

ZEN AND THE ART OF LEGAL NETWORKING

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INSIGHTS & COMMENTARY ON
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Law Firm of the Future: Get Ready to Change

BY LINDSAY GRIFFITHS ON NOVEMBER 1, 2016



Up until this point, as we've looked at the "law firm of the future," we've mostly focused on the idea that we can take what we've been doing and adapt or tweak it in some way, so that we can continue on our paths and just improve ourselves. We've talked about embracing technology, making things better, using all of our people instead of just lawyers to be innovative and remain curious. And of course, none of these things are wrong. But are they too comfortable?

Are we just putting duct tape over a hole in our tire, instead of taking the tire off and putting on a new one?

What if truly being a law firm of the future means throwing out everything we know, and starting at the beginning?

- Looking at the client's point of view, and finding out what really works for them and never considering how we've always done things – in terms of processes, billing, staffing, etc.
- Running our firms as businesses and not as partnerships.
- Fully embracing technology as an integral part of our team, and how it can drive that business, instead of a necessary evil?

These are the challenges given to us by the two contributing authors that we're examining from HighQ's book on Smart Law and the future of the law firm today.

I'm as guilty as the next person of wanting to change the least amount possible to achieve the maximum gains – that way, I can stay pretty comfortable while still pleasing the people that matter.

But what if we didn't do that? What if we were brave and effected real change?

Susan Hackett: Re-make Lawyers to Re-Make the Profession

Susan Hackett is the “CEO of Legal Executive Leadership. She is a recognized authority on in-house counseling, corporate client service, and law department operations. Susan is also one of the most sought-after speakers in the legal marketplace.”

And she's asking us to really find our courage when it comes to making change that matters:

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[I]t seems to me that many lawyers are approaching the SmartLaw revolution by jiggling a bit of this and adding a bit of that to dress up their practices, rather than truly re-thinking and then reengineering themselves.

Until lawyers focus more time and attention on that which is their highest use (rather than trying to hoard work that involves a lot of what it is that is now a lower use) of their time, they won't be able to leverage their practice - their clients, culture and technology - to create a more sustainable and valuable path forward.”

Susan's got an interesting point, which is what she ends with:



SmartLaw has got to be about more than re-making practice - it has to be about re-making lawyers, too."

Because the business of law is really the business of lawyers, is it *more* difficult to change because we're not just talking about altering these abstract organizations (which, of course, we all put our heart and soul into anyway), but because we're also talking about altering lawyers themselves?

In some cases, I think the answer to this is yes – I know lawyers at the tail of their careers, who are holding on with their eyes shut, hoping they can retire before they have to do things differently. And I know young lawyers in the early stages of their careers who are excited by the prospect of *disrupting* the industry (sorry for the buzzword). But for everyone else, where does that leave them?

These aren't easy questions, and we may soon come to a crossroads where either we're all revolutionizing the way that we do things because that's what's necessary, or we've become obsolete. That's not to say that there isn't room in a new model for many of the things that lawyers have always done – last week, we said that the legal industry will always be one that's about people and relationships, and so much of what we've always done to connect with people will still hold true. But we'll need to justify WHY we're doing things a certain way. Just as "we've always done it this way" is not a sufficient reason to continue a certain practice, "because everyone else is doing it," or "because it's revolutionary" are equally not sufficient reasons for trying something new or no longer engaging in things that have previously worked. We'll need to be more strategic and less reactive.

George Beaton: Seeking out NewLaw

Dr. George Beaton is "a partner in beaton and a senior fellow in Melbourne Law School, Australia." While he focuses more on trends in BigLaw in his response, his comments hold true throughout the industry (smaller firms just tend to have the fortune of being able to be more agile due to their size).

In his comments, Beaton addresses the crossroads that we talked about earlier, saying that we're getting to that point. Hot topics in the legal industry used to be things like billing and advising clients, and now, firms are focused on things like commoditization, disruptive technologies, the unbundling of legal services, and more. And for many firms, this has created an "underlying malaise" because their business model no longer works. I'd venture to go one step further, and say that the malaise is not caused by seeing that the firm's business model no longer works, but by realizing that there's no easy fix.

What to do? Beaton says:



Remaking a traditional BigLaw firm means designing its business model to move towards the more client-centric, more efficient, and more agile hallmarks of NewLaw.

Law firm partnerships are well known for being amongst the most conservative and hard-to-change organisational forms. When the lack of a real balance sheet is combined with almost everyone working in the business focused on serving clients and incentives that reward short-run profitability, it's not surprising that the legal profession is trailing.

Any change journey needs sustained and consistent leadership in order to create lasting meaningful changes, and to improve overall change readiness and organisational change capability in the process. No change journey is easy, and BigLaw firms need to start their journey sooner rather than later."

This extends beyond the halls of BigLaw (though because of their size, the timeline to change takes much longer). Throughout the legal industry though, these are necessary conversations, that should be driven, as Beaton suggests, by sustained and consistent leadership.

It's a slow and scary process, which can be full of excitement, challenges and opportunities as well. It seems that firms fall into three categories, which make me think of house renovations.

- 1. Complete renovations:** There are firms that are like This Old House – they take everything down to the bones of the house, and they build it back up, never skipping a step to cut corners, always getting the proper permits and finishing things properly. At the end, you have a solid, well-built home that anyone would love to live in – it may not be exactly your style, but you know you're getting something with a strong foundation. Firms that do this are looking at every piece of the way that they do business and making sure it all makes sense. They're not skipping steps, even when they get tired or want to move on to the next thing, because they know that ultimately, they'll end up with a strong firm, focused on delivering the right service to the right clients.
- 2. Semi-complete renovations:** The next level is similar, in that you're taking it down to the studs, but maybe you skip some steps because you get tired in the middle. There are a few rooms you don't gut completely; instead you just repaint the walls and carpet the floors again. You replace the kitchen appliances, but you're not pulling out all of the pipes and electrical wiring to make sure that it's the latest and most efficient – it's up to code, and that's good enough for you. At the end, the house is solidly built – maybe not as thorough as job as you could manage, but it's better than if you'd never done a renovation at all. Firms doing this aren't looking at every piece of the business, but they're focusing on some of the bigger ticket items that clients will see and ask

about. The big selling points are taken care of, and other issues may crop up over the years, but they can always deal with these as they come up.

- 3. Patch jobs:** The third level is what many of us do, which is putting out fires, so to speak. We mostly keep our fingers crossed that the house will keep on trucking along as it is, with minimal maintenance, and as things crop up, we deal with them, either ourselves or by hiring someone. Maybe your showerhead is leaking, so you buy a new one and replace it yourself, doing a semi-decent job. Maybe the paint job on the front of your house is peeling, so you sand a little bit, get out your roller, and add a couple of coats of exterior paint. Maybe you need new windows, and you buy a bit of time by painting the trim around them until you've got a bit more money coming in to replace them. You are either biding your time until you sell, or you don't want to undertake any major projects, so you just try to keep things as status quo as possible. Firms doing this might make a few changes in the way that they practice – add some new technology, bring in a few laterals, offer more alternative fees – but they aren't going to make any major structural changes to the way that they do business.

All of these are choices, and they have their pros and cons. With home ownership, you may be forced to change if you have a big issue (sudden faulty wiring or your furnace totally dies on you), and with law firms, the tide of industry change may bring us to a point where we have no choice but to make major changes or become obsolete.

What do you think? Change is certainly difficult and scary, but it also affords us with huge opportunities and a landscape of innovation that we can't even imagine yet. The industry has already changed so much in the last 10+ years and I'm fascinated to see what it will become over the next 10.