

Feeling Small Is Blissful or Baleful Case Study of a Malaysian Legal Firm

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Abstract: Case studies are one of the methodologies followed by researchers to arrive at observations where measurements are impossible, but deep rooted probing is possible. This case study analyzes the organizational and strategic planning problems that HAA & Associates, a small sized law firm, faces in coping with the competitive legal industry and business environment in Malaysia. The scenario posited in the case study has similarity with most other small law firms in Malaysia and the general business activities of other professional firms face and refer to various research sources that offer solutions. The goal is to provide a study of the organizational strategy and change management concepts. Some of the problems that the firm is facing include the role of the leader / owner, vision and mission, economic pressures, lack of understanding of marketing orientation, technological changes, regulation of the legal practices and training and development of the legal personnel. Although the legal profession is facing dramatic transformation, most law firms are not applying the required strategies necessary for adapting to the changing conditions. The research sources reviewed in the paper will be useful in identifying the suitable strategies necessary for ensuring success in the small legal firms and small professional firms.

Key words: Legal Firm % Strategy % Marketing % Business Challenges

INTRODUCTION

HAA & Associates: Is Small Beautiful?: As Hazrul left his office for home that evening just after he celebrated his 55th birthday with his staff, he ponders how much longer he is able to effectively lead the firm. After almost 30 years in legal practice, there appears to be signs of fatigue all over his face expression. Age could have taken its toll. Or is it something else?" Being the founder and owner of HAA & Associates and instrumental in building and maintaining the firm all the year, the organizational and strategic management challenges and problems facing the legal firm must be first in his mind. When confronted with the question on his plans for the future, Hazrul bewailed "the firm's future looks bleak for now. The legal industry landscape is changing so fast due to market and client's demand as well as current regulations and trend, so much so that I don't seem to have enough energy to move on at an equally fast pace." He further contended "we have limited capital or cash flow coupled with limited resources in terms of manpower, expertise, networking, branding and little or lack of

knowledge, understanding or focus on management and marketing strategy. We may survive now but may find it tough to face difficult times. We need to do something."

His sentiments are affirmed by Jason, the most senior legal assistant in the firm, who stayed on with Hazrul since the firm's establishment. For the last ten years, Jason had seen it all- good times and bad times faced by the firm. He argues that some of the challenges affecting small legal firms as identified include stiff competition, rampant discount practice by many small legal firms, the constraint of small legal firm in conducting effective marketing efforts due to regulations and movement of legal personnel due to demand and better remuneration package offered by larger legal firms.

Hazrul had to think of the efficient measures required to be applied for curbing these challenges. With the current uncertainties and the ever increasing competitive environment, he wondered whether some major or minor changes should be done; what kind of strategic changes and management should be considered and implemented and, when and how it should be done.

The firm was established in 2003 as a result of the dissolution of a mid-sized legal firm that Hazrul helped to establish many years before with his other former partners. Differences in business strategy and management style among the many partners and inability of the former firm to maintain sufficient revenue for its high cost of operation led to bitter conflict among the partners and its ultimate dissolution. This painful experience had somehow changed Hazrul's perception and his preference to operate his profession as a lawyer within a small firm set up and where he will have full control of situations. Although the firm has operated for more than ten years with the opportunity to grow in term of size, Hazrul still prefers to operate a small law firm. This is what he said during a face to face interview, "small means the ability to avoid hassle of having to bear a substantial fixed operating cost, of having the benefit of managing a small support staff and with the ability of making decision without much interference. Central to this setting is that one's freedom is seen as more critical than other business factors, with the aim of benefiting the bottom line profit as much as one could possibly make. "I just cannot live with adopting with strict policies like that of a larger environment." So, Hazrul's small firm setting had, to a large degree, being purposely "conditioned" by him in such a manner that satisfies his preference. To him, "small is still blissful" especially when the bottom line profit of the firm for the last 10 years is generally consistent; with ability to share some with his staff in the form of quarterly incentives and overseas annual trip.

