

The Lawyer's Guide to the Future of Practice Management



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Executive summary

The legal profession is changing rapidly, with increasing pressure being applied from other professional service firms, new technology making traditional services obsolete, and modern working practices changing the way in which the traditional law firm operates. Against this backdrop, it's helpful to take stock, and evaluate the way in which the future of practice management might look.

The Lawyer's Guide to the Future of Practice Management provides law firm leaders with expert opinion on the very latest guidance and market knowledge on what today's legal marketplace might look like tomorrow, organized into four crucial areas of practice management – technology, people and culture, finance and strategy – before taking a horizon-scan of the future, and what law firms need to be aware of in the coming months and years.

Kicking off the book, and the first section on technology, Simon Drane, managing director of Earlsferry Advisory, and former executive director of business development at the Law Society and LexisNexis, looks at how data will enable the shift towards the productization of legal services. The next decade will see a shift within legal service provision, where it will transition from a model that is predominantly geared around internal work processes to one geared around customer outcomes. Law firms will complete their evolution from a bill-by-the-hour service-based model to something closer to a product subscription model. This shift will deliver growth, sustainable recurring revenues at high margins, and new higher value service opportunities. At the core of this shift is the changing nature of consumption driven by consumer technology and the inexorable drive for base level information to become free. Law firms are sitting on vast quantities of data, and yet very few are currently harnessing this effectively in their offerings. The effective use of data, combined with technology, will allow innovative organizations to provide a new form of productized offering that will not only drive new recurring revenues but will also allow them to offer higher value business advisory services. Whereas effective use of data within the

organization will lead to better evolutionary efficiency, quality, and risk management, the use of data in this way externally for clients will lead to more revolutionary changes. It will also blur the lines further between traditional law firms and LegalTech product businesses, in the way alternative legal service providers and the Big Four are already exploring.

Chapter two then looks at how data is transforming the relationship between lawyer and client. Jennifer Roberts, manager, strategic research at InTapp, describes how data is a great starting point and important to creating an in-depth understanding of the client – from there it's about the application of analytics, AI, and automation, along with process and people, to make the data actionable. There is plenty for legal to learn from outside the industry, taking a hard look at other professional services. However, within the industry there is progressive movement already underway, with firms hiring data scientists, adopting new technology, and transforming processes in order to better serve clients. This chapter looks at all these issues.

No book looking towards the future of practice management, in terms of technology, would be complete without some predictions around Blockchain. In chapter three, Robert Millard of Cambridge Strategy Group, looks at how Blockchain will impact law firm business models and the business of law generally. There are a number of trends (few if any involving cryptocurrencies) that intersect well with processes and systems in a “typical” law firm, and represent opportunities for improvement. This chapter goes through all these.

In part two – people and culture – Dr Bailey Bosch, director of people and culture, and Katherine Thomas, CEO at Free Range Lawyers, discuss the future of flexible working arrangements – the next stage from the “office nine-to-five”. Flexible working is one way that women in particular can structure their careers to balance work and home life – but one of the biggest myths surrounding flexible work is that it only benefits the individual. If we want to see more opportunities for truly flexible working arrangements in the legal sector, the authors argue in chapter four, we need to advance the discourse around flexible work to provide a more balanced and sophisticated conversation that considers the myriad of variables that contribute to a successful “flexible working policy”. Key to this is moving the discussion along from flexible working being a women's (and more specifically, a women with children's) issue and to recognize flexible work as a business tool that provides benefits at both the individual and corporate level.

Continuing with the women's theme, whilst it may have been a hundred years since the legal profession (albeit begrudgingly) welcomed

women into its ranks, it often seems to have taken the best part of that century for the practice of law to find a way of accommodating them. Lawyers entering the industry today have arguably more options than ever to tread a career trajectory that doesn't end in traditional partnership, but how realistic is it that they will find, and follow, these new paths? Chapter five by Clare Harman Clark of Taylor Wessing looks at the path to partner as well as alternative trajectories such as KM and legaltech, and how there will be more opportunities than ever in the brave new world.

In chapter six, Janvi Patel, executive chairwomen and founder of Halebury, asks what good will look like in the law department of the future. Looking at five key areas – skills, creating the right culture, succession planning, the future of work, and technology – the author draws on experiences gathered from establishing Halebury, a NewLaw pioneer in the UK designed to provide genuine flexibility to corporate legal departments in meeting their legal resourcing requirements.

