of his overall business. **He recognized that, in order to succeed at a large scale, his revenue ideas couldn't be one-offs. They needed to fit into a bigger picture.**

In the same way, you should know where your new service fits into your firm's bigger picture. When pricing your new service, you can and should factor in how it contributes to other elements of your business.

Costco's \$4.99 rotisserie chicken, for example, is a revenue loser, but it gets people in the door. Freemium model software products are designed this way as well. You can't consider your revenue without recognizing the connectedness of your firm's services.

How might your new service connect to your existing firm? Could it bring in cross-selling opportunities that provide leads for other parts of the business? Will it provide content or intellectual property resources that can be leveraged elsewhere? Might it justify adding staff that could be useful in other firm activities, like a Legal Supply Chain Manager (or "resources" person) who could keep the trains running on time?

Identify the ways in which this new offering contributes to or gets in the way of the rest of the business. That will help you know whether you're building the law firm flywheel discussed in *The Client-Centered Law Firm* or a distraction you'll regret later.

Once you've modeled your Demand Matrix and Revenue Map, it's time to consider your expenses.

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COST STRUCTURE

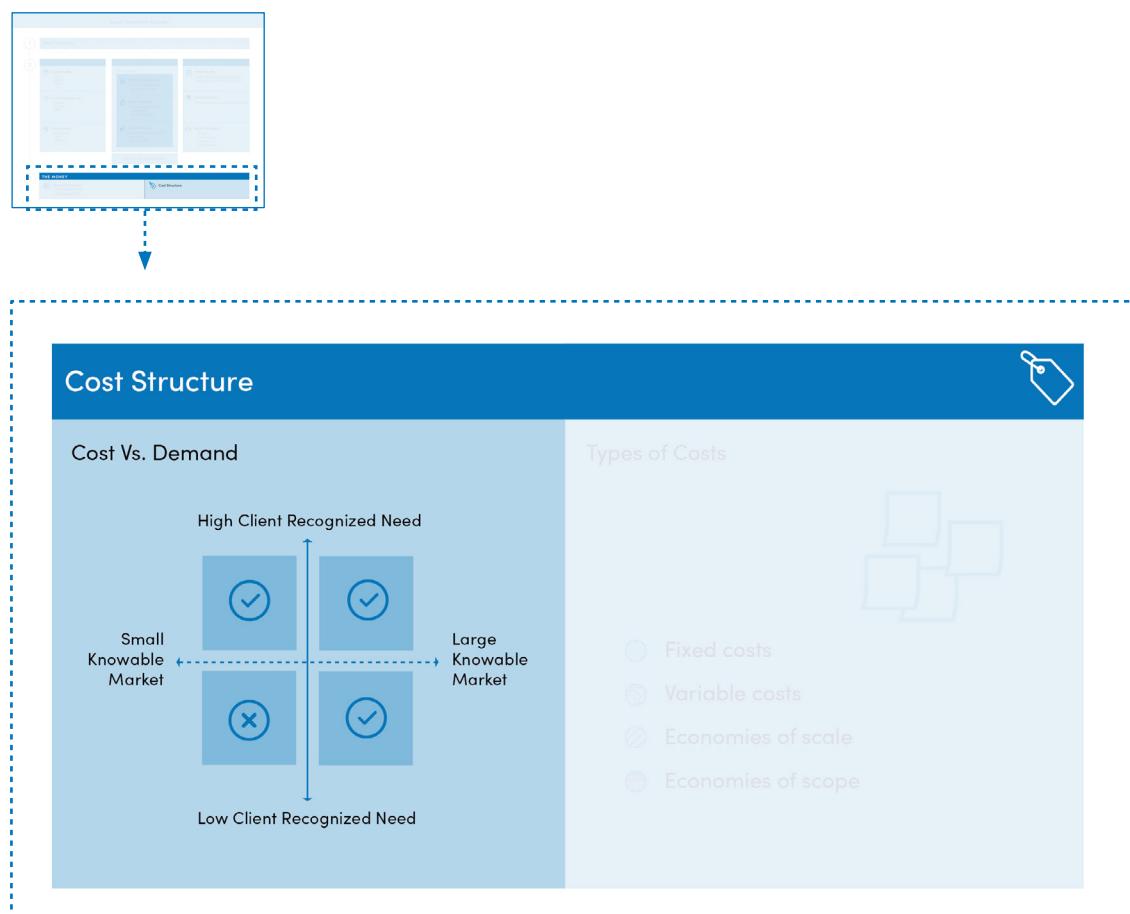
Like your Revenue Streams, defining your Cost Structure involves some oversimplification. You are modeling for the purpose of testing viability quickly. No one is going to grade your work, so give yourself a little freedom as you imagine how you'll handle expenses involved in your new potential service offering. Just don't leave out any big-ticket items—and remember to pay special attention to this area if you actually move forward with your new service.

Here are a few concepts that will get you started:

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Cost Vs. Demand



Let's talk about controlling costs. It might seem like a given that companies, including law firms, should keep expenses down. But that depends partly on your revenue model.

Take a look at your Demand Matrix. One corner of that matrix is for services that have a high recognized need but small knowable market. That's usually a formula for high prices and highly customized services.

If you want to play in that area—and many lawyers do—then you need to plan on large expenses. Factor in the time you'll need to deliver this new service, as well as any new tools or resources, either in-house or outsourced.

You should always focus on providing value to your clients from their point of view. And if you've identified a high-priced, highly-customized niche with your Demand Matrix, you'll probably need to factor in a high cost of delivery.

If you're in a different quadrant of the Matrix, like a low recognized need and a large knowable market, you can still provide a lot of value. But your prices won't be as high, and you will need to control expenses.

Southwest Airlines is the common example for this type of situation in the broader business world. Their target market is large—people who want cheap flights. But the recognized need is so-so—if the price isn't low enough to justify the difference in experience, these people may still opt for a competitor.

On some level, achieving the kind of no-frills success Southwest has requires a dramatic resetting of client expectations. But, at the end of the day, Southwest Airlines is delivering value by giving clients exactly what they want: cheap airline tickets because they're not paying for anything they don't need.