However, he also understood that being small has its own set of challenges too. Hazrul posited that things may not be that rosy as it used to be for small firm as a result of changing market trend and the legal industry environment. Specifically, the number of guidelines and periodic measures initiated by the Central Bank of Malaysia on strict lending has somewhat greatly contributed to the declining monthly instruction for banking security documentations that the firm is focusing on all this while. He ponders whether he should continue to have 'full control of the situation' –of the firm – or whether it is time for others to take a more proactive role in the leadership and management of the firm.

Being looked upon as a leader in the firm, many of the firm's qualified legal assistants conceded that Hazrul is a hand on the person, hardworking and always stressed on quality, adopts a flat and informal (horizontal) organizational structure and work well with his legal

assistants (4 lawyers) and 10 clerical/support staffs. Norzie, the most junior legal assistant in the firm commented, "he allows people within this small firm to be as independent as possible; some kind of an empowerment. We feel a bit free and not too stressful and this I think is important especially when one is still new in the profession".

Ahmadi, another legal assistant however expressed his reservation. He said "allowing one to be independent alone cannot guarantee empowerment will succeed. I think there should be a proper transfer of knowledge and skills to use and also the right exposure needed. Then only we should be able to help the firm in meeting its target. We lack the desire to do that here".

"Elyia, the firm most senior support/clerical staff admitted that Hazrul's decision of introducing and continue to implement to this day an incentive scheme for staff where certain % of quarterly profit (if any) generated by the firm will be shared equally among the staff must have been his best strategic move thus far. With much confidence, she commented, "I am still here as he is willing to share some profit. This is truly a sincere effort and I am happy here". This form of incentive is believed to be a first of its kind within the context of the legal service industry in Malaysia where there is no limit on how much the staff may earn if they manage to secure more work and income. It is on the basis of the incentive scheme in place that Hazrul believed that his staff should be more dedicated and should also be willing to go for the extra mile. Another interesting feature is that the firm is rather selective in attending to legal works; going for the non-contentious value for money type of legal assignments rather than volume but low in fees. Specifically, the firm specializes in banking security documentations, commercial instruments, property development and sale.

Amongst the professional service firms in Malaysia, legal service of which HAA & Associate are a part thereof has become the largest contributors in terms of number of establishments of the Small Medium Enterprise (SME) professional services [1]. And of the estimated 13,196 legal practitioners in Malaysia, 94.13% operates within a small sized firm environment [2]. But Hasrul is frustrated at the lack of innovation from the Bar Council in keeping with current trends. Despite the rapidly changing business environment and the removal of marketing restrictions of legal firms in many other jurisdiction worldwide, marketing activities of legal firms in Malaysia remain strictly regulated. As pointed out by Hasrul,

“I think the current regulation is not making it easier for us to do business. Our hands are tied. Others are doing marketing and reap the benefit but not us. Why are we being treated differently is rather perplexing”.

As he reached home, Hazrul wonder whether to feel small and focusing on specialized legal works has actually restricted the ability of the firm to attend to a broader scope of legal services and consequentially, risking the firm in not so good time when banking and or other commercial transactions are becoming scared. Should he change his strategy for maintaining his position as a small ‘blissful’ legal firm to a more versatile entity with a better chance of survival and continue to remain competitive? Can he continue to make use of the restriction on marketing by legal firms as an excuse for not changing?.

Review of Literature: Research related to small professional firms has been developing over time. An increase in the number of academic journals and books focusing on such topics is a clear indication of the increased interest in the studies. However, the previous studies have not comprehensively addressed the topic. Some researchers have criticized these studies by asserting, “what is happening to an extent is mere square pegging from traditional disciplines into the round holes of small firm/entrepreneurship research” [3]. Small firms (including the law firms) are characterized by various indicators such as relatively lower rates of profits, invested capital, production and sales volume, total earnings and capital and employee turnover [4].

