

The Masters Of Strategy: Lawyers?

Are lawyers the real masters of strategy? Maybe not from a substantive standpoint, but the legal analytical process appears to be taking hold in the strategy world.

In law school, lawyers are drilled with IRAC (Issue-Rule-Analysis- Conclusion) as a means to organize their thoughts and provide a methodological approach to a client's issue. When interacting with a client, lawyers are asked to listen to a long set of facts and to figure out what legal issues are present and how the law applies to the facts. The same basic approach applies whether the client is talking about a car accident, a divorce, an M&A deal, or any other area of law.

Traditionally, in the strategy world, the approach has been fundamentally different. Strategy models are created, and sold to every client possible. New models were the "hammer looking for a nail", or more precisely, "if you [the model] are a hammer, everything starts to look like a nail". New models are shopped around as the latest innovation, where every company is convinced that it needs to buy into the latest strategy model.

This traditional made perfect sense when the strategy world was being created. Strategy as a discipline started in the 60's and has been developed over the last few decades. Strategy models were the new "rules" being created.

We are now to the point where the strategy traditions no longer work. Companies have learned that not every strategy model applies to their situation. Also, companies have the scars from trying to implement strategies that don't work for their situation.

Management consulting firms are now borrowing the IRAC

analytical framework from legal community. Bain calls it Opportunity-Approach-Recommendations-Results¹, which is IRAC under a different name. McKinsey calls it Diagnose-Forecast-Search-Finishing² the Strategy, which is slight different but substantively similar to IRAC.

Lawyers	Bain	McKinsey
Issue	Opportunity	Diagnose
Rule	Approach	Forecast
Analysis	Recommendations	Search
Conclusion	Results	Finishing the Strategy

This change in approach will certainly benefit clients. The modern day strategist needs to be familiar with all potential models, and needs to listen to the client's problems. After understanding the underlying facts, the strategist can decide (1) Issue: what challenges a client faces, (2) Rule: what models might help the client understand and address their issues, (3) Analysis: how the model applies to the client's situation, and (4) Conclusion: the results from executing on the strategy.

While lawyers may not be become the masters of strategy, their analytical approach will certainly dominate the strategy world in the future.

1 See the Bain Website.

2 See The Art of Strategy