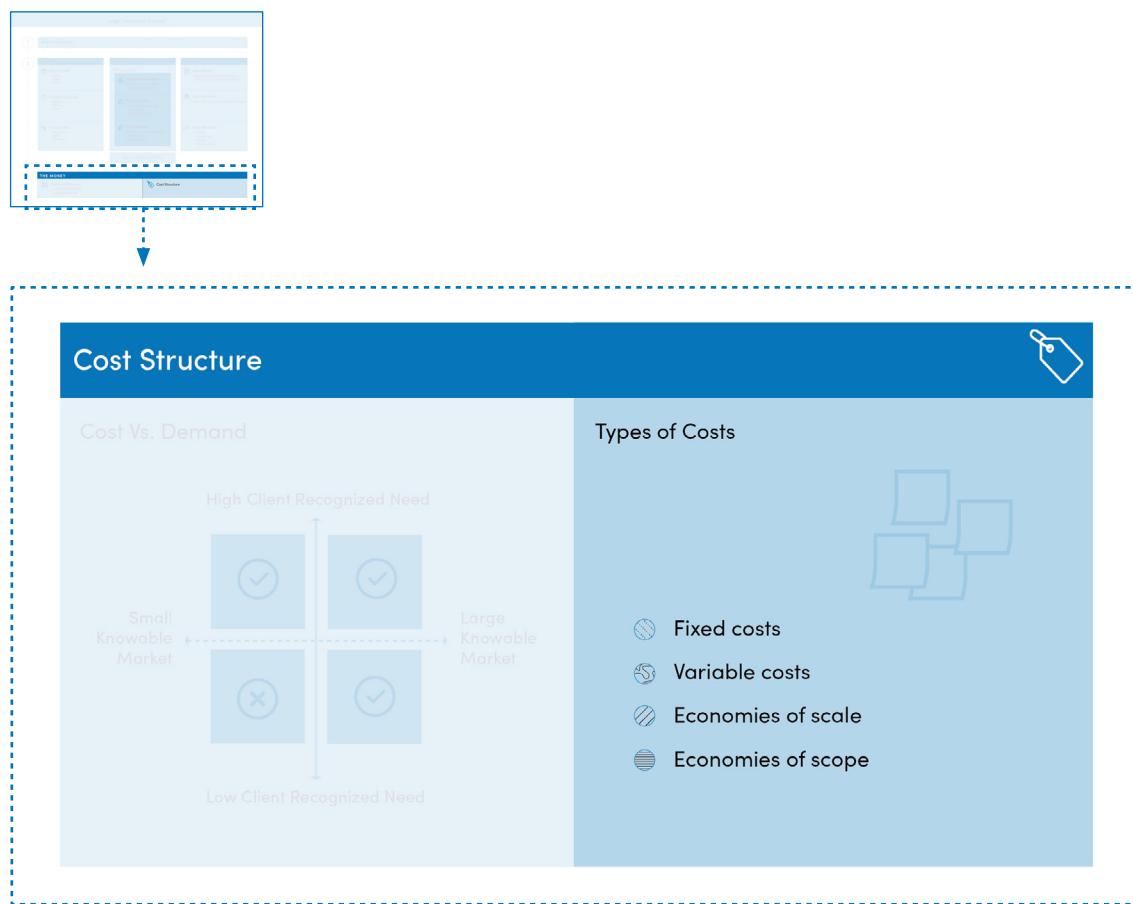
Note: Expect to pay significant marketing costs when making that kind of play in an industry like legal, which is known for its high-cost services. Even if your new service provides value, it can be difficult to get buy-in from clients if reasonably priced services targeting their true needs are not the norm.

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Types of Costs



In the *How* section, you identified the Key Activities necessary to deliver your new service, as well as what resources you have in-house and what support you'll need from outside. Now it's time to tally up the costs of those activities.

Put sticky notes on your Canvas to identify the most important and new costs. This will be an imperfect exercise and you should embrace that. Of course any new service should be credited with a certain amount of office rent in a true accounting, for example, but that's not the purpose of this model.



Using a simple cash in/cash out model, identify the new and significant costs that come with the new service. As you do, mark them using a symbol to distinguish these different cost types:

- **Fixed costs:** These are costs that will be added no matter how many times you sell the new service. This would include things like salaries, rent, brand marketing, and certain software subscriptions.
- **Variable costs:** These are costs that shift with the number of sales of your new product. This would include things like contractor expenses, sales processing costs, and delivery costs.
- **Economies of scale:** Though this advantage is rare in personal services such as legal services, some costs are reduced as you sell more. Expenses such as educating staff are an example of a cost that can be spread out as more services are delivered.
- **Economies of scope:** This relates to the Revenue Map you created earlier. What costs go down as you spread them between complementary services in your firm? For example, a bot that answers questions for website visitors is a cost, but if it's a lead source, then those costs can be borne by other parts of the business. Identify which new costs are helping other service offerings.

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Once you've mapped your significant new costs and marked them according to the categories above, you'll have a good idea of the Cost Structure for your new potential service. There's no need to break out a spreadsheet, but you *should* look at whether or not, with a quick estimate, your new service idea will be profitable. Think about what you could reasonably charge based on the Demand Matrix and compare that to the sum of all costs related to the new offering. If you're in the red, it's probably not worth moving forward with the new idea.





ACTIVITY 13

Considering Costs

List out all of the most important and new costs related to your new idea. Do this quickly, but mark down their cost types with the appropriate symbols to give yourself a better idea of the true cost of the service.

At this stage of the Legal Innovation Canvas, assessment is simple. If you think you can reasonably charge more than what the service will cost you to deliver, you've got a potentially profitable idea. If not, it's time to scrap it.

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With the principles listed here, you're empowered to model the profitability of your new service idea. But here's the truth to keep in mind as you map out your financials: **A model is never reality, it is a representation of reality.** That means that your financial projections will be wrong.

Still, as British statistician George E. P. Box said, "All models are wrong, but some are useful." **In this case, financial modeling helps because it will alert you to a dysfunctional financial plan.**

If you can't make the money work on paper—an environment that assumes the best-case scenario—it'll never work in the gale force winds of real life. But if your idea passes this first financial filter, along with the others present in the Legal Innovation Canvas, then that's your signal to dig in deeper. Take a closer look at whether the finances will actually work out and de-risk this aspect of adding your new service as much as possible before moving forward.

To help you put this and other stages of the Legal Innovation Canvas in context, let's put Justie's and Jon's ideas to the test.



Part III

Implementing Your Idea —or Not

CHAPTER 7

Making Decisions

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JUSTIE

In this final section, we'll apply the Legal Innovation Canvas to Justie's and Jon's ideas. Our goal is to illustrate how you might turn the theories behind this guide into practical action.

We also want to look at how the Legal Innovation Canvas works as a whole. If you've been taking your time following along with the activities, that's great. **However, you should be able to complete the Legal Innovation Canvas in about a two-hour afternoon session with a small team.** This ensures you're not drawing out the filtering process and investing a lot of mental energy in an idea that might not work. Deliberate and honest, but quick, is the name of the game here.

During your brainstorming phase, you came up with several good ideas. But that's not enough.

Frankly, good ideas are everywhere. **Develop a habit of constantly putting solutions into a notebook, and you'll be shocked at how productive your creative brain can be.**

Justie and Jon often find themselves in this brainstorming process. They are true CEOs of their firms at this point, focused more on development than on substantive legal work. As owners and innovators, they are solutions engines. But they need to filter their ideas to decide what to invest in.