It is observed that the majority of legal practice in most countries is comprised of smallest legal firms made up of lawyers practicing alone. The smallest legal firms or private practitioners have an uphill task of improving their business potential in their attempt to survive in the current competitive marketplace, mainly from large or medium sized law firms. Most of these firms also tend to focus on particular legal specialties [5].

Abdullah, Kamarulzaman and Farinda [6] on the other hand provides an understanding of the limitations faced by legal practitioners in Malaysia in the area of marketing of their legal services in light of strict rules and regulations and attempts to explore several marketing approaches that legal practitioners could utilize within such constraints. The research is however exploratory and lacks the empirical element, as reliance on their findings is confined to the scope of the relevant laws and regulations. Although certain marketing tools were suggested for adoption, the limitations faced by small

sized firms in particular and the level of understanding of marketing orientation of empirical research were not studied. Aside from the above observations, it would appear that studies on small legal firm’s organizational strategy and change management remain scarce.

Strategy in Relation to the Small Firms: Most research studies affirm that most of small business firms lack a formal, written statement of the firm strategy, with majority of them using generalized growth strategies [7 8, 9]. The success of smaller professional firms is strongly correlated to the level of the long term planning that is undertaken [9, 10]. The importance of strategic planning is also supported by researchers [11] argues that the entrepreneur should first identify an opportunity and create a financial plan for advancing the idea. The formation of an appropriate structure should be preceded by the control of the requisite resources. Osbourne’s [11] idea is supported by Herter [9] who opines that the formulation of a business plan assists in exposing the reality of the business world to the entrepreneurs. The importance of the strategic planning for the small business firms is further discussed by Clayton [12] through his idea that a lack of a strategic management plan is a recipe for outdated management practices. However, a contrary opinion is presented by Researchers [9] notes that the small law firms’ success is not a product of explicit strategic management. Research carried out on the relationship between planning activities by the small business firms and performance has also indicated negative results [13, 14]. Lack of planning has led to various operational problems.

Problems: Some of the problems affecting smaller legal firms as identified by Goulden [15] and Greenwood and Suddaby [16] include the economic pressures, technological changes, regulation of the legal practices and training and development of the legal personnel. Smaller law firms face unprecedented economic challenges that are caused by various factors including the societal changes and the economic downturn. These challenges normally work in synergy with other problems that face the law profession. In the current market environment, clients determine the services that are required as well as their costs. The exponential development of technology has led to an increase in the practice pace and client expectations making the firms to adapt to these changes or face being eliminated competitively by other firms [17]. Implementing and understanding of the new technologies

are difficult for smaller firms due to the inadequate resource base and the difficulty of the training their personnel. In most cases, clients are normally ahead of lawyers in the application of the technology leading to increased access to legal information over the internet. This has challenged the lawyers to enhance their technological skills. Despite the negative impacts of the technological application in legal firms, it enables smaller firms to compete favorably with the larger law firms. However, as large firms continue to take over potential business markets of smaller firms and the internationalizing of their services, the small firms are left with the challenge of improving their marketing potential and achieving the demands of the competitive environment [4].

Lack of understanding and strategic implementation of marketing initiatives and activities is also key to many of the predicament and setbacks faced by the small legal firm. To this end, a research based study has demonstrated the important link between market orientation and performance [18]. By understanding and identifying the right marketing orientation from a broader perspective, practitioners of small firm may embark on a more strategic role, values and belief may be appropriate and systematically changed; ranging from the misconceptions and negative attitudes of marketing by looking merely at regulated barriers to marketing as scapegoats. Needless to say, the right tool and techniques for the purpose of development of the right marketing orientation will significantly impact on professional legal firms as the ability to appreciate the foundation of marketing through marketing orientation will lead to other positive marketing activities that will eventually be embedded in the firm's internal system and processes, leading to positive performance.