Chapter seven then describes how to survive and succeed leading a multi-generational practice group. Most practice group leaders would not see themselves as HR managers, but they may need to learn to think like one. Phyllis Weiss Haserot, president and founder of the Practice Development Counsel, explores one of the key challenges facing legal practice leaders today – leading and motivating a multi-generational workforce to maximize productivity, engagement, and a winning client experience. She provides insight and action steps on key topics such as building multi-generational rapport and speaking with a cross-generational voice, motivating lawyers to give prompt feedback and transfer knowledge, helping young lawyers grow into leadership responsibilities, and retaining top talent.

In part three, on finance, Arthur G. Greene, principal, Boyer Greene, LLC discusses how to promote firm goals through effective associate compensation approaches. Not all associates share the same career goals, and associates often serve the firm in different ways, performing different roles according to their strengths and weaknesses. In chapter eight, Arthur argues that understanding this is critical to innovating a compensation system that will maximize the contribution of associates and keep the firm financially healthy. He explains that it's not enough to simply redesign the compensation system – firms need to follow through with effective management of the compensation process afterwards, too, in order for the project to be successful.

Chapter nine offers a data scientist's perspective on law firm profitability. In the current climate, law firms are frequently encouraged to

utilize innovative, technological solutions as a means of boosting profitability; in fact, factors such as the buzz at legaltech conferences mean that introducing technologies such as AI and data analytics software is now seen as critical to a firm's success. However, in a saturated tech market that exists in a state of constant flux, it is often difficult for firm management to know where and how to begin. Zev J. Eigen – founder and chief science officer of Syndio Solutions – offers his expertise as a data scientist to supply two readily available forms of innovation, which embrace the possibilities technology brings and provide creative and original ways of reframing profitability.

Moving on to part four, on strategy, Christie Guimond, corporate development manager, Bird and Bird, looks at how to innovate strategically in chapter ten. Innovation is the latest trend in the legal industry and there are countless debates as to what the term means and whether there is a real imperative to innovate – the so-called “burning platform”. Regardless of how you define innovation, it is clear that the industry is facing challenges related to technology disruption, changing buyer behaviors, and increasingly competitive legal markets. The degree to which these challenges are driving legal organizations to innovate varies, but many of these challenges are new for the industry, and overcoming them can require new and creative solutions. This need for creativity has caused many legal businesses to consider their approach to innovation, including who should lead it and where it should sit within the organization. Christie looks at the emerging trend in the legal industry to introduce innovation leadership models and also explores some of the potential pros and cons of each of these models. Using an example of an unsuccessful innovation leadership model from another industry, the chapter looks at how you can avoid a similar fate by using a two-part strategic planning approach for innovation that considers your current position as an organization and where you want and need to go in the future.

Chapter 11 asks “Why innovate?” Langdon Morris of InnovationLabs LLC, USA explores the link between strategy and innovation. The why of innovation is brutally simple – change is accelerating. If things didn't change, your company could keep on doing what it's always done and there would be no need for innovation. If markets were stable, if customers were predictable, if competitors didn't come up with new products and services, and if technology stayed constant, we could all just keep going as we did yesterday. But all the evidence shows that change is racing at you faster and faster, which means many new types of vulnerabilities. Technology advances relentlessly, altering the rules of business in every

market it touches. Markets are not stable; customers are completely fickle; and competitors are aggressively targeting your share of the pie. So he asks: “Are we managing with the realities of change in mind? And are we handling uncertainty?” Since the alternatives are either to “make change” or to “be changed” – and making change brings considerable advantages, while being changed carries negative consequences – the choice isn’t really much of a choice at all. This chapter demonstrates that you’ve got to pursue innovation, and you’ve got to do it to obtain long-lasting benefits.

Chapter 12 addresses the fundamental challenges facing any new or future leader. When starting out as a leader – especially in the legal profession, where expectations are high and hesitation or uncertainty is often construed as incompetence – it can be difficult to know how exactly to approach your management position and style. The much-discussed “imposter syndrome” is a challenge faced by many at the beginning of their management career, and a new leader may find themselves experiencing confusion and indecision when it is essential to display decisiveness and authority. Drawing from his extensive experience as an advisor and strategist, Patrick J McKenna asks the five fundamental questions confronting those entering a position of responsibility within their firm and provides guidance on the best ways to navigate them, as well as giving insight from recent research undertaken with managing partners on where new leaders spend their time – and where they *should*.