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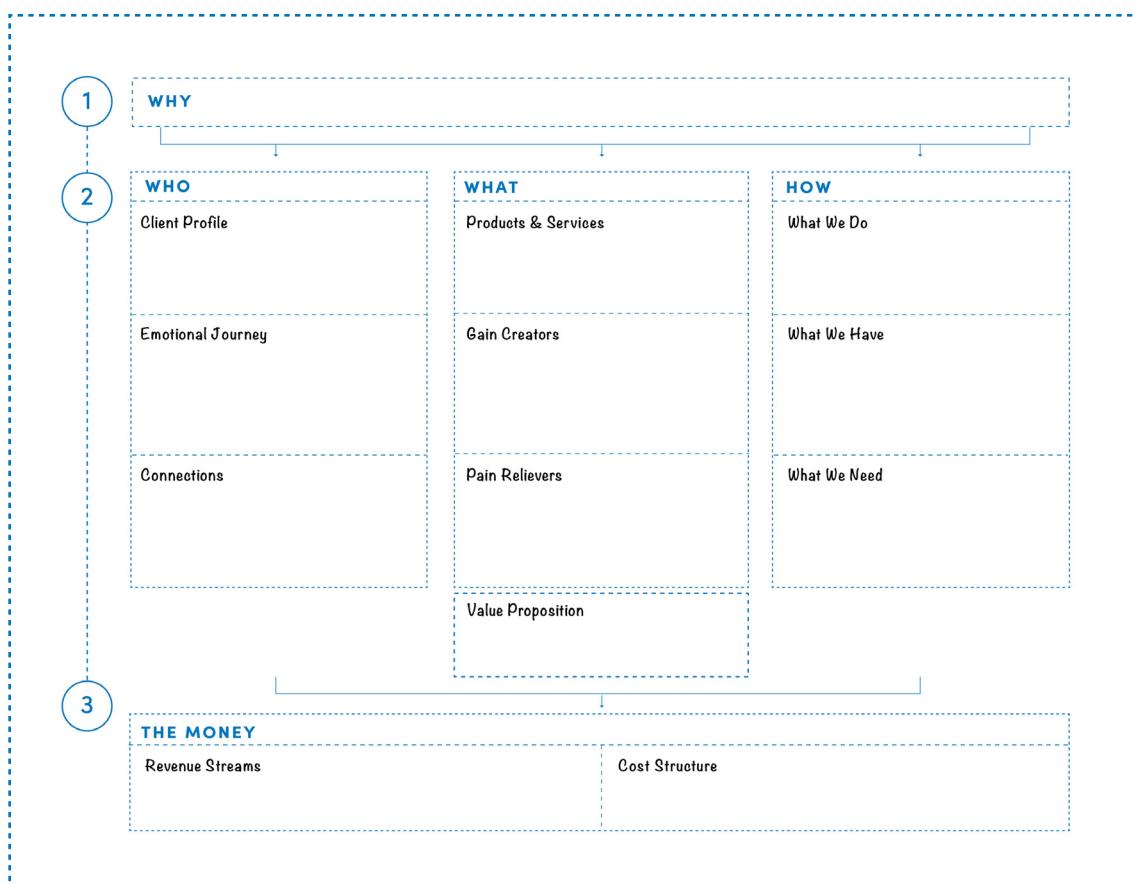
As I mentioned earlier, they both have experience using a version of the Business Model Canvas. Justie worked with John Grant, whose ideas were instrumental in designing the Legal Innovation Canvas. John taught Justie to use a canvas for her overall business design. That helped add so much clarity that Justie was eager to learn about a similar process for testing new service ideas.

So let's start with Justie's idea of adding family law services to her criminal law firm.

To begin, Justie would want to outline the Legal Innovation Canvas on a big wall. The easiest way to do this is with painter's tape or a whiteboard.

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Here's the outline:



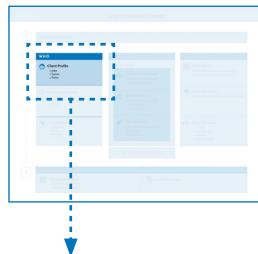
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Now Justie and her team will populate the different squares to assess her potential "How Might We" solution around divorce law.

She knows her *Why*, so let's begin this exercise by filling in Justie's *Who* section.

First, let's do a **Client Profile** for a prospective buyer of family law services.



Client Profile		
CLIENT JOBS <ul style="list-style-type: none"> • Get divorced • Feel independent • Make confident decisions • Keep kids in school 	CLIENT GAINS <ul style="list-style-type: none"> • Voice heard • Think through long term • Respect from family • Tips to avoid drama 	CLIENT PAINS <ul style="list-style-type: none"> • Getting "screwed" • Too expensive • Kids dealing with drama

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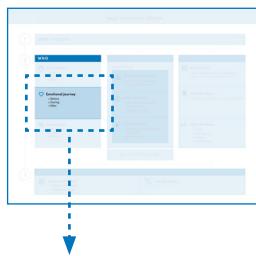
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Justie's team will brainstorm the pains, gains, and Jobs to be Done. They don't need to wait for reams of data or elaborate client surveys to complete this section. She needs a quick-and-dirty model to filter to her best ideas. Ideally, as a client-centered law firm, Justie regularly listens to feedback from her clients and is in tune with what they need. Once she has filtered ideas using those client insights, she'll put more resources behind testing.



Having completed the Client Profile, Justie's team will define the emotional transitions of clients who receive the proposed service. Where are they starting emotionally? How will they feel during the service? Where does the team hope they'll end up?

Using sticky notes, the team will define the three segments of the **Emotional Journey**.



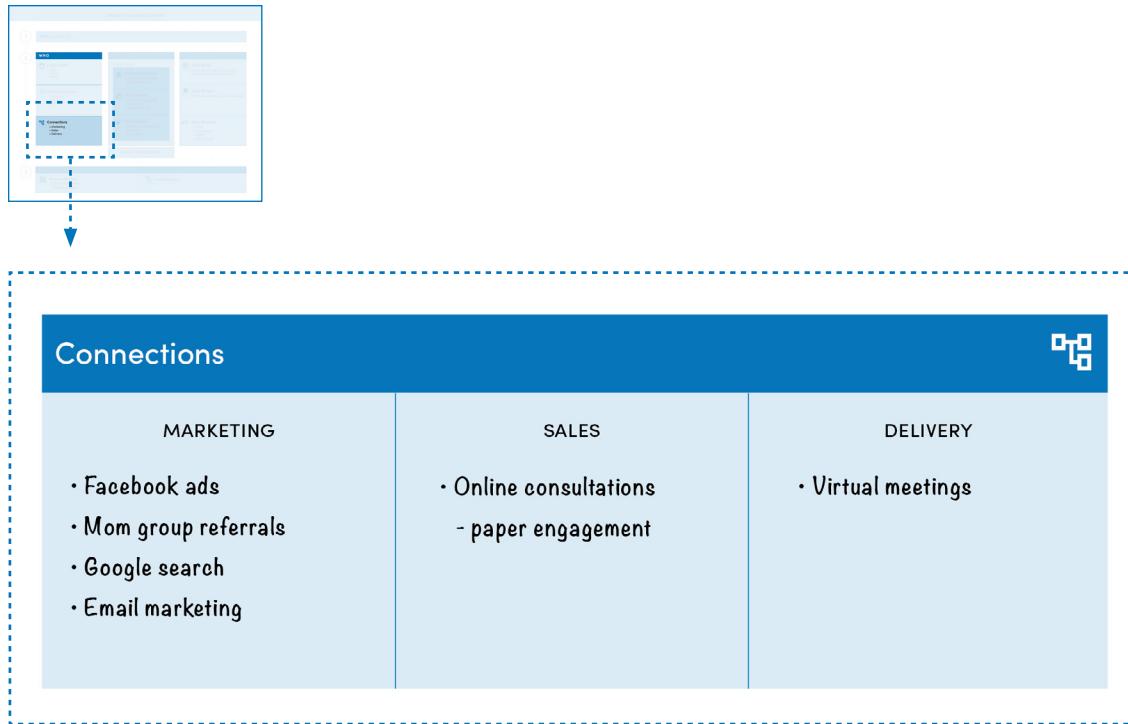
Emotional Journey			Heart icon
BEFORE	DURING	AFTER	
<ul style="list-style-type: none"> • Confused • Scared • Resolved • Impatient • Angry 	<ul style="list-style-type: none"> • Confused • Overwhelmed • Cared for • Informed • Served 	<ul style="list-style-type: none"> • Relieved • Scared • Optimistic • Empowered 	

Finally, Justie's team will complete the *Who* section by defining their Channels. Where will the team interact with prospective and engaged clients? What platforms will they use to market to, sell to, and serve clients?