The law firm also faces challenges related to the competitive environment of the support staff. The payment of these employees has gone up due to the competition from other firms gunning to hire them [19]. Smaller law firms are at a high risk of losing their customers because they do not possess the sufficient financial resources necessary for catering for the pay increases of the skilled ad trained workers. Small law firms strive to amass more resources to enhance their size that assists in enhancing competitiveness as well as the output. However, these firms face various challenges during the transition from one developmental stage to the next. According to Flamholtz-Randle model, these stages include new venture, expansion, professionalization and consolidation [20].

Solutions: Studies have found that firms that innovate have higher chances of experiencing higher growth rates than those that do not [21], [22]. Studies also revealed that leadership is widely regarded as the key enabler of change processes and drawing from Northouse[23] the ability of a leader on setting direction and developing the strategies necessary in achieving the vision and mission of the firm coupled with his ability of aligning relationships around the vision and inspiring others to achieve the vision could well be the most critical factor of a firm's success.

It is further indicates that [23] 80% of the potential for business development among the law firms is outsourced from the existing clients, with the remaining coming from the remaining market place. The existing clients act as potential sources of the repeat business as well as increased selling sources of the extra specialties of the firm. The firm should take advantage of their initial meetings with the clients to ensure that they take all their details during the initial meetings. This is also a perfect opportunity for the firm to feed their clients with detailed information regarding the services they are offering. Financial management is a fundamental aspect of business management that enhances the cost control [24]. In the early stages, the owner should be able to establish a line of credit with bankers after the formulation of a budget to take care of the fluctuations in cash flow. Bankers can also assist in directing one to organizations and persons that can offer financial assistance. The owner is also required to obtain adequate insurance coverage to take care of professional liability and property coverage. The firm should involve the ethics advisor for the determination of the ethical obligations of the firm.

Agree with Trotter and opine that the management of the firm's economics provides the required environment for the maintenance of engagement discipline during the process of business expansion or diversification of service delivery [25]. The firm should be wary of any debts through regular and diligent focus of the debtors and creditors. The firm should also reject any new matters in arrears in payment for other matters. This negates any form of debts from undelivered services. Possession of a vivid awareness of the running costs provides the firm with the capability of increasing its flexibility as well as expansion in the alternative services offered to the clients through focus on the experiences and comparing of the different cases and situations.

Although the presence of abundant literary materials for small law firms may create an impression that the studies covers all the aspects of these firms, the

continuing debate discussing these aspects is a corroboration that further research is still required. Further practical research on management and marketing issues as well as strategic planning are further required because the available ones have not provided comprehensive details on the issue.

MATERIALS AND METHODS

The section describes the reasons for the choice of the subject, the research method and the study object. The study typically followed the case study method. A hallmark of case study research is the use of multiple data sources, a strategy which also enhances data credibility (Patton, 1990; Yin, 2003). Latent data bases may include documentation, archival records, interviews, physical artifacts, direct observations and participant observation.

Choice of the Subject: The choice for writing on the problems such as lack of a clear vision and mission, poor communication, lack experience, proper planning or development for improving knowledge and expertise and lack of a structured key performance indicator facing the firm was based on the urge to apply the necessary improvement measures suitable for enhancing the firm's competitiveness. The concept of business competitiveness has dramatically increased with the recent rise in the use of technology and economic changes such as mergers and acquisitions. It also has a broad application in economic matters related to law since most legal businesses involve the formation of a competitive professional edge, thus creating an enormous attention about the subject.

Research Method: A descriptive method was applied to enhance the possibility of solving the problem and achieving the aim, both in theory and reality. This method allows the most efficient way of mapping the solutions that should be implemented by the underlying assumptions. Another reason for the choice of the described method is because the paper explains a process that is already in existence as well as its application. Descriptive study has been used by the case study due to the fact that the information being outsourced has been used in various studies. Creswell cites two principal forms of research methods i.e. qualitative and quantitative. The intention of the research is to undertake a qualitative study that has the capability conducting an in depth examination of the scope and aim [26]. The

advantage of the qualitative study is that it is characterized by an explanation that provides a deeper understanding of the problem about the examined problem. The study on the opinions of the various authors and legal professionals about the case study subject will assist in bringing the up to date reality of the situation.