Part five looks to the future, beginning with the inevitability of multi-disciplinary practices. Michael Roster, former GC of Stanford University and formerly managing partner of Morrison & Foerster’s Los Angeles office, believes that it is inevitable that lawyers and their law firms will be (in the main) replaced by highly efficient multi-disciplinary practices (MDPs) that offer bundled services and yield measurably better outcomes at a fraction of current costs. If done right, he argues in chapter 13, MDPs will be far more satisfying places to work, although lawyers may find they play significantly different roles. The question for leaders at law and accounting firms, he maintains, as well as for general counsel and other corporate executives, is whether they get ahead of the curve or find that these changes eventually are thrust upon them.

Chapter 14 takes a deep dive into the evolving role of the PSL – past, present and future. To discern potential paths that may open up for the PSL in the future, it is critical to examine the role’s past. Ailish Hogan and Lucinda Troostwyk – both experienced PSL recruiters at Taylor Root, one of the world’s largest legal recruitment consultancies – explore the development of the PSL role, detailing its inception, its relationship

to market conditions, and how perceptions are changing. Ailish and Lucinda proceed to then look forward, discussing the way in which career structure and progression prospects are transforming, shifting the role from a professional segue into a viable and freestanding career path of its own.

Our final chapter then looks at what the future holds for the evolving law department. Patrick J Lamb, founder of ElevateNext Law and vice president of Elevate Services proposes that legal departments should think of themselves functioning as a solar system, with the GC as the sun and the department's people and firms inhabiting an elliptical orbit dependent on which issues and tasks are prioritized. In chapter 15 he examines the practices and components that will bring a legal department closer to this innovative model and into the future, drawing from the real-world examples of Univar and Microsoft and their efforts to remain contemporary and competitive.

About the authors

Bailey Bosch is director of people and culture at Free Range Lawyers. Bailey has extensive experience in the use of psychological assessment in both organizational and clinical settings. In addition to her client work, Bailey has developed a parallel career in academia, working in university teaching and research positions for the last 15 years. A firm believer in an evidence-based approach, she is an avid consumer of psychological research and has contributed to several research groups during her career. Bailey holds a PhD in psychology and a Master of Counselling. She is currently completing her Master of Psychology in Organizational Psychology. She has membership with the Australian Psychological Society (APS) and the Society of Industrial and Organizational Psychology Australia (SIOPA) (Student) and her work is anchored in evidenced-based theories and techniques. Bailey runs her own consultancy for those organizations and individuals who wish to achieve work/life/family integration and is a regular media contributor.

Simon Drane founded Earlsferry Advisory to help people with their product strategies, whether they are technology businesses, professional services businesses, or investors. Simon has held numerous positions within the professional services sector over the last 25 years, at a FTSE 100 legal information solution provider, a legal technology consultancy, a law firm, an accounting firm, and a legal membership organization. Simon has board level experience of both executive and non-executive roles, and as CEO of a technology start-up. Simon led the new investments product strategy area at LexisNexis and created and launched many of the next generation content and workflow product offerings for lawyers. At the Law Society, Simon ran the commercial arm and also implemented a new commercial strategy that had a significant shift in focus to legal technology innovation, including the launch of a legal tech focused Barclays EagleLab accelerator.

Zev J. Eigen is the founder and chief science officer of Syndio, and a data scientist focused on AI and machine learning applications in HR, labor and employment law, and legal services broadly. He was honored as one of the *Financial Times*' ten most innovative lawyers in 2016, as a FastCase50 Innovator of 2016, and as one of "40 Under 40 Rising Legal Stars" by the *National Law Journal*. He is frequently quoted in the media as an expert on Big Data solutions, predictive analytics, and machine learning, especially as applied to HR and legal services and products.