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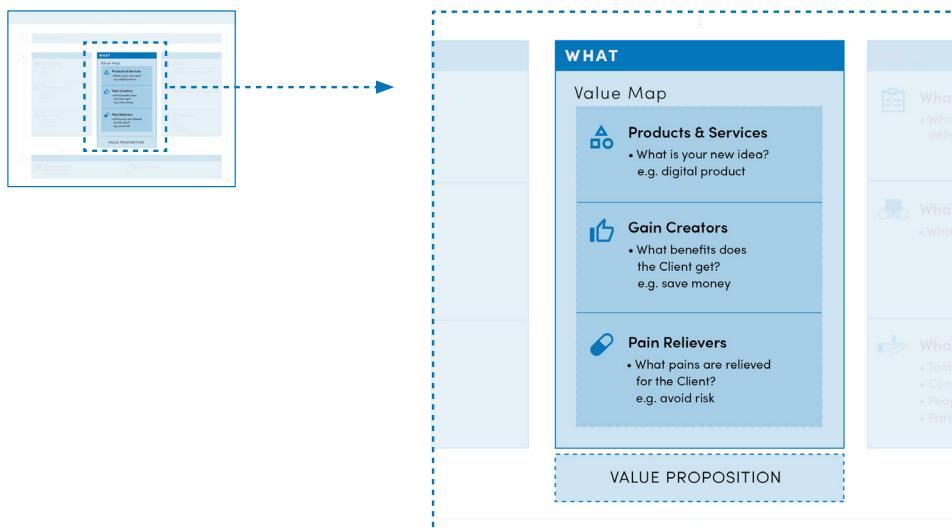


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Having completed the *Who* section of their new service, the team will move on to the *What*.

Using the **Value Map** section of the Canvas, they'll identify which jobs, pains, and gains their new service addresses.



Products & Services



- Divorce planning session
- Educational video series
- Professional referrals
- Financial review
- Divorce litigation
- Monthly email
- Company podcast

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Pain Relievers



- Connection to experts
- Easy visual updates
- Dedicated personal contact
- Financial planning
- Temporary orders with kid rules

Gain Creators



- "Day in Court"
- Access to educational content
- Helps make decisions



If there is a match between what the service offers and what the client needs, there is **Fit**.

Value Proposition

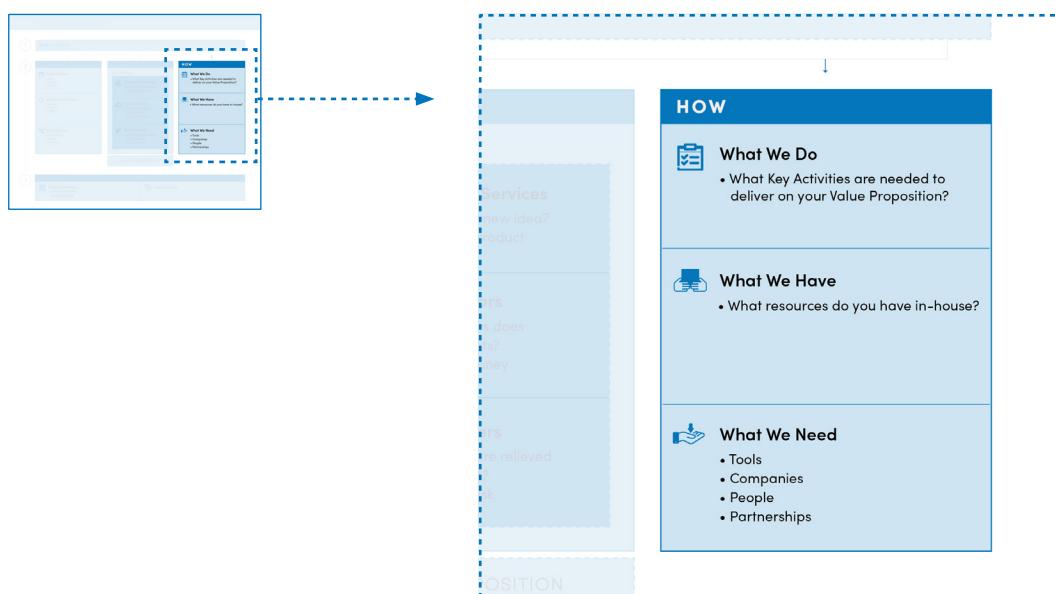
We help clients get an affordable and empowered divorce using a personally-assigned lawyer and accessible content to help divorce clients make informed choices.

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If the team has established Fit, the last question is this: *How* will they fulfill the services?

To do this, they will brainstorm what activities are essential to delivering on their promise. Then they'll identify which activities can and should be done with in-house resources and where they can look for the outside resources that'll fill in the gaps.



What We Do?



- Case management
- Connect with experts
- Training on emotional intelligence
- CLE -> forms pipeline

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What We Need?



- Facebook ad support
- Design for content
- Video editing
- Ethics expert for referrals

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What We Have?



- Support staff
- Email system for constant contact
- Secure client portal



Within a brief office session, Justie's team has put her idea through a filter. They've found a need that they can fulfill, as well as how they'll connect to other providers in order to deliver well.

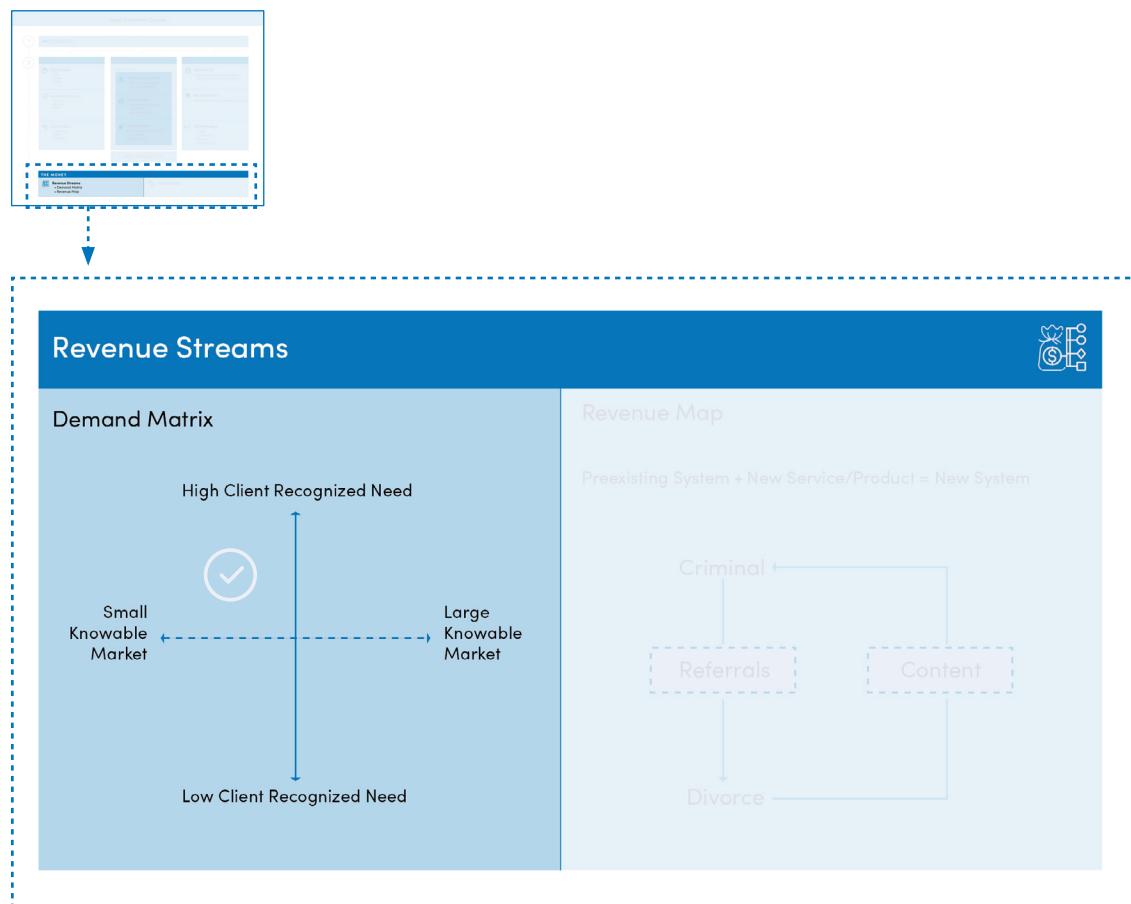
On paper, this feels like a winner. But before she invests in testing, Justie will need to run the numbers on potential Revenue Streams and Cost Structures. The new service will need to be profitable in order to justify the expense, so she does the math.