Choice of Object: The choice is a small-sized law firm i.e. HAA & Associates with the assignment involving conducting a research on the firm information as well as the opinions of the proprietor on the firm i.e. Hazrul. The theoretical aspect about the subject under discussion was enhanced through reference to organizational and strategic change management theories.

Collecting of Information: The internet and the library search engines were applied in the creation of a detailed literary study and the understanding of the paper's problem. The interview with the firm owner also provided substantial information required for understanding the case study better, especially the company profile.

Library Search Engines: The study relied on the library search database that focused on the search for literature and articles. The library search engine allows a broad access to information related to the topic. The frequently used search words include law firms, challenges, firm resources and marketing ability and organizational change strategy, firm competitiveness, addressing the problem and resolution and organizational theories. This resulted in the identification of many books and essays addressing the chosen topic. Most of the article sources were found through the use "Legal Source Review" as well as "Business Source Review".

The Internet: The search for complemented information on the challenges facing the small law firms involved the use of the internet search engine Google with the most used words being the HAA & Associates law firm, the role of organizational change strategy, management and tools in the identification of problems and resolve organizational theories.

Formulation of Problem: In conducting the case study, the focus was laid on the following questions which were chosen depending on their relevance to the goals of the case study i.e. challenges and the improvement strategies that the firm is employing in enhancing its competitiveness:

- C What are the major challenges that the firm is currently facing?
- C What are some of the strategic measures that the firm can adopt in improving the current resource base to enhance its competitiveness?
- C What is the current state of professional landscape in the firm?
- C What are some of the improvements that have been implemented since the last time the firm identified the competitive challenges facing it?

The case study involved the review of earlier reports on the challenges facing the law firm, including the solutions implemented earlier.

Statement of Problem: Since its establishment, HAA & Associates have faced numerous operational threats such as lack of experience among its staff, lack of proper planning, lack of a clear vision and mission, relatively low remuneration package for the staff and low marketing levels. The unique incentive introduced for the benefit of its staff alone is no guarantee that the firm will remain competitive. This fragility has contributed to its average performance and the continuing worry on current and future challenges.

DISCUSSION

As clients are becoming more demanding in the backdrop of changing legal industry landscape, competition among legal firms are becoming stiff and worrying. The impact on small firm like HAA & Associates is most obvious especially when competition and liberalization of the legal industry has resulted in a trickle- down effect on small firms. Needless to say, with more foreign law firms being allowed the opportunity of providing services in Malaysia through structured means coupled with a higher level of competition and less legal work to share with an ever increasing number of establishments of legal firms, the tendency of existing large legal firms venturing into the traditional domain of mid-sized legal firms is becoming more real. Consequentially, there is also now the tendency of mid-sized legal firms venturing into legal works usually attended to by small legal firms.

The firm's 4 lawyers (the professional team) – although hardworking- are fairly new and lack experience. From an industry perspective, young lawyers tend to have a preference for working at large firms due to its exposure, status and better pay. Because Hazrul is busy attending to his own portfolio, little time is spent on

monitoring and passing valuable knowledge to them. The flat and informal (horizontal) organizational structure and wide independence allowed has led to uncertainty about how things should be done on a more structured and standardized basis. This has resulted to inconsistency in standards for maintaining customer's satisfaction. No proper planning or development of improving knowledge and expertise among lawyers resulting in lawyers' inability to provide value added services.

HAA & Associates also lack a clear vision and mission as well as poor communication. Such lacking has led to uncertainty among staff on where the firm will be in years to come and how staff and lawyers alike may see their progress or where they should be in the future. Despite the incentive in terms of profit sharing, some staff resigned due to slightly lower monthly salary as compared to competitors. The staff is also discouraged by the fact that the firm lacks a structured key performance indicator that creates the impression that their efforts are not recognized. Being too selective in attending to legal works has resulted to risk during low assignment periods and resulted to constraint in cash flow and liquidity. Intense competition among small firms in Malaysia had led to the practice of the firm having to give huge discounts on the scaled legal fees although such act is strictly prohibited under the relevant rules and regulations.