Arthur G. Greene received an AB from Syracuse University in 1964 and an LLB from Boston University in 1967. He joined the law firm of McLane, Graf, Raulerson & Middleton in 1967 and became a partner in 1974. Arthur established a statewide trial practice, which focused on land use litigation, tax abatement appeals, environmental litigation, business disputes, and personal injury cases. The firm grew from 13 to 27 lawyers in four state-wide offices. He was involved in the management of the law firm from 1980 to 1992, serving during those years as a member of the management committee and as managing partner for a three-year term from 1985 to 1988. In 2000, he established a small law firm in which he practiced for a number of years. Arthur has lectured and conducted workshops, and written articles and books on a variety of law firm issues, including trends in the profession, responding to client demands, implementing alternative billing methods, marketing, leveraging with legal assistants, associate training and career development, creating and organizing effective practice groups, evaluating solutions to financial challenges, trends in partner compensation, affecting change in the law firm culture, succession planning, and preparing lawyers for the future. Arthur is a long-standing member of the American Bar Association and has served in many capacities in the ABA's Law Practice Management Section, including past chair of the section and present finance officer and liaison to the ABA Commission on the Billable Hour. He is also past chair of the ABA Standing Committee on Legal Assistants. He is past chair of the New Hampshire Bar Association's Law Practice Management Section and a past member of the Bar's Future of Law Practice Task Force. He has served on the advisory board of the Legal Assistant Management Association, is a past member of the Conference Committee of the Association of Legal Administrators, and is a fellow of the College of Law Practice Management.

Christie Guimond is an experienced strategy and innovation manager at Bird & Bird LLP, who has worked at the forefront of disruption in the

legal industry for over a decade. Her experience includes developing a legal project management capability, introducing widespread legal and operational process improvements, including the implementation of initiatives such as smarter working and the adoption of emerging technology solutions. She also monitors the changing legal landscape and advises senior executives and in-house teams on how to respond to these changes. Christie is also the co-founder of She breaks the law, a network for female leaders of innovation within the legal industry. SBTL provides a platform for women in leadership to build their strategic networks by connecting with like-minded women, to widen their opportunities to develop themselves and others, to share experiences and to create new ideas with other innovative women from all over the world.

Clare Harman-Clark is a senior professional support lawyer at Taylor Wessing LLP, building on a legal career that began over a decade ago at Clifford Chance. Before retraining as a lawyer, Clare worked as a journalist and within a government press office, and still regularly publishes articles in national and trade press. She has also been appointed as a guest lecturer in property law at the University of Westminster.

Phyllis Weiss Haserot is the foremost multigenerational workplace expert championing cross-generational conversation at work. She brings an unusual combination of marketing, conflict resolution, and organizational effectiveness expertise to help organizations solve sensitive intergenerational challenges that can hinder client attraction and retention, productivity, succession planning, and knowledge transfer. Phyllis is the president of Practice Development Counsel, a trailblazing business development and organizational effectiveness consulting firm she founded over 30 years ago focusing on the legal/professional services. Through her onsite, offsite, and conference programs, webcasts, “Cross-Generational Conversation” forums, monthly e-alerts and articles she has established a reputation as a “go-to” person on workplace intergenerational issues. A frequent speaker, facilitator, and blogger on intergenerational issues and business development for Forbes.com, Next Avenue, Legal Executive Institute, Huffington Post, IRIS.xyz, LinkedIn Pulse and others, Phyllis is the owner/manager of the Cross-Generational Conversation group on LinkedIn and the founder of Cross-Generational Conversation Day. Author of *You Can't Google It! –The Compelling Case for Cross-Generational Conversation at Work* (Morgan James Publishing), Phyllis is also the author of *The Rainmaking Machine* (Thomson Reuters,

now in its 29th edition) and *The Marketer's Handbook of Tips & Checklists* as well as a contributor to three of ARK Group books.

Ailish Hogan qualified as a solicitor in 2002 and spent four years specializing in corporate finance before joining Taylor Root, a legal recruitment consultancy, in January 2007. Together with her colleague Lucinda – and their collective 20 years recruiting for private practice firms at Taylor Root – she established a dedicated PSL team. They now focus on recruiting professional support lawyers and knowledge managers into a range of City, niche and West End law firms, and work with a wide spectrum of candidates, from those wishing to make their first move into a PSL role to experienced PSLs considering new opportunities.

Patrick J. McKenna is an internationally recognized author, lecturer, strategist, and seasoned advisor to the leaders of premier professional service firms. His published articles have appeared in over 50 leading professional journals and his most notable book, *First Among Equals* (2002), topped bestseller lists in the US, Canada and Australia and has been translated into nine languages. He was recently voted by the readers of *Legal Business World* as one of only seven international Thought Leaders (2017).

Robert Millard is founder and a partner at Cambridge Strategy Group, a management consultancy based in Cambridge, UK, focused primarily on law and other professional service firms and other deep knowledge enterprises. Rob is immediate past co-chair of the IBA's Law Firm Management Committee and currently serves on the steering committee of the IBA's President's Task Force on the Future of Legal Services.