She begins by putting her idea through the Demand Matrix.

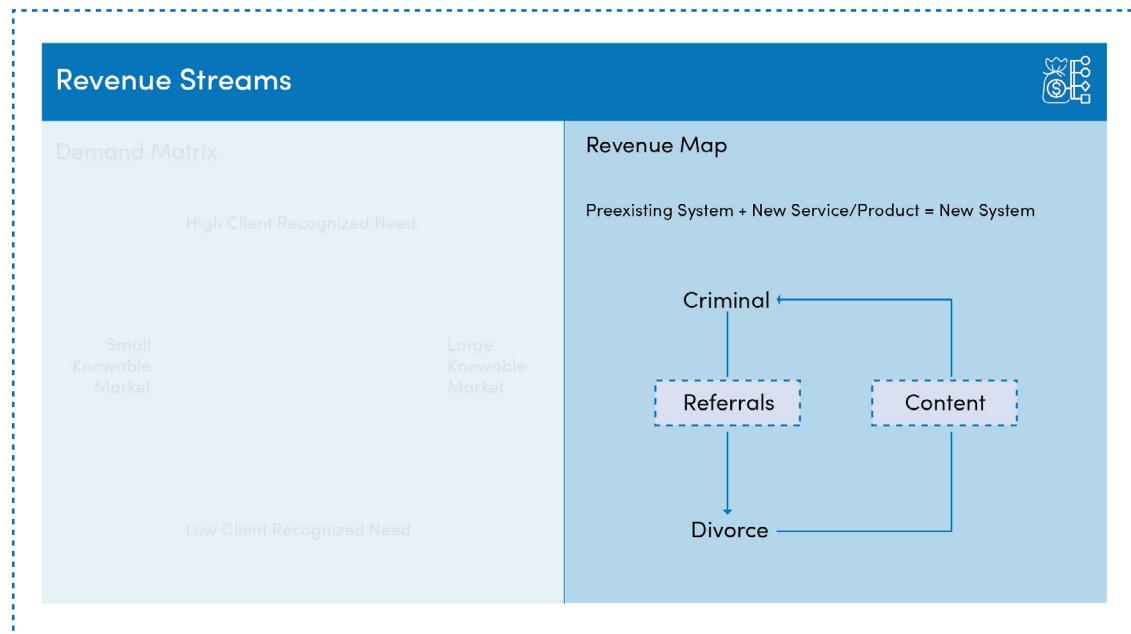
Justie notices that her new service involves a strongly recognized need and a relatively small knowable market. If she can deliver high value, maintaining costs at a level necessary for quality service, her Revenue Streams and Cost Structures will align.

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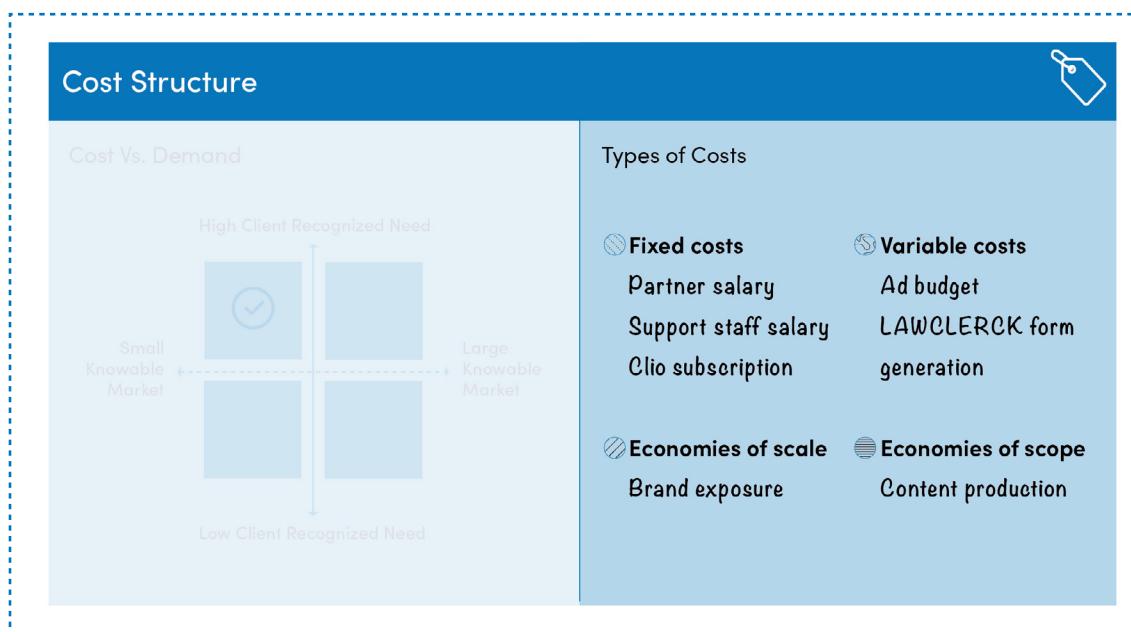


Then, Justie outlines her Revenue Map.



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Recognizing that her firm's new family law services are complementary to her existing systems and process, rather than destructive to them, Justie sees that she has found a winner. Her idea has passed through all the sections of the Legal Innovation Canvas and she's got a rough plan to fine-tune and execute on.

These filters helped Justie avoid the expense of experimenting unwisely. Using a model, she was able to prove her new idea has legs.

Justie had an idea, and now she has a path forward.

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JON

How might Jon use the Legal Innovation Canvas in his practice?