The marketing aspect of the firm is ignored with less marketing effort undertaken by Hazrul or any of the lawyers to promote the firm and legal business that they can attend to. Another threat is related to regulation of the legal professional standards and guidelines by the Malaysian Bar Council, being the governing body of legal practice empowered to pass any ruling related to marketing activities of legal firms in Malaysia.

Specifically, the current guidelines clearly restrict marketing activities by legal firms save for and under a very restricted conditions (Legal Profession Act of 1996 read with regulations under the Practice & Etiquette Rules of 1978 and the Publicity Rules [22]). For example, certain advertising and marketing activities such as touting are strictly prohibited. Where allowed, contents of advertisement are limited to approving disclosed information such as firm's name and contact address [27]. Likewise, brochures concerning the firm's practice (containing approved information and no others) may only be circulated within the firm's premises and lawyers are not allowed to publish his or her own photograph in any press or periodicals unless with the approval of the Attorney General (Rule 48, Practice and Etiquette Rules 1078) [28]. Even the distribution of business card must be

done discreetly (Rule 11, Publicity Rules 2001) [27]. In sum, barriers to the marketing activities of legal firms as dictated by rules and guidelines are well preserved and remain a constant barrier to direct marketing by legal firms. Numerous empirical study thus far found that barriers to marketing implementation as a result of regulations will impede firm's growth particularly amongst the small and medium size industry [29], [30]. Mead [24] Further it is particularly found that there is an increase in consumer confidence in lawyers with the increased in lawyer's marketing activities such as advertisement [24].

From an industry perspective, efforts should be made by owners of small legal firms to convince the Bar Council and the relevant government agencies for incentives and changes to current rules and regulations so that a long term sustainable solution may be found to mitigate some of the current challenges faced by small firms. The importance of services sector firm (of which small services firms contribute to a substantial portion thereof) as a crucial contributor to the economic growth of Malaysia is obvious. For example, the SME Annual Report 2011/2012 reveals that services sector firms total 591,883 or 90.1% of the total SME in Malaysia. Additionally, the SME services sector contribution to the Malays' gross domestic product (GDP) is on an ever increasing trend, such as that in 2009 where the SME services sector is said to have contributed to 30.2% of the Malaysia's GDP. Stimulatingly, the Government of Malaysia's current appreciation of the need to focus on SME and the redefinition of several sectors there under based on an augmented threshold of income and number of personnel may be looked upon as something reassuring.

The descriptive analysis of the case and the review of the various literary sources identified some leadership and professional competencies required for effective strategy formulation; far-reaching leadership and professional experience, the vivid knowledge on the services being delivered, communication skills and sound judgment. The stages required for an effective business strategy include determining of clear vision and mission, the profile of the market and market orientation, evaluating the attractiveness of every segment, selecting the target clientele base and formulating the strategy for selecting a marketing position. Failure to apply strategic planning in the management of a small professional firm can be due to the fear of radical change, distrust, insufficient knowledge, overloaded management, insufficient management and tradition-oriented thinking. Overall, there is a correlation between strategic planning the overall success of the small professional firms.

Recommendations: The need for the firm to capture the underlying theory of planning is inevitable. Firms that employ structured planning outperformed all other firms. Further research supports the idea that lack of a strategic business planning in small businesses leads to outdated management practices and undermined the potential ability of a firm's performance [12]. Research by Osbourne [11] on the other showed that only one-third of start-up entrepreneurs within small firm create proper marketing plans. Many researchers [31-42] studied the planning and performance relationship with small firms and concluded that only a few undertake such task despite the importance and relation between planning and performance.

Hazrul should lead by example and spearhead the change strategies that the firm undertakes in the enhancement of performance. This will help in improving the performance because employees would perform better if encouraged by the owner. The fact that the firm is small-sized indicates that even the resource levels are low and therefore performance can only be enhanced if entrepreneurship is encouraged at both the individual and corporate level. The already available financial incentive scheme introduced by the firm should therefore be continued with the understanding that financial improvement as a result of increase in legal works will benefit all in the firm.