Since 2001, **Langdon Morris** has led the innovation consulting practice of InnovationLabs LLC, where he is a senior partner and co-founder. His work focuses on developing and applying advanced methods in innovation and strategy to solve complex problems with very high levels of creativity. He is recognized as one of the world's leading thinkers and consultants on innovation and strategy, and his original and groundbreaking work has been adopted by corporations and universities on every continent to help them improve their innovation processes and the results they achieve.

Executive chairwoman & founder of Halebury, **Janvi Patel** is a NewLaw pioneer and has been spearheading operational, structural, and cultural

change within the legal services industry since starting NewLaw firm Halebury in 2007. Her aim: to create an entirely original business model to service the needs of clients and lawyers at the senior end of the market by offering a range of strategic resourcing options. Ten years on, the firm has grown to a team of 35 senior in-house lawyers and has partnerships with clients such as BT, Sky and Virgin Media. It is highly ranked in the Legal 500 for its work in technology, media, and telecoms. Halebury has particular expertise in advising on and implementing legal transformation projects for in-house teams and businesses, a consultancy service delivered by former general counsels and heads of legal from businesses such as Cisco, FremantleMedia and ATOS.

Jennifer Roberts is responsible for the analytics and research component that supports thought leadership and new initiatives at Intapp. Leveraging her skills to advocate, evangelize, and build data-fueled products and insight, she examines the legal industry to drive analytical intelligence that informs strategic decisions and solves organizational needs. Prior to joining Intapp, Jennifer was responsible for the innovation and development of thought leadership content at Thomson Reuters, working with law firms to develop insightful and actionable content as well as working internally to educate the field. Jennifer received her Masters degree from the Humphrey School of Public Policy, focusing on statistical methodology and performance measures within various industries.

Michael Roster was formerly managing partner of Morrison & Foerster's Los Angeles office, co-chair of the firm's Financial Services Practice Group worldwide, and a member of the firm's policy committee. In 1993, Mike was appointed general counsel of Stanford University, Stanford Medical Center, and Stanford Management Company. He was subsequently executive vice president and general counsel of Golden West Financial Corporation. Mike has also served as chair of the Association of Corporate Counsel, as outside director and vice chair of Silicon Valley Bank, chair of the Stanford Alumni Association, steering committee co-chair of ACC's Value Challenge, and chair of two start-up companies. He currently teaches Contract Drafting and Analysis at the University of Southern California Gould School of Law and is a director of MDRC in New York, a nonprofit organization that evaluates the effectiveness of government and other programs affecting lower- and moderate-income families and individuals.

John Sterling is chief marketing officer at Sterne Kessler Goldstein & Fox, a leading IP specialty firm based in Washington, DC. He is also the founding partner of Sterling Strategies, LLC. Prior to founding Sterling Strategies, John was a founding partner at Smock Sterling Strategic Management Consultants. He has over 30 years of experience in strategic management and market research. John has worked extensively with law and other professional service firms, as well as with industrial and consumer product companies and not-for-profit organizations. His work with TimeLine Theatre Company in Chicago won the Richard Goodman Strategic Planning Award for excellence in strategic planning from the Association for Strategic Planning. John is past president of the Strategic Management Association in Chicago and is a contributing editor to the business journal *Strategy & Leadership*.

Katherine Thomas helps legal service providers across the world grow, adapt and increase profitability with her company Katherine Thomas Consulting. With a reputation for strategic thinking combined with a large dose of pragmatism, she advises on strategy, sales, client development and the launch of new products and services. Now a consultant, speaker and coach, she previously established and led the well-known UK newlaw business Vario, a legal services provider with an emphasis on flexibility, for commercial law firm Pinsent Masons. As a result, she has a deep understanding of how alternative approaches to legal services delivery can increase competitiveness.

Lucinda Troostwyck read law at Birmingham University and qualified as a corporate solicitor in 2005 before joining Taylor Root, a legal recruitment consultancy, in 2006. Together with her colleague Ailish – and their collective 20 years recruiting for private practice firms at Taylor Root – she established a dedicated PSL team. They now focus on recruiting professional support lawyers and knowledge managers into a range of City, niche and West End law firms, and work with a wide spectrum of candidates, from those wishing to make their first move into a PSL role to experienced PSLs considering new opportunities.