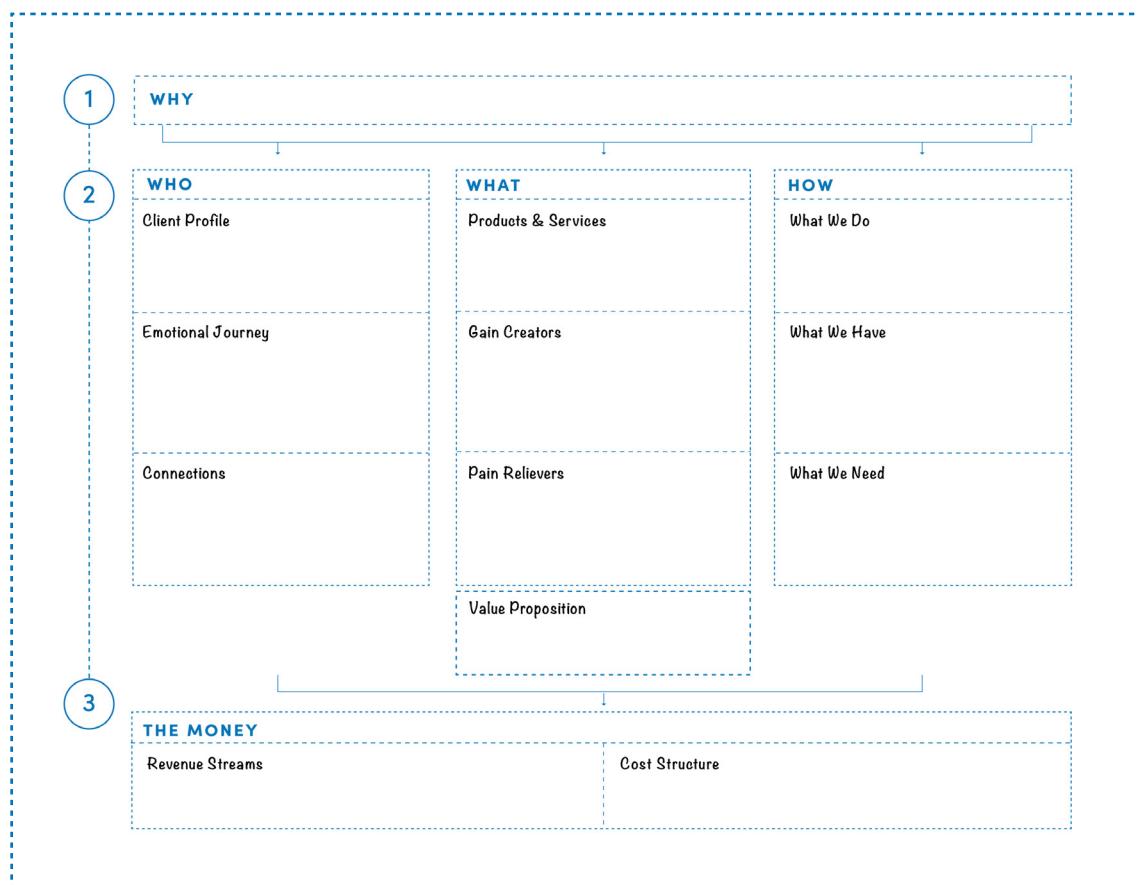
He's previously used a tool called the Lean Canvas, an iteration taken from his early career as a software engineer. As was true for Justie, Jon was excited to try a canvas tool more adapted to the legal context.

So, let's try this again with Jon's idea of adding estate planning or wealth protection services to his business practice targeted to creative entrepreneurs.

First, he maps out the Legal Innovation Canvas on the wall ...

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Then Jon and his team develop a Client Profile. He wants to test this new idea for his subscription clients, so his Profile will reflect that group.

Jobs to be Done, gains hoped for, and pains to avoid, all quickly up on the board.

Client Profile		
CLIENT JOBS	CLIENT GAINS	CLIENT PAINS
<ul style="list-style-type: none"> • Protect investments • Help spouse feel secure • Leave a legacy • Plan for children • Make transferrable assets 	<ul style="list-style-type: none"> • Complete money plan • Help with questions • Ability to focus • Quick wins 	<ul style="list-style-type: none"> • Paying attention to money • Spending time • Confusion • Worry

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Now the Emotional Journey. How will clients feel before, during, and after the service?

Emotional Journey		
BEFORE	DURING	AFTER
<ul style="list-style-type: none"> • Distracted • Worried (vaguely) • Busy 	<ul style="list-style-type: none"> • Annoyed • Distracted • Confused • Informed • Educated 	<ul style="list-style-type: none"> • At peace • Done • Excited to focus



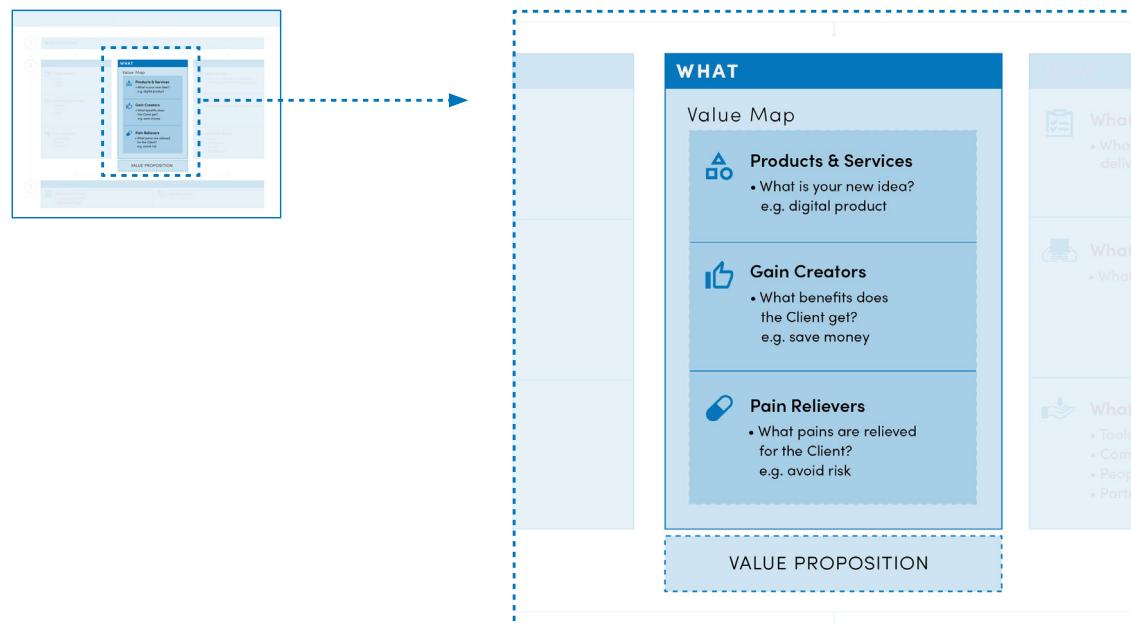
Finally, Jon's team will outline Connections. In terms of marketing, sales, and service delivery, how will the firm connect with clients?

Connections		
MARKETING	SALES	DELIVERY
<ul style="list-style-type: none"> • Existing subscribers 	<ul style="list-style-type: none"> • Online signup 	<ul style="list-style-type: none"> • All virtual • In-person signings

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Alright, *Who* is finished. Let's transition to *What*.