Hazrul should ensure clear vision, mission and communication to ensure that employees understand their roles vividly. This enhances thoroughness in role play and achievement of the firm goals. The firm cannot ignore the aspect of hard work among the labor force in their development agenda. This goes hand in hand with the capability of the management to motivate employees through offering fair remuneration as well as working conditions. This motivates the workforce. The future success of the firm can be enhanced through successors planning by identifying new leaders/equity partners for better commitment.

The current competitive market place also requires investment in technology. For example, a depository system that allows safe keeping of legal documents could well create efficiency in attending to legal documentation where faster turnaround time for completion may be achieved by all in the firm. This improves the overall performance of the firm through hastening and improving the output of the various firms' roles. Additionally, other functions such as communication with the clients should be broadly technologically-based.

Attaining the required current market standards is a crucial aspect of enhancing the competitiveness of the firm. The firm should develop a network with other law firms specializing in different practice areas for the purpose of the work referral. The outbound and inbound referrals should be closely monitored to ensure that they contribute towards business development. The marketing ability can also be enhanced through the maintenance of the college friendship and acquaintances that acts as future potential clients. Additionally, the firm should also focus on establishing relationships with the local reporters in the newspaper or publications covering the legal or economic aspects. Press coverage helps in marketing the firm or increasing the visibility through the posting of articles on legal topics of interest to the public.

According to Flamholtz-Randle model, [20] some of the necessary abilities and competencies that should be applied in the firm include maintenance and management of the corporate culture, developing the management and operation systems, acquiring the resources, development of the services and identification and definition of the market [20]. Hence, lawyers should be employed strategically to ensure that highly qualified lawyers are assigned to handle cases of high interest that have the capability to generate the required positive publicity or further the interests of the clients. The firm should also participate in community empowerment activities, with the employees (lawyers) being encouraged to assume influential roles in community activities preferably achieving leadership roles. This assists in marketing the firm among the community members. It is crucial for the firm to be engaged in bar association as they can also be exploited as a source of referral sources in highly specialized areas. More focus should also be laid on the clients with the potential to generate more clients to the firm such as business people through offering site services in their business premises. This provides an opportunity for knowing more about the managers and employees that can act as a source of delivering legal services. Although the legal practice is not easy for smaller firms, implementing the stipulated recommendations acts as a milestone for enabling the firm benefit both personally, economically and professionally.

Implication: As previously recommended, the firm can improve its marketing ability through the implementation of other key organizational change such as role of Hazrul as the leader and key enabler of change, implementation of clear vision and mission and communication to staff,

successors planning by identifying new leaders/equity partners for better commitment and focusing on the nature of the clients they represent. Additionally, a determination of the marketing strategy for the formulation of a practice that fully represents the clients can be applied as a long-term measure for the improvement of the firm performance. It is crucial to realize that even the legal matters that were initially thought to have negligible impact on the small professional firms are crucial in the enhancement of smaller law firms.

CONCLUSION

Most of the outlined problems are normally related to the internal functions, leadership qualities and culture of a firm. Hence, it is critical for proprietor/owner of a law firm to firmly assess his skills as well as that of the staff and ensure that they measure-up to the required standards appropriate for establishment of a competitive firm. Some of the traits that affirm their qualifications include the possession of an independent flexibility, self-confidence and the need for personal involvement with the clients. Although external factors may play some role in the fate of a small firm.

The case study under review is equally significant in the context of Malaysia as legal service has become the largest contributors in terms of number of establishments of SME professional services in Malaysia. As Omar and associates pointed out Understanding the importance of strategic change management and the application of the right tools and techniques appropriate to small sized legal firm will also benefit other small sized professional practitioners as professionals are also providing services, akin to legal practitioners and in view of their significant contribution to the Malaysian economy.

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