Products & Services



- Planning session
- On-demand calls
- Quarterly reviews
- Educational content

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Gain Creators



- Helps create focus
- Educates
- Adjusts to schedule

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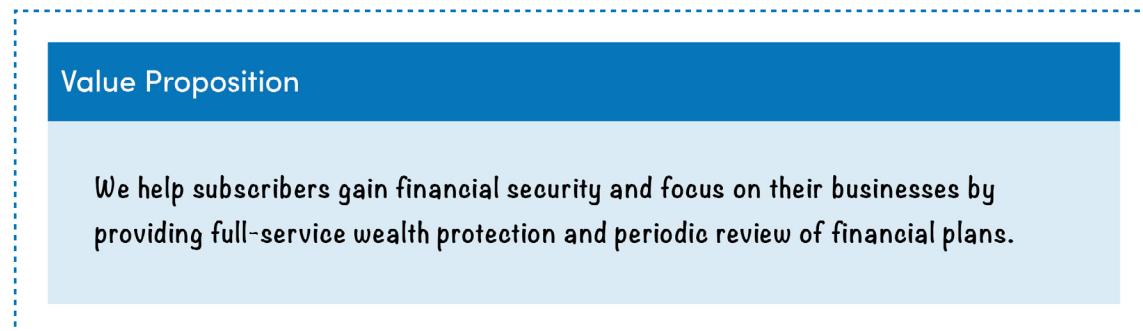
Pain Relievers



- Eliminates distraction
- Minimizes risk
- Avoids confusion



Mirroring the Client Profile, Jon's team completes the Value Proposition Canvas ...



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Now they look for a Fit, or the bridge between what clients want and what the firm will deliver.

Jon realizes that his subscription clients don't like services with delays. That pricing structure requires quick wins to be valued so clients feel that they're getting value each month. Because wealth services have long latency and require big-picture thinking, Jon worries that his subscription clients won't appreciate his Value Proposition. He feels there will not be a Fit.

Before jettisoning the idea of estate planning services, Jon's team could address *How*.

What are the Key Activities necessary for fulfilling the service, and what strategic advantages does the firm gain from keeping some of those activities in-house versus outsourcing or networking?

The team maps out answers to these questions ...



What We Need?



- Financial review
- Will drafting

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What We Have?



- Existing subscribers
- Associates
- Call scheduling systems

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What We Do?



- Regular asset review
- Accessible staffing
- Financial training

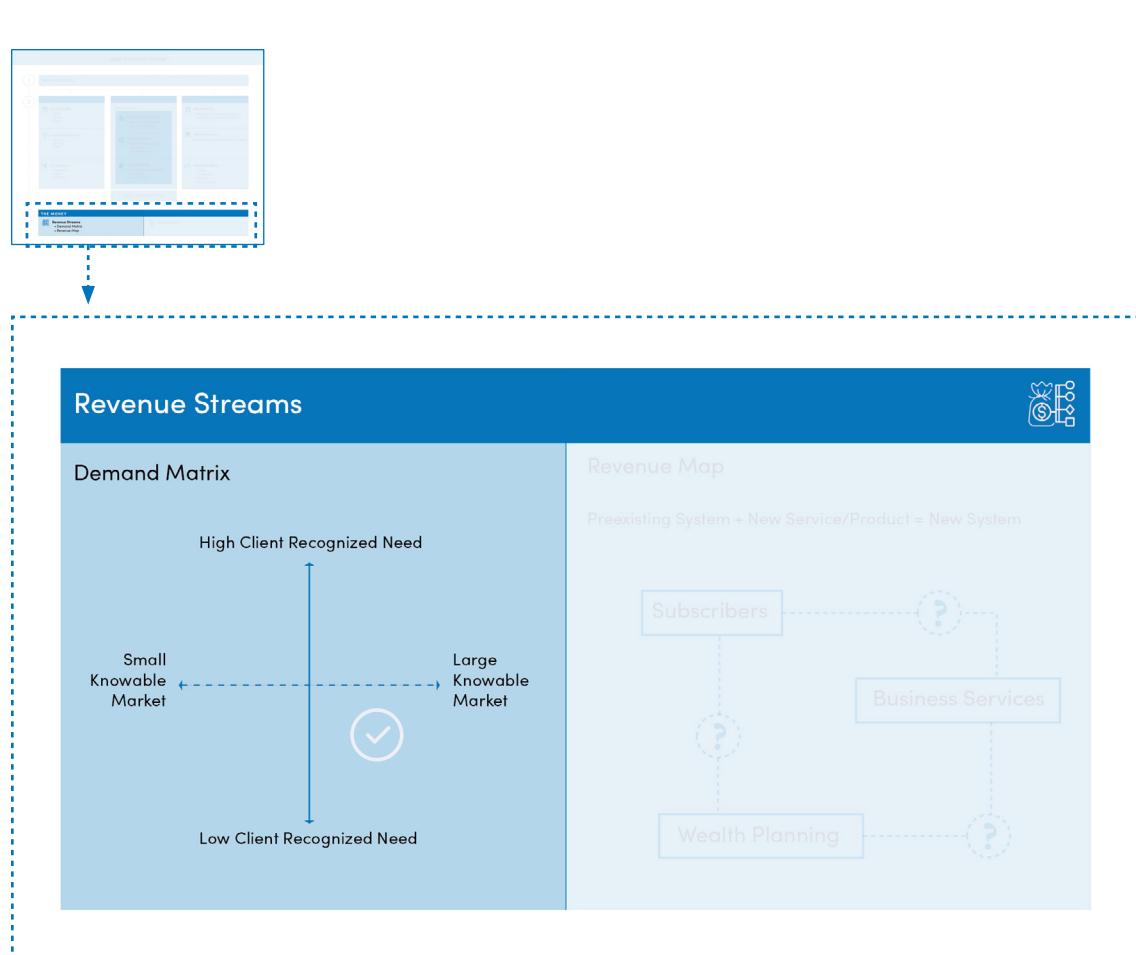


That's the main portion of the Legal Innovation Canvas done.

Before investing too much in a new idea, Jon and his team have asked hard questions of their innovation. They suspended judgment long enough to give it a real chance. They see an uncomfortable Fit between demand and supply, but they move on to the money.

Jon begins by evaluating market demand.

Here's how he completes the Demand Matrix:





Revenue Streams



Demand Matrix

High Client Recognized Need

Small Knowable Market

Large Knowable Market

Low Client Recognized Need

Revenue Map

Preexisting System + New Service/Product = New System

Subscribers

Business Services

Wealth Planning

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Cost Structure



Cost Vs. Demand

High Client Recognized Need

Small Knowable Market

Large Knowable Market

Low Client Recognized Need

Types of Costs

 Fixed costs	 Variable costs
Associate time	Marketing costs
Substantive training	Partner time

 Economies of scale	 Economies of scope
Added subscription service	



Jon's knowable market is fairly large—small, creative companies throughout California—but his market's recognized need for estate services is low. Having identified his channels for marketing, he realizes that the cost to persuade his audience of the need for this new service will be high.

The service also doesn't connect well in a Revenue Map, as it isn't a very logical contributor to other aspects of the business.

Having found a weak Fit between his *Who* and his *What*—and worried that the Revenue Stream and Cost Structure won't work—Jon rejects the idea for now.

He'll continue to develop ideas and filter them through the Legal Innovation Canvas. As he finds winners in terms of Fit and market viability, he'll focus on those.

This disciplined pursuit of the best ideas will help Jon execute on client demands. His innovation habit will feed healthy growth.

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Think you can do this activity? Let's try it.

YOU

Now that you've seen how two other lawyers might use the Legal Innovation Canvas to filter an idea, it's your turn.



ACTIVITY 14

Deciding Whether Your Idea Passes the Test

Your job is to schedule a two-hour session with your full team. If you're on your own, bring in advisors, family members, or your significant other. Even friends outside the legal space can be helpful.

The purpose is to brainstorm and then non-judgmentally pass your ideas through a thoughtful filter.

If your idea passes the test of the Legal Innovation Canvas, you're well on your way to designing your new normal.

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AFTERWORD

FILTERED

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As you've seen in this e-book, innovating is hard. If you're feeling overwhelmed by the ideas that flood in your mind, you might wonder whether innovating is even worth it.

In that, you are not alone.

Much about the legal space hasn't seen innovation in a century. From law schools to courtrooms to legislative bodies, calls for innovation have largely fallen on deaf ears.

Presumably everyone in those spaces has the best intentions. We all want to serve clients and society well. Frankly, I've found suggestions that we're gluttonous scoundrels pretty offensive. This seems more a question of structure than wills, and we won't see much innovation unless we find good competitive reasons for it.

Now that you know how to develop a habit of brainstorming and filtering ideas through the Legal Innovation Canvas, why would you?

Is it even worth it?

To address the "why" of innovation, consider an example from business writer Jim Collins, where he and his colleague Morten T. Hansen cover the relatively not-innovative tech giant Intel.



In their book *Great by Choice*, Jim Collins and Morten T. Hansen explain that some industries require more innovation than others. If a company doesn't meet the innovation threshold for its particular industry, it will fail.

For example, they note, the consumer electronics industry requires constant innovation. Samsung and Apple can't survive without some major product announcement every few months.

Airlines, in contrast, don't need much innovation to survive. We've been flying the same way for decades and not much will likely change in the near future. As Collins points out, innovation is not always a determining factor for whether a firm becomes a "10X company," as they call it.

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The two authors gave the example of Intel, a company that never claimed to be the most innovative. In fact, their motto was "Intel delivers." As Collins and Hansen wrote,

"Intel Delivers" explains Intel's 10X success much better than "Intel Innovates." Even more accurate, "Intel innovates to a necessary threshold, then blows everyone away—utterly, completely, fanatically, obsessively—with its ability to deliver on its innovations, at expected cost, with high reliability and great consistency." This is the essence of Intel's 10X journey.

As [Leslie Berlin said of the company](#), "What Intel needed going forward was not the courage to take great leaps ahead but the discipline to take orderly steps in a controlled fashion."

Collins and Hansen make it clear that execution is more important than any idea.

I mentioned at the beginning of this guide that ideas can sink your law firm. Investing limited resources in "giving it a go" can be incredibly costly. And, as [Nicole Bradick has written](#), the standard for viability in the legal industry is necessarily high.



So, to use *Great by Choice*'s language, what is the necessary threshold to which your practice must innovate?

My thoughts on that might surprise you. In the short-term, the innovation threshold for a law practice is incredibly low. As the coronavirus pandemic has made clear, relatively small and overdue innovations are having seismic impacts in the industry. When videoconferencing, e-filing, and PDF signatures count as earth-shakers, you know the threshold is low.

But this is a sneaky kind of low bar. Lawyers who accept the model handed to us in law school are unhappy. There has been intense downward pressure on prices for legal services and clients have increasingly looked outside the profession for solutions.

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While remaining competitive with other law firms doesn't require much innovation, remaining competitive in a changing legal market will require a lot. A healthy legal system will take more innovation than we've mustered so far. We need new ideas that better align client needs with lawyers' skills and resources.

Jack Newton clearly laid out the case for this kind of innovation in his book *The Client-Centered Law Firm*, so I won't belabor it here. It's important that lawyers embrace that inspirational spark of innovation and diligently test ideas they're serious about before putting them into action. Good ideas are not enough. Without fleshing out a viable service model and testing it, none of your best intentions will deliver for clients.

Avoid the challenges of half-baked ideas and focus on winners by filtering ideas through the Legal Innovation Canvas. Like Intel, you must deliver on your innovations with high reliability and great consistency—so modelling and testing is key.

The Legal Innovation Canvas is a transition point, then, allowing you to turn an idea into execution. It is a tool for innovating in a disciplined way.



As Collins and Hansen put it,

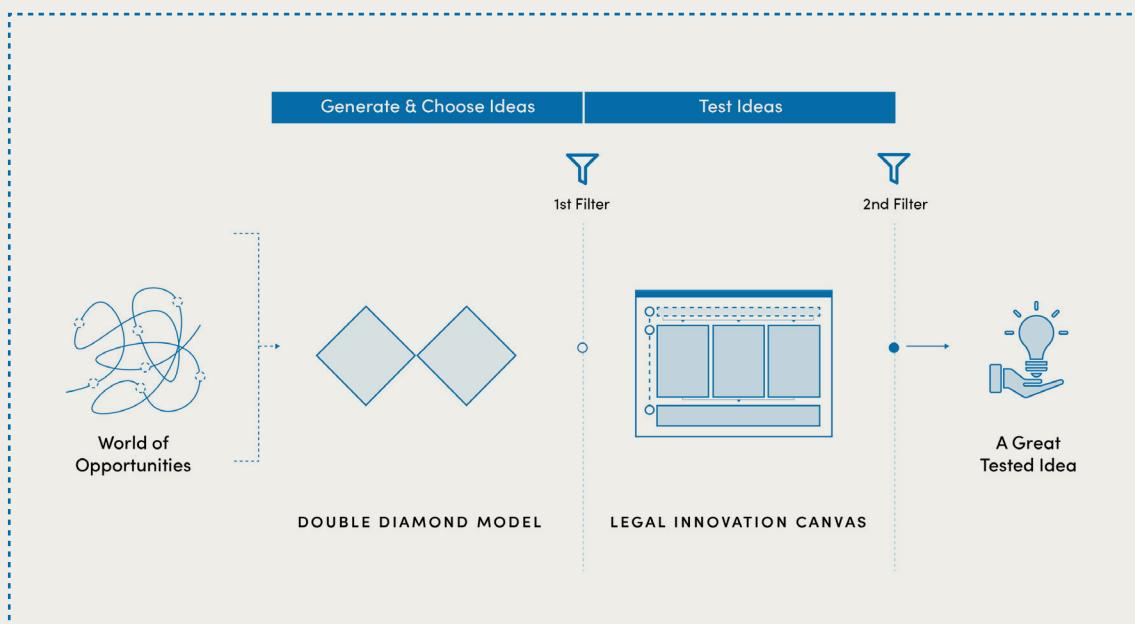
The great task, rarely achieved, is to blend creative intensity with relentless discipline so as to amplify the creativity rather than destroy it. When you marry operating excellence with innovation, you multiply the value of your creativity. And that's what 10Xers do.

May you do that work with optimism and discipline.

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You have an idea.

And now you have a path.



About the Author



Mike Whelan, Jr. is an author and communications strategist for the legal industry. His book, *Lawyer Forward: Finding Your Place in the Future of Law*, helps lawyers turn self-acceptance into a business model. You can learn more about the book at lawyerforward.com and you can connect with Mike on [Twitter](#) and [LinkedIn](#) at [mikewhelanjr](#